

FULL-YEAR 2020 EARNINGS

Paris — February 17, 2021

Klépierre, the European leader in shopping malls, today reported its full-year 2020 earnings⁽¹⁾. The main highlights include:

- 2020 net current cash flow (total share) of €690 million, €2.05 per share
- Collection rate expected to reach 91% adjusted for rent abatements
- Strong recovery in retailer sales post reopening (89% of the prior-year level)⁽²⁾
- Robust liquidity position (€3.2 billion), covering all refinancing needs until May 2024
- Portfolio valuation down 4.5% on a like-for-like basis over six months;
- Loan to Value ratio at 41.4%; Interest coverage ratio of 7.3x; Net debt / EBITDA of 10.8x
- EPRA Net Tangible Assets per share at €31.40⁽³⁾
- Klépierre ranked #1 worldwide by GRESB for sustainability performance
- 2021 net current cash flow per share expected at €1.90⁽⁴⁾; this guidance assumes that current lockdown measures are not extended beyond March and includes a negative cash flow impact of €0.25.

KEY FINANCIALS

	12/31/2020	12/31/2019	Reported change	Like-for-like change ⁽⁵⁾
<i>In millions of euros, total share</i>				
Total revenues	1,130.8	1,325.5	-14.7%	
Net Rental Income (NRI)	846.2	1,130.6	-25.2%	
Property portfolio valuation (incl. transfer taxes)	21,859	23,673	-7.7%	-7.2%
Net debt	9,054.3	8,830.2	+2.5%	
Loan-to-Value (LTV)	41.4%	37.3%	+410 bps	
Net debt to EBITDA	10.8x	8.0x	+2.8x	
<i>In euros, Group share</i>				
EPRA Net Tangible Assets (NTA) per share	31.40	36.90	-14.9%	
Net current cash flow per share	2.05	2.82	-27.4%	
Net current cash flow per share (excluding IFRS 16)	1.97	2.82	-30.3%	

OPERATING PERFORMANCE

Operating context

In 2020, most of Klépierre's activities were impacted by the pandemic and accompanying restrictions imposed across Europe, which led to a virtual standstill at malls in certain regions. Depending on the severity of the spread of the virus, the authorities opted either for lockdowns together with full store closures or for other trading restrictions in many countries where Klépierre operates:

- To contain the first wave, lockdowns were enforced from mid-March to early June at the latest, except in Norway, Sweden and the Netherlands;



- Restrictions were then gradually lifted, leading to the reopening of malls and the resumption of business;
- Lastly, on the back of the second wave from the end of October, targeted restrictions were implemented, with a view to preserving the economy. France, the Czech Republic, Poland, the Netherlands and Germany imposed a second lockdown in November and/or December. Italy decided to close malls during weekends. In addition, Spain opted for limited mall closures but with severe travel restrictions, while other countries generally kept stores open.

Overall, this is the equivalent of 2.1 months of full closure on the whole portfolio over 2020.

Retailer sales

In 2020, retailer sales (excluding closure days) stood at 89% of the prior year level, illustrating the resilience of the business in an adverse health situation and the rapid rebound in the aftermath of the various lockdowns across Europe. The Group's assets posted better-than-anticipated performances—especially convenience-oriented malls (94% of the prior-year level)—but those located near transport hubs were impacted by low commuter and tourist numbers.

By geographic area⁽²⁾, France registered two strong and swift sales recoveries after the March to early June and November lockdowns, with retailer sales amounting to 94% of the prior-year level in the third quarter and even outpacing it in December (up 1%). Business was also robust in Scandinavia (93% of the prior-year level), especially in Norway where sales were broadly stable year on year.

Conversely, in countries that endured lasting restrictions, such as Iberia (78% of the prior-year level) and Italy (87%), retailer sales performance tended to be weaker.

Rent collection

We plan to collect 84% of the total invoicing for 2020. As of February 1, 2021, we have already collected 81%, with €32 million yet to be collected. Net of rent abatements (€116 million, of which €102 million affecting 2020 NRI), the collection rate will stand at 91%. The outstanding amount (€108 million) has been provisioned for credit losses. It mainly relates to restaurants, movie theaters and other leisure operators, travel agencies and insolvent and/or bankrupt tenants.

This collection rate varies from quarter to quarter. In Q2 and Q4, collection was impacted by the lockdowns (respectively 64% and 79%), while it was higher when stores were open (98% in Q1 and 94% in Q3).

Net Rental Income

Net rental income (NRI) amounted to €846.2 million as of December 31, 2020, down 25.2% compared with 2019 on a reported portfolio, total share basis. This includes:

- A €210.5 million impact due to rent abatements and provisions for credit losses (see the “Rent collection” section above);
- A €29.5 million reduction in variable revenues (down 26%), including turnover rents, car park income and specialty leasing;
- A €31.9 million impact of disposals, mostly attributable to the sale of the Hungarian portfolio at the end of 2019; and
- A €12.4 million impact reflecting unfavorable changes in exchange rates and other non-recurring items, partly offset by new rents stemming from recent extensions or developments.

Leasing

In 2020, leasing activity was mainly focused on reaching agreements for lockdown periods in order to optimize rent collection and/or to extend leases on targeted stores. To date, 4,972 deals have been agreed with retailers, granting rent concessions for lockdown periods. In exchange, the Group obtained an average 1.9 years in lease extensions on 1,933 leases.

951 leases were signed in 2020, generating a positive 4.5% reversion. The change in occupancy (down 180 basis points to 95.2%) is mainly attributable to slower leasing activity compared to 2019.

Among the transactions concluded during the year, Klépierre signed an important deal with Primark in December for the opening of six new stores in France and Italy, underlining the long-standing partnership

between the two companies and Klépierre's capacity to adapt its malls to support expanding retailers. The new stores will complement the 11 existing sites in Klépierre's portfolio, with the latest having opened over 6,650 sq.m. at Belle-Épine (Paris region) in early July.

The Group also continued to support the growing momentum of on-trend banners, as showcased by deals with value retailer Normal, high-tech reseller Hubsider and cosmetics brand Rituals. In addition, smartphone specialist Huawei opened its first two stores in Klépierre's malls at La Gavia (Madrid) and Créteil Soleil (Paris region) while Swarovski unveiled a new boutique at Hoog Catharijne (Utrecht) and Pandora launched new flagships at Globo (Milan) and Sadyba Best Mall (Warsaw). Over the year, deals were also signed in the sports sub-segment with the opening of new Decathlon (Nový Smíchov, Prague), XXL (Gulskogen, Oslo region), Nike (Assago, Milan), and JD Sports (Mayol, Toulon; Tourville, Rouen) stores. Lastly, the Group also continued to broaden the Food & Beverage offering by rolling out the Destination Food® concept, notably at Emporia (Malmö) and Nový Smíchov (Prague).

NET CURRENT CASH FLOW

Net current cash flow

Over the full year of 2020, net current cash flow reached €2.05 per share, down 77 cents compared to 2019 (- 27.4%), impacted by the Covid-19 pandemic. Restated for the impact of the straight-line amortization of rent concessions under IFRS 16 (€0.08 per share), net current cash flow came out at €1.97 per share.

The €0.85 decline is attributable to the negative impacts of rent abatements (€0.44), impairment for credit losses (€0.38), variable revenues (€0.09 cents), forex and disposals (€0.12 cents), which were partially offset by the positive impacts of cost reductions (€0.11 cents; G&A and tax) and other elements (€0.07; mostly related to the reduction in the average number of shares).

PORTFOLIO VALUE

Portfolio valuation

Including transfer taxes, Klépierre's shopping center portfolio stood at €21,623 million on a total share basis as of December 31, 2020, down 7.5% on a reported basis and 7.2% like for like over 12 months (or 4.5% over 6 months). The average EPRA NIY⁽⁶⁾ for the shopping center portfolio⁽⁷⁾ stood at 5.3%, up 30 basis points compared to last year.

EPRA Net Tangible Assets (NTA)

EPRA NTA per share amounted to €31.40 at the end of December 2020, versus €36.90 twelve months earlier⁽³⁾. This decrease reflects the generation of net current cash flow (€2.05 per share), which was more than offset by the decrease in the value of the like-for-like portfolio (€4.94 per share) and the 2019 dividend payment (€2.20 per share). Foreign exchange and other items amounted to -€0.41 per share.

DEBT AND FINANCING

Debt

As of December 31, 2020, consolidated net debt totaled €9,054 million, versus €8,830 million one year ago, i.e., a €224 million increase, which is less than the decrease in net current cash flow (€270 million). The Group took a series of measures to contain cash outflows, especially capital expenditure (see the "Investments" section).

The Loan-to-Value (LTV) ratio was 41.4% as of December 31, 2020, up 140 basis points compared to June 30, 2020. The net-debt-to-EBITDA⁽⁸⁾ ratio stood at 10.8x as of December 31, 2020, while the interest coverage ratio is still standing at a high level (7.3x).

Financing

To strengthen its liquidity position in 2020, the Group raised €1.5 billion in new notes at an average yield of 1.5% and a 9.5-year maturity, and signed a new €1.4 billion sustainability-linked revolving credit facility, with a 5-year

maturity. Thanks to these operations, the liquidity position of Klépierre stood at €3.2 billion as of December 31, 2020, covering all refinancing needs until May 2024.

Lastly, the average cost of debt continued on a downtrend over the year, coming out at 1.2% versus 1.5% one year earlier.

DEVELOPMENTS AND DISPOSALS

Investments

In 2020, Klépierre contained its cash outflows to a limited number of projects already committed (mainly Hoog Catharijne in Utrecht, Créteil Soleil in France and Gran Reno in Italy), underscoring the Group's financial discipline.

Overall, total capital expenditure in 2020 amounted to €181.3 million (notably €96.3 million on development projects and €81.5 million on the standing portfolio), significantly below last year's level (€310.9 million; €190.0 million on the development projects and €116.7 million on standing assets). Going forward, the Group will continue to carefully monitor cash outflows, and expects to spend only €94.0 million in 2021 on development projects.

Disposals

In 2020, Klépierre disposed of non-core assets for a total consideration of €155.6 million (excluding transfer taxes, total share), 3% above valuation.

ACT FOR GOOD®: ANOTHER YEAR OF ACHIEVEMENTS

The Group accelerated the delivery of its ambitious non-financial roadmap and pursued its Corporate Social Responsibility (CSR) strategy, Act for Good®, with environmental, societal and social achievements, including:

- A 43% reduction in serviced area energy intensity across the Group's shopping centers compared to 2013 (a 14-basis-point reduction compared to 2019). The 40% initial target has now been achieved, two years ahead of the initial Act for Good® objective;
- A further increase in the rate of waste diverted from landfill to 96%, compared to 93% last year;
- Klépierre's real estate portfolio remains the largest in the world (by value) to be 100% BREEAM In-Use certified for sustainable asset performance;
- 95% of Klépierre's malls (by value) organized initiatives contributing to local employment, up 10 basis points compared to 2019;
- The Group offered free space for use by local initiatives at least once a year in 98% of its malls (by value);
- A 100% access rate to training for Klépierre's staff, up from 98% last year, two years ahead of the initial Act for Good® target.

In 2020, Klépierre was also recognized as a worldwide leader in CSR by several non-financial rating agencies. First, GRESB, the ESG benchmark for real estate and infrastructure investments ranked Klépierre top in the "Global Retail Listed Leader" category for its performance and strategy. The Science-Based Target initiative (SBTi) also approved Klépierre's environmental approach and low-carbon commitments with the highest possible rating ("well below 1.5°C"). Lastly, the Group once again made the CDP's "A" list of the most advanced companies fighting climate change at global level.

OUTLOOK

For 2021, the Group expects net current cash flow to reach €1.90 per share (excluding the impact of amortizing Covid-19 rent concessions). This assumes that current lockdown measures which affect 60% of Klépierre's stores will not last beyond March 2021. Overall, this represents a closure period equivalent to 1.5 months for the whole portfolio and an estimated cash flow impact of €0.25 per share.

Klépierre's financial position is solid. The historical tight management of its balance sheet and its development pipeline particularly during this difficult time has always provided the company with the flexibility

to declare a dividend. Following the recommendation by the Executive Board, the Supervisory Board has decided to call the Annual General Meeting on June 17, 2021 and therefore reserve its final stance on a distribution proposal for early May with higher visibility on the resumption of operations.

(1) The Supervisory Board met on February 16, 2021, to examine the full-year financial statements, as approved by the Executive Board on February 10, 2021. The consolidated financial statements have been subject to audit procedures. The Statutory Auditors' report is to be issued shortly with the universal registration document.

(2) Excluding closure days.

(3) Net Tangible Assets per share figures rounded to the nearest 10 cents.

(4) Excluding the straight-line amortization of Covid-19 rent concessions.

(5) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, disposals completed since January 2020, and foreign exchange impacts

(6) EPRA Net Initial Yield is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the market value of the property (including transfer taxes).

(7) Group share for the shopping center portfolio appraised (i.e., excluding retail parks and movie theaters).

(8) This ratio is computed using EBITDA for 2020.

YEAR-ON-YEAR CHANGE IN RETAILER SALES FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020

Country	Change in retailer sales ^(a)		Share in total reported retailer sales
	Excluding closure days	Including closure days	
France	-6%	-27%	35%
Belgium	-13%	-29%	2%
France-Belgium	-6%	-27%	36%
Italy	-13%	-34%	22%
Norway	-1%	-4%	10%
Sweden	-15%	-15%	7%
Denmark	-6%	-24%	4%
Scandinavia	-7%	-13%	21%
Spain	-24%	-40%	6%
Portugal	-18%	-34%	2%
Iberia	-22%	-39%	8%
Czech Republic	-15%	-36%	2%
Poland	-20%	-34%	2%
Turkey	-1%	-21%	2%
CE & Other	-13%	-31%	7%
Netherlands	-19%	-20%	3%
Germany	-13%	-28%	3%
TOTAL	-11%	-28%	100%

Segments	Change in retailer sales ^(a)	Share in total reported sales
Fashion	-15%	36%
Culture, Gifts & Leisure	-6%	19%
Health & Beauty	-8%	15%
Food & Beverage	-18%	9%
Household Equipment	+4%	14%
Other	-16%	7%
TOTAL	-11%	100%

(a) Change is on a constant-center basis (excluding closure days) and excludes the impact of asset sales and acquisitions.

EXPECTED COLLECTION RATE ^(A)

Geography	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
France-Belgium	99%	53%	96%	73%	80%
Italy	93%	50%	90%	67%	75%
Scandinavia	99%	93%	98%	98%	97%
Iberia	97%	64%	87%	75%	81%
CE & Other	99%	81%	92%	82%	89%
Netherlands	100%	83%	97%	91%	93%
Germany	99%	69%	91%	96%	89%
TOTAL SHOPPING CENTERS	98%	65%	94%	79%	84%
Other retail properties	98%	47%	98%	47%	75%
TOTAL	98%	64%	94%	79%	84%

(a) As of December 31, 2020, excluding equity-accounted companies.

TOTAL REVENUES

In millions of euros	Total share		Group share	
	2020	2019	2020	2019
France	373.7	427.0	303.8	347.6
Belgium	16.8	19.0	16.8	19.0
France-Belgium	390.4	446.0	320.6	366.6
Italy	173.7	205.7	171.8	203.3
Norway	62.1	69.1	34.8	38.8
Sweden	53.6	58.1	30.0	32.6
Denmark	51.7	58.8	29.0	33.0
Scandinavia	167.3	186.1	93.9	104.4
Spain	103.7	117.3	103.7	117.3
Portugal	11.9	20.4	11.9	20.4
Iberia	115.7	137.7	115.7	137.7
Poland	30.3	35.7	30.3	35.7
Hungary	0.0	16.8	0.0	16.7
Czech Republic	31.4	33.7	31.4	33.7
Turkey	11.4	20.0	10.2	18.2
Other	3.0	3.6	3.0	3.6
CE & Other	76.0	109.8	74.9	107.9
Netherlands	73.1	81.4	73.1	81.4
Germany	47.4	51.9	45.1	49.5
SHOPPING CENTERS GROSS RENTAL INCOME	1,043.6	1,218.6	895.0	1,050.8
Other retail properties	18.8	23.7	18.8	23.7
TOTAL GROSS RENTAL INCOME	1,062.4	1,242.3	913.7	1,074.5
Management, administrative and related income (fees)	68.4	83.3	63.8	79.7
TOTAL REVENUES	1,130.8	1,325.5	977.5	1,154.1
Equity-accounted companies*	71.1	84.8	67.8	81.2

* Contributions from equity-accounted companies include investments in jointly controlled companies and investments in companies under significant influence.

QUARTERLY NET RENTAL INCOME ON A TOTAL SHARE BASIS

In millions of euros	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
France	13.5	92.7	97.0	92.1	98.8	97.4	100.2	95.4
Belgium	1.2	3.0	4.8	4.5	4.8	5.0	4.7	4.1
France-Belgium	14.7	95.6	101.8	96.6	103.5	102.4	104.8	99.5
Italy	0.6	39.8	45.0	42.9	50.0	50.0	50.1	43.3
Norway	14.2	14.7	14.1	14.5	15.2	15.7	16.0	16.0
Sweden	10.0	11.8	11.7	12.3	13.3	12.6	13.4	12.9
Denmark	10.5	11.2	11.1	12.3	13.3	13.1	13.9	12.7
Scandinavia	34.7	37.7	37.0	39.1	41.8	41.4	43.3	41.6
Spain	13.2	19.1	24.9	26.9	26.7	27.1	27.0	26.2
Portugal	-0.1	2.6	4.4	4.4	4.3	4.6	4.7	6.0
Iberia	13.1	21.7	29.4	31.3	30.9	31.6	31.7	32.2
Poland	4.1	6.8	6.7	8.0	8.8	7.9	8.4	8.0
Hungary	0.0	0.0	0.0	0.0	2.0	4.6	5.5	4.6
Czech Republic	5.7	8.1	7.0	7.8	8.7	8.2	8.1	8.1
Turkey	-2.8	4.0	1.7	3.8	3.6	3.4	4.0	4.3
Other	1.1	0.7	0.1	0.5	0.7	0.8	0.7	0.6
CE & Other	8.1	19.6	15.5	20.1	23.8	24.9	26.6	25.6
Netherlands	14.4	16.0	14.6	14.4	18.5	16.9	18.5	15.0
Germany	6.1	8.8	7.1	8.5	10.1	10.2	11.7	8.0
SHOPPING CENTERS NET RENTAL INCOME	91.8	239.4	250.3	252.8	278.6	277.3	286.8	265.2
Other activities	-1.6	5.1	4.0	4.4	5.3	5.8	5.6	5.9
TOTAL NET RENTAL INCOME	90.3	244.4	254.3	257.2	284.0	283.1	292.4	271.1

NET CURRENT CASH FLOW

	2020	2019	Change
<i>(Total share, in millions of euros)</i>			
Gross rental income	1,062.4	1,242.3	-14.5%
Rental and building expenses	(216.2)	(111.7)	+93.5%
Net rental income	846.2	1,130.6	-25.2%
Management and other income	89.2	92.2	-3.3%
General and administrative expenses	(138.2)	(169.6)	-18.5%
EBITDA	797.2	1,053.2	-24.3%
<i>Adjustments to calculate operating cash flow:</i>			
Depreciation charge for right-of use assets ^(a)	(8.5)	(8.5)	
Employee benefits, stock option expenses and non-current operating expenses	(7.2)	12.6	
IFRIC 21 impact	0.0	0.0	
Operating cash flow	781.5	1,057.2	-26.1%
Cost of net debt	(108.6)	(122.2)	-11.1%
<i>Adjustments to calculate net current cash flow before taxes:</i>			
Amortization of Corio debt mark-to-market	(16.9)	(19.2)	
Financial instrument close-out costs	5.2	19.7	
Current cash flow before taxes	661.3	935.5	-29.3%
Share in equity-accounted companies	35.9	57.4	
Current tax expense	(7.4)	(32.3)	
Net current cash flow	689.9	960.6	-28.2%
<i>(Group share, in millions of euros)</i>			
NET CURRENT CASH FLOW	586.9	830.3	-29.3%
Average number of shares ^(b)	286,072,515	293,941,863	
<i>(Per share, in euros)</i>			
NET CURRENT CASH FLOW	2.05	2.82	-27.4%
IFRS 16 straight-line amortization	(0.08)	-	
NET CURRENT CASH FLOW	1.97	2.82	-30.3%

(a) Right-of-use assets and lease liabilities related to head office and vehicle leases as per IFRS 16.

(b) Excluding treasury shares.

2020 FULL-YEAR EARNINGS WEBCAST — PRESENTATION AND CONFERENCE CALL

The Klépierre Executive Board will present the 2020 full year earnings on **Thursday, February 18, 2021 at 9:00 am Paris time (8:00am London time)**. Please visit the Klépierre website www.klepierre.com to listen to the webcast, or click [here](#).

A replay will be also available after the event.

AGENDA

May 7, 2021	First-Quarter 2021 Business Review (before market opening)
June 17, 2021	Annual General Meeting
July 27, 2021	First-Half 2021 Earnings (after market close)

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ABOUT KLÉPIERRE

Klépierre is the European leader in shopping malls, combining property development and asset management skills. The company's portfolio is valued at €21.9 billion at December 31, 2020 and comprises large shopping centers in 12 countries in Continental Europe which together host 1.1 billion visits per year. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager. Klépierre is a French REIT (SIIC) listed on Euronext Paris and is included in the CAC Next 20, EPRA Euro Zone and GPR 250 indexes. Recognized as a sector leader by GRESB, the Group is also included in CDP's "A-List" and in ethical indexes such as DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 120. This underscores the Group's commitment to a proactive sustainable development policy and its global leadership in the fight against climate change.

For more information, please visit the newsroom on our website: www.klepierre.com



This press release and its appendices together with the earnings presentation slideshow are available in the "Publications section" of Klépierre's Finance page:

www.klepierre.com/en/finance/publications

