

KLÉPIERRE ON TRACK TO MEET ITS 2023 NET CURRENT CASH FLOW GUIDANCE OF AT LEAST €2.40 PER SHARE (+7% Y.O.Y)

Paris — October 20, 2023

Klépierre, the European leader in shopping malls delivered a strong growth performance over the first nine months of 2023⁽¹⁾.

- **9-month like-for-like⁽²⁾ net rental income up 8.6%**
- **Steady operating KPIs:**
 - o **9-month retailer sales⁽³⁾ up 7% like-for-like**
 - o **1,197 leases signed, up 21% year-on-year, with a 4.1% positive reversion rate on top of indexation**
 - o **Financial occupancy rate at 95.8%**
- **Robust credit metrics:**
 - o **Net debt at €7,454 million, below the December 2022 level, after the payment of the full cash dividend**
 - o **Net debt to EBITDA of 7.8x and ICR at 8.4x**
 - o **Interest rate hedging at 100% in 2023 and 98% in 2024**
 - o **Double investment grade: A- rating assigned by Fitch and BBB+ stable outlook by S&P**
 - o **€310 million in additional financing executed in the third quarter, bringing the total additional financing raised year-to-date to €1.5 billion**
- **2023 net current cash flow guidance confirmed at least at €2.40 per share, 7% higher than 2022⁽⁴⁾**
- **Ranked first in the “Europe Retail Listed” category by GRESB for the fourth year running and included in the CAC40 ESG index**

(1) The data disclosed in this release, including those set out in the appendices, have not been audited.

(2) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, and disposals completed since January 2022 and are based on the same accounting scope.

(3) Change is on a same-store basis, excluding the impact of asset sales, acquisitions and excluding Turkey.

(4) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€0.30) and the cash flow generated by divested assets (€0.08), net current cash flow per share reached €2.24 in 2022.

OPERATING PERFORMANCE

Retailer sales⁽⁵⁾ and footfall

On a like-for-like basis, total retailer sales⁽⁵⁾ at Klépierre's shopping centers increased by 7% over the first nine months of the year compared to the same period in 2022, while footfall was up 8.0%.

By geographic area, Netherlands & Germany (up 14%) led the way in terms of retailer sales, followed by Iberia (up 10%), while Scandinavia was up 8%. Retailer sales rose by 5% in France, in line with the performance in the first half of the year.

By segment, Food & beverage posted the strongest performance (up 14%) while the "Other" segment, comprising mainly movie theaters, fitness centers and travel agencies (up 13%) also outperformed the Group average. Health & beauty was up 10%, while Household equipment was down slightly by 3%.

9-month change in retailer sales by geography compared to 2022⁽⁵⁾

Country	Like-for-like change	Share in total reported retailer sales
France	+5%	40%
Italy	+5%	25%
Scandinavia	+8%	12%
Iberia	+10%	10%
Netherlands & Germany	+14%	7%
Central Europe	+6%	6%
TOTAL	+7%	100%

9-month change in retailer sales by segment compared to 2022⁽⁵⁾

Segment	Like-for-like change	Share in total reported retailer sales
Fashion	+5%	34%
Culture, gifts & leisure	+6%	21%
Health & beauty	+10%	15%
Food & beverage	+14%	12%
Household equipment	-3%	11%
Other	+13%	7%
TOTAL	+7%	100%

Leasing activity

Over the first nine months of the year, the Group signed 1,197 leases (up 21% compared to the same period in 2022), enriching its retail offering and confirming the relevance of its platform for retailers. Dealflow included 909 renewals and re-lettings, with a 4.1% positive reversion rate, on top of indexation. As of September 30, 2023, the financial occupancy rate stood at 95.8%, up 10 basis points compared to June 30, 2023, while the occupancy cost ratio remained stable at 12.8%.

(5) Change is on a same-store basis, excluding the impact of asset sales, acquisitions and excluding Turkey.

Revenue

<i>In millions of euros, total share</i>	9M 2022	9M 2023 ⁽⁶⁾	Like-for-like change ⁽⁷⁾
Total gross rental income	805.6⁽⁸⁾	857.8	
Service charge income ⁽⁹⁾	132.4	133.5	
Management and development fees	54.0	51.4	
Total revenues	992.0	1,042.7	
Total net rental income	657.4⁽¹⁰⁾	736.7	+8.6%

Net rental income amounted to €736.7 million⁽⁶⁾, up 8.6% on a like-for-like basis, driven notably by a strong positive indexation effect and higher ancillary income (turnover rents, parking lot revenues and specialty leasing). Growth was also supported by disciplined management of property charges which translated into an improvement in the ratio of gross to net rental income.

Klépierre's total revenue for the first nine months of 2023 amounted to €1,042.7 million⁽⁶⁾.

DEBT AND LIQUIDITY

As of September 30, 2023, consolidated net debt was down to €7,454 million, versus end-2022, after the payment of the full cash dividend. The average maturity of the Group's debt was 6.4 years and the hedging rate⁽¹¹⁾ was 100% for 2023 and 98% for 2024.

On top of the €1.2 billion in financing executed in the first half, the Group raised a total amount of €310 million in additional secured green loan and new unsecured notes on its existing bonds over the quarter.

The Group's liquidity position remained strong at €2.8 billion⁽¹²⁾.

Consequently, Klépierre's credit metrics at September 30, 2023, remained solid:

- Net debt to EBITDA ratio stood at 7.8x;
- Interest coverage ratio (ICR) at 8.4x; and
- Average cost of debt at 1.4%

(6) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables

(7) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, and disposals completed since January 2022 and are based on the same accounting scope.

(8) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€22.0m) and the gross rental income generated by divested assets (€27.4m).

(9) Service charges invoiced to tenants. Service charge income is included in total revenue (IFRS 15).

(10) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€52.0m) and the net rental income generated by divested assets (€25.2m).

(11) Calculated as the ratio of fixed-rate debt (after hedging) to net debt expressed as a percentage.

(12) The liquidity position represents the total financial resources available to a company. This indicator is therefore equal to the sum of cash at hand at the end of the period (€130 million), committed and unused revolving credit facilities (€2.3 billion, net of commercial paper) and other credit facilities (€321 million).

KLÉPIERRE ONCE AGAIN RECOGNIZED AS A WORLDWIDE LEADER IN SUSTAINABLE DEVELOPMENT

The Group unveiled its new Act4Good® strategy in February 2023, and joined Euronext's CAC 40 ESG in mid-September. This stock market index brings together the 40 most responsible listed companies based on their Moody's ESG rating. Klépierre is already a member of the CAC SBT 1.5, another Euronext stock market index comprising companies whose greenhouse gas emissions reduction targets, and social and governance policies contribute to limiting global warming to 1.5°C, as approved by the United Nations-backed Science Based Targets initiative.

For the fourth year running, Klépierre was also recognized by the Global Real Estate Sustainability Benchmark (GRESB) as Europe's leading listed retail real estate company. GRESB, which evaluates the CSR practices of real estate companies worldwide, has also maintained Klépierre's 5-star rating, awarded to the top 20% best-performing companies across all categories.

OUTLOOK

Based on the first nine months' performance, Klépierre is confirming its full-year guidance and expects net current cash flow of at least €2.40 per share in 2023, representing growth of 7% compared to the amount of €2.24⁽¹³⁾ in 2022.

Assuming no major deterioration in the geopolitical and macroeconomic environment having a significant impact on household consumption, the main assumptions underpinning the guidance are:

- Retailer sales at least equal to 2022;
- Stable occupancy; and
- Stable collection rate.

The guidance also factors in the impact on costs of projected inflation in Europe for the last three months of 2023 and the current funding cost levels but does not include the impact of any further disposals.

(13) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€0.30) and the cash flow generated by divested assets (€0.08), net current cash flow per share reached €2.24 in 2022.

AGENDA

February 14, 2024

2023 full-year earnings (after market close - provisional)

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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 €19.4 billion at June 30, 2023, and comprises large shopping centers in more than 10 countries in Continental Europe which together host hundreds of millions of visitors 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 and EPRA Euro Zone Indexes. It is also included in ethical indexes, such as Euronext CAC 40 ESG, CAC SBT 1.5, MSCI Europe ESG Leaders, FTSE4Good, Euronext Vigeo Europe 120, and features in CDP's "A-list". These distinctions underscore 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



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