FIRST PROSPECTUS SUPPLEMENT DATED 17 SEPTEMBER 2020 TO THE BASE PROSPECTUS DATED 13 MAY 2020

KLEPIERRE

€ 7,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the "**First Prospectus Supplement**") is supplemental to, and should be read in conjunction with the Base Prospectus dated 13 May 2020 (the "**Base Prospectus**") prepared in relation to the €7,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Klépierre (the "**Issuer**"). The Base Prospectus as so supplemented constitutes a base prospectus for the purpose of Regulation (EU) 2017/1129 of 14 June 2017, as amended and supplemented (the "**Prospectus Regulation**"). The *Autorité des marchés financiers* (the "**AMF**") has granted approval no. 20-191 on 13 May 2020 on the Base Prospectus.

Application has been made for approval of the First Prospectus Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation.

This First Prospectus Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 23 of the Prospectus Regulation and has been prepared for the purposes of incorporating by reference the Issuer's English language 2020 Half Year Financial Report for the period ending 30 June 2020 which has been filed with the AMF ("**2020 HYFR**") on 7 September 2020. As a result, modifications to the "Risk Factors", "Documents Incorporated by Reference", "Recent Developments" and "General Information" sections of the Base Prospectus have been made.

Save as disclosed in this First Prospectus Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this First Prospectus Supplement (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and (b) will be available and (*x*) on the website of the Issuer (www.klepierre.com) and (*y*) on the website of the AMF (www.amf-france.org), so long as any of the Notes are outstanding.

This First Prospectus Supplement has been prepared pursuant to Article 23 of the Prospectus for the purpose of giving information with regard to the Issuer and the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.

TABLE OF CONTENTS

RISK FACTORS

The sub-section "1. Risk factors relating to the Issuer and its activity" of the section Risk Factors appearing on pages 15 to 24 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

"1. **Risk factors relating to the Issuer and its activity**

Risks factors linked to the Issuer, the Group and their activities are described on pages 22 to 32 and 105 to 107 of the 2019 Universal Registration Document and on pages 34 to 36 of the 2020 HYFR which are incorporated by reference herein, and include the following:

- external risks (including risks related to the macro environment, consumption habits, climate, regulatory framework, financing and liquidity and customers);
- Internal risks (including health, safety and security (notably specific risks related to the Covid-19 epidemic), stakeholders, compliance, human resources, investments and divestments, real estate development);
- risks related to the Issuer's financing policy and financial activities (including interest rate risks, liquidity risks, currency risks, counterparty risks in connection with financial activities and equity risk)."

DOCUMENTS INCORPORATED BY REFERENCE

The section Documents Incorporated by Reference set out on pages 25 to 29 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

“This Base Prospectus shall be read and construed in conjunction with the information contained in the following documents which is incorporated in, and shall be deemed to form part of, this Base Prospectus:

(i) the sections identified in the cross-reference table below of the English language 2020 Half Year Financial Report (the "**2020 HYFR**") of the Issuer which was filed with the AMF on 7 September 2020; https://www.klepierre.com/en/finance/first-half-2020-financial-report

(ii) the sections identified in the cross-reference table below of the English translation of the 2019 universal registration document of the Issuer for the financial year ending 31 December 2019 (the "**2019 Universal Registration Document**"), which was filed with the *Autorité des marchés financiers* (the "**AMF**") in its original French language version on 13 March 2020 under the registration number no. D.20-0123; https://www.klepierre.com/files/2e9279d7/klepierre_deu_2019_uk.pdf

(iii) the sections identified in the cross-reference table below of the English translation of the 2018 registration document of the Issuer for the financial year ending 31 December 2018 (the "**2018 Registration Document**"), which was filed with the AMF in its original French language version on 6 March 2019 under the registration number no. D.19-0119; https://www.klepierre.com/en/finance/2018-registration-document-en

(iv) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 1 April 2010 which received visa no. 10-081 from the AMF on 1 April 2010 (the "**2010 Conditions**") https://www.klepierre.com/en/finance/emtn-euro-medium-term-notes-programme-prospectus-2-en

(v) the section "Terms and Conditions of the Notes" contained in the base prospectus dated 27 April 2012 which received visa no. 12-187 from the AMF on 27 April 2012 (the "**2012 Conditions**"); https://www.klepierre.com/en/finance/final-emtn-euro-medium-term-notes-programme-prospectus-2-en

(vi) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 25 April 2014 which received visa no. 14-161 from the AMF on 25 April 2014 (the "**2014 Conditions**"); https://www.klepierre.com/en/finance/base-prospectus-2-en

(vii) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 24 March 2015 which received visa no. 15-108 from the AMF on 24 March 2015 (the "**2015 Conditions**"); https://www.klepierre.com/en/finance/base-prospectus-dated-en

(viii) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 6 April 2016 which received visa no. 16-122 from the AMF on 6 April 2016 (the "**2016 Conditions**"); https://www.klepierre.com/en/finance/base-prospectus-en

(ix) the section "Terms and Conditions" of the Notes contained in the base prospectus of the Issuer dated 7 April 2017 which received visa no. 17-148 from the AMF on 7 April 2017 (the "**2017 Conditions**"); https://www.klepierre.com/en/finance/emtn-base-prospectus-dated-april-7-2017-en and

(x) the section "Terms and Conditions" of the Notes contained in the base prospectus of the Issuer dated 15 May 2019 which received visa no. 19-204 from the AMF on 15 May 2019 (the "**2019 Conditions**") ; https://www.klepierre.com/en/finance/emtn-base-prospectus-dated-may-15-2019-en and, together with the 2012 Conditions, the 2014 Conditions, the 2015 Conditions, the 2016 Conditions and the 2019 Conditions, the "**EMTN Previous Conditions**").

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purposes only of further issues of Notes to be assimilated (*assimilables* for the purpose of French law) and form a single Series with Notes already issued under the relevant EMTN Previous Conditions.

All documents incorporated by reference in this Base Prospectus may be obtained, free of charge, at the principal office of the Issuer set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. Such documents will also be published on the website of the Issuer (www.klepierre.com).

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

For the purposes of the Prospectus Regulation, the information incorporated by reference in this Base Prospectus is set out in the cross reference list below. For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex VII of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation and not referred to in the cross reference list below is either contained in the relevant sections of this Base Prospectus or is not relevant to the investors. Any information contained in the documents listed above which is not incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Cross-reference list in respect of the 2019 Universal Registration Document, the 2018 Registration Document and the 2020 HYFR

	Annex VII of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 – Registration document for wholesale non-equity securities	
	Information incorporated by reference	**Page no. in the relevant document**
3.	**RISK FACTORS**	
3.1	A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed '*Risk Factors*'. In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.	p. 22 to 32 and 105 to 107 in 2019 Universal Registration Document p. 34 to 36 in 2020 HYFR
4.	**INFORMATION ABOUT THE ISSUER**	
4.1	**History and development of the Issuer**	
4.1.1	The legal and commercial name of the Issuer	p. 298 in 2019 Universal Registration Document

4.1.2	The place of registration of the Issuer, its registration number and legal entity identifier ("LEI").	p. 298 in 2019 Universal Registration Document
4.1.3	The date of incorporation and length of life of the Issuer, except where the period is indefinite.	p. 298 in 2019 Universal Registration Document
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	p. 298 in 2019 Universal Registration Document
4.1.5	Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency.	p. 71 in 2019 Universal Registration Document p. 43 to 45 in 2020 HYFR
5.	**BUSINESS OVERVIEW**	
5.1	**Principal activities**	
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	p. 4 to 9 and 298 in 2019 Universal Registration Document
5.1.2	The basis for any statements made by the issuer regarding its competitive position.	p. 4 and 5 in 2019 Universal Registration Document
6.	**ORGANISATIONAL STRUCTURE**	
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	p. 21, 120 to 125, 141 and 142 in 2019 Universal Registration Document p. 95 to 99 in 2020 HYFR
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	p. 95 to 99 in 2020 HYFR

9.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**	
9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies;	p. 215 to 239 in 2019 Universal Registration Document
9.2	Administrative, management, and supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	p. 230 in 2019 Universal Registration Document
10.	**MAJOR SHAREHOLDERS**	
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	p. 271 in 2019 Universal Registration Document p. 94 in 2020 HYFR
10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	p. 271 and 272 in 2019 Universal Registration Document
11.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
11.1	**<u>Historical financial information</u>**	
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year	
	Interim consolidated financial statements 2020:	
		p. 37 to 99 in 2020 HYFR audit report: p. 100

	Consolidated financial statements 2019:	
		p. 66 to 125 in 2019 Universal Registration Document audit report: p. 126 to 129
	Non-consolidated financial statements 2019:	
		p. 130 to 152 in 2019 Universal Registration Document audit report: p. 153 to 155
	Consolidated financial statements 2018:	
		p. 64 to 121 in 2018 Registration Document audit report: p. 122 to 125
	Non-consolidated financial statements 2018:	
		p. 126 to 149 in 2018 Registration Document audit report: p. 150 to 152
11.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002	
	Interim consolidated financial statements 2020:	
		p. 45 to 47 in 2020 HYFR
	Consolidated financial statements 2019:	
		p. 71 in 2019 Universal Registration Document
	Non-consolidated financial statements 2019:	
		p. 134 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
		p. 69 in 2018 Registration Document
	Non-consolidated financial statements 2018:	
		p. 130 in 2018 Registration Document

11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:	
	Interim consolidated financial statements 2020:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	p. 39 in 2020 HYFR p. 38 in 2020 HYFR p. 42 to 99 in 2020 HYFR
	Consolidated financial statements 2019:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	p. 67 in 2019 Universal Registration Document p. 66 in 2019 Universal Registration Document p. 70 to 125 in 2019 Universal Registration Document
	Non-consolidated financial statements 2019:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	p. 130 and 131 in 2019 Universal Registration Document p. 132 in 2019 Universal Registration Document p. 133 to 152 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	p. 65 in 2018 Registration Document p. 64 in 2018 Registration Document p. 68 to 121 in 2018 Registration Document
	Non-consolidated financial statements 2018:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	p. 126 and 127 in 2018 Registration Document p. 128 in 2018 Registration Document p. 129 to 149 in 2018 Registration Document

11.1.5	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	p. 66 to 125 in 2019 Universal Registration Document p. 64 to 121 in 2018 Registration Document p. 37 to 99 in 2020 HYFR
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	p. 67 in 2019 Universal Registration Document p. 39 in 2020 HYFR
11.2	**Auditing of historical annual financial information**	
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014.	
	Interim consolidated financial statements 2020:	
		p. 100 in 2020 HYFR
	Consolidated financial statements 2019:	
		p. 126 to 129 in 2019 Universal Registration Document
	Non-consolidated financial statements 2019:	
		p. 153 to 155 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
		p. 122 to 125 in 2018 Registration Document
	Non-consolidated financial statements 2018:	
		p. 150 to 152 in 2018 Registration Document
11.3	**Legal and arbitration proceedings**	
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which	p. 119 in 2019 Universal Registration Document p. 94 in 2020 HYFR

	may have, or have had in the recent past significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	
12.	**MATERIAL CONTRACTS**	
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	p. 279 to 281 in 2019 Universal Registration Document

Cross-reference list in respect of the EMTN Previous Conditions

2010 Base Prospectus (visa no. 10-081 dated 1 April 2010)	
Terms and Conditions of the Notes	Pages 21 to 50
2012 Base Prospectus (visa no. 12-187 dated 27 April 2012)	
Terms and Conditions of the Notes	Pages 40 to 71
2014 Base Prospectus (visa no. 14-161 dated 25 April 2014)	
Terms and Conditions of the Notes	Pages 45 to 72
2015 Base Prospectus (visa no. 15-108 dated 24 March 2015)	
Terms and Conditions of the Notes	Pages 49 to 78
2016 Base Prospectus (visa no. 16-122 dated 6 April 2016)	
Terms and Conditions of the Notes	Pages 54 to 89
2017 Base Prospectus (visa no. 17-148 dated 7 April 2017)	
Terms and Conditions of the Notes	Pages 53 to 86
2019 Base Prospectus (visa no. 19-204 dated 15 May 2019)	
Terms and Conditions of the Notes	Pages 58 to 95

"

RECENT DEVELOPMENTS

The section Recent Developments set out on pages 72 to 79 of the Base Prospectus is completed by the following press release published by the Issuer on 29 July 2020:

PRESS RELEASE

FIRST-HALF 2020 EARNINGS

Paris — July 29, 2020

Klépierre, the European leader in shopping malls, today reported earnings for the six-month period ended June 30, 2020.[1] The significant events of the period include:

- **Good sales recovery since reopening, with June sales reaching 85% of the prior-year level**
- **83% of non-deferred rents collected over the first half, 62% in the second quarter**
- **Shopping center net rental income down 5.0% excluding disposals and forex**
- **Cost of debt down 30 bps to 1.2% vs. year-end 2019**
- **Net current cash flow per share down 1.2% vs. first-half 2019 at €1.37**
- **Portfolio valuation down 2.8% on a like-for-like basis over six months**
- **Loan-To-Value ratio at 40%**
- **New EPRA Net Tangible Asset Value per share at €34.90[2]**
- **Strong liquidity position (€3.1bn), covering upcoming refinancing needs through June 2022**

Jean-Marc Jestin, Chairman of the Executive Board, commented, *"After an encouraging start to the year, Klépierre's activities were largely impacted by the Covid-19 pandemic and the lockdowns enforced since mid-March, which mechanically curbed variable revenues. Since early May, however, all of our malls have reopened and are applying the most stringent protective measures in Europe. We have had an encouraging restart in terms of footfall and consumption. However, in the current uncertain health context, we remain cautious as we strive to adequately assess the impact of the crisis on the Group's financial performance in 2020. Looking ahead to the long term, we hold fast to our vision of retail transformation that a decade ago led us to focus on clear capital allocation, a customer-centric approach and sound financial discipline."*

KEY FINANCIALS

	06/30/2020	06/30/2019	Reported change	Change excl. disposals and forex	Like-for-like change[3]
In € millions, total share					
Total revenues	616.0	668.3	-7.8%		-
Net Rental Income (NRI), shopping centers	503.1	552.0	-8.9%	-5.0%	
Property portfolio valuation (incl. transfer taxes)	22,840	24,042	-5.0%		-3.8%
Net debt	9,129	8,818	+3.5%		-
Loan-to-Value (LTV)	40.0%	36.7%	+330 bps		-
Net debt to EBITDA	8.4x	8.1x	+0.3x		-
In €, Group share					
EPRA Net Tangible Assets (NTA) per share[2]	34.9	36.9[4]	-5.4%[4]		-
Net current cash flow per share	1.37	1.38	-1.2%		-

KLEPIERRE

OPERATING PERFORMANCE

Operating context

After a solid start of the year, business at Klépierre shopping malls was brought to a virtual standstill by the spread of the Covid-19 pandemic across Europe, and by the subsequent restrictive health measures implemented from early March, including:

- **Store closures:** in France, Belgium, Italy, Spain, Portugal, Denmark, Poland and the Czech Republic, the closure of all stores was ordered, except those selling basic necessities (including grocery, small food stores and pharmacies); and
- **Limited restrictions:** in other countries, representing almost 20% of Klépierre's gross asset value[5] (Norway, Sweden and Netherlands), only partial administrative closures were issued, mainly for bars, restaurants, personal care and leisure activities. These measures allowed most stores to remain open, although some retailers decided to close of their own volition.

Since early May, restrictions have been gradually eased in all countries where Klépierre operates, leading to the progressive reopening of the Group's malls. As of June 8, all of Klépierre malls had reopened. To ensure the protection of staff and visitors, Klépierre has proactively implemented strict protection measures certified by Bureau Veritas in all of its malls.

At Group level, stores have been closed for 1.9 months on average due to the lockdown measures, representing €153.5 million in rents (total share, excluding VAT; 26% of gross rents for the first half of 2020) and €40 million in service charges.

Further to the lifting of restrictions, as of July 20, 2020, 96% of our stores (in rents) had already reopened. The Group expects this rate to keep increasing in the coming weeks.

Retailer sales

Following a good start to the year (up 2.5% for January and February), sales plummeted in most countries on the back of the administrative closure orders. The magnitude of the decrease was closely correlated to the nature of the lockdown measures.

With the gradual reopening of malls across Europe, retailer sales have recovered faster than initially anticipated. The impact of social distancing on footfall has been partially offset by high transformation rates and higher average basket sizes. The trend has been improving month by month, with June sales reaching 85% of the prior-year level (penalized by a negative calendar effect) compared to 76% in May.[6] This improvement has appeared to carry over into July, with footfall standing at 80% of the prior-year level, compared to 75% in June (and 68% in May).

By geographic area, in countries that have only implemented partial lockdowns (Norway, Sweden and the Netherlands), sales were 96% of the prior-year level in June, showing a clear improvement compared to 83% in May. The recovery has been particularly strong in Norway, where sales were 9% higher year on year in June, after being 6% lower in May. Countries that reopened after lockdown are enjoying an encouraging resumption of business with sales standing at 84% of the prior-year level in June and showing a 10-percentage point improvement compared to May on average. France (87% of the prior-year level in June) and Denmark (94% of the prior-year level) posted stronger performances partly as a result of government stimulus plans.

By segment, Household Equipment, Supermarkets, and Culture, Gifts & Leisure are now back to prior-year levels (up 0.1% on average in June vs. last year). Conversely, Fashion, Food & Beverages, and Health & Beauty are yet to fully recover (79% of the prior-year level, on average, in June).

Net Rental Income

Net rental income (NRI) generated by shopping centers totaled €503.1 million for the half-year ended June 30, 2020, down 8.9% on a reported portfolio, total share basis compared with 2019. This reflected the combined effect of the following factors:

- A €17 million negative impact from disposals;
- A €26 million downward adjustment (-5.0%) excluding disposals and forex mostly linked to lower variable revenues (including sales-based rents, specialty leasing and car park revenues), and, to a lesser extent, an increase in provisions for bad debts (€11 million) and a slight rise in vacancy (up 80 bps to 3.8%). This was partly offset by positive indexation (1.3%) and positive reversion;

– A €6 million negative impact reflecting unfavorable changes in exchange rates and other non-recurring items.

Rent collection

To support retailers' cash position, the Group has deferred the payment of portion of the rents of the second quarter to the second half of the year, mainly related to the rents and service charges invoiced during the lockdown period. Receivables increased by €273 million (including VAT) as of June 30, 2020, compared to end of March 2020.

In the first half of 2020, the Group invoiced rents and service charges for a total amount of €711.3 million(7) and collected 83% of non-deferred rents and charges of the first-half (€491 million collected out of €593 million) and 62% over the second quarter.(8) This unusually low collection rate is attributable to the pandemic and the subsequent mall closures. In April and May, most of the retailers stopped paying rents due to the grace periods implemented by various governments throughout Europe and payment deferrals granted by Klépierre to its tenants to ease their cash position.

Following the reopening of its malls, the Group has entered into discussions with tenants to find mutually acceptable solutions regarding rents relating to the lockdown period. Most negotiations are ongoing; they are conducted on a case-by-case basis and are focused around granting a partial waiver of outstanding rents in exchange for lease extensions and/or the opening of new stores.

In countries where stores did not close or reopened in early May (Scandinavia, the Netherlands and Germany), rent collection has improved sharply to stand at 88% for the first half taken as a whole (and 78% for the second quarter). In countries where stores re-opened more recently (France, Southern Europe and Central Europe), rent collection has been lower (81% for the first half; 54% for the second quarter), but is set to improve as negotiations progress.

Indeed, since reopening, the Group has intensified discussions with retailers and 900 deals have been recently approved.(9) Deal-making should continue to accelerate in the coming months and Klépierre expects to finalize negotiations by the end of the year, leading to a higher collection rate on Q2.

As of June 30, 2020, 341 deals related to Covid-19 have been signed. Concessions granted to the retailers have been treated according to IFRS 16, whereby any lease modification has to be taken to income on a straight-line basis of the minimum lease term. The impact over the first-half is less than €1 million.

Receivables related to tenants that have entered into insolvency proceedings have been impaired for €11 million, in accordance with IFRS 9.

Leasing update

Although leasing activity has been mostly focused on rent settlements since March, the Group nonetheless signed almost 400 leases in the first half and continued to open flagship stores throughout its portfolio of leading European malls. In France, Primark opened a 6,650-sq.m. store at Belle-Épine (Paris area) while Zara and Bershka stores were fully modernized and right-sized. The Sports segment continued its momentum over the first half as illustrated by the opening of new Decathlon (Nový Smíchov – Prague, Czech Republic), XXL (Gulskogen – Drammen, Norway and Emporia, Malmö, Sweden), Nike (Milanofiori – Milan, Italy), and Foot Locker (Aqua Portimão – Portimão, Portugal) stores. On top of these emblematic banners, the Group also inaugurated two brand new Destination Food® concepts at Emporia (Malmö, Sweden) and Nový Smíchov (Prague, Czech Republic), welcoming diversified, well-known international banners and on-trend local concepts.

NET CURRENT CASH FLOW AND PORTFOLIO VALUE

Net current cash flow

Over the first half of 2020, net current cash flow per share decreased by 1.2% year-on-year to €1.37, as a result of the combined impact of the following factors:

– **Net rental income** decreased by 9.2%, on a total share basis on the back of a 5.0% decline excluding disposals and forex (for more information, please refer to the "Net Rental Income" section above);

- **Operating cash flow** was down 7.4% on a total share basis. As soon as the lockdown started, Klépierre implemented a stringent action plan to reduce costs. It translated into a €19.2 million decrease (or 23.1%) in staff costs and other administrative expenses;
- **Cost of net debt** decreased by €15.1 million to €52.9 million on a total share basis. Restated for non-cash and non-recurring items, the cost of net debt declined by €10 million as a result of high-yield bonds refinanced on maturity at more favorable conditions. Overall, the average cost of debt declined to 1.2%, compared to 1.5% over the first-half of 2019;
- **Current tax expense** decreased by €9.6 million to €8.8 million on a total share basis, reflecting the decline in current cash flow before taxes and supportive fiscal measures following the Covid-19 outbreak implemented in Italy and Poland; and
- The **average number of shares** outstanding fell from 295.9 million in first-half 2019 to 286.4 million in first-half 2020, as a result of the completion of the share buyback program.

Portfolio valuation

Including transfer taxes, the value of Klépierre's shopping center portfolio stood at €22,584 million on a total share basis as of June 30, 2020, down by 3.4% on a reported basis and 2.8% on a like-for-like basis over six months. Considering the still unknown impact of the Covid-19 going forward, appraisers have included a "material valuation uncertainty" clause in their reports.[10]

Accordingly, the EPRA net initial yield[11] of the shopping center portfolio[12] came out at 5.1%, up 10 basis points compared to six months ago.

DEBT AND FINANCING

Debt

As of June 30, 2020, consolidated net debt totaled €9,129 million, versus €8,830 million as of December 31, 2019. The €299 million increase is mainly attributable to deferred and/or uncollected rents and service charges for the second quarter of 2020, which amount to €273 million, while the reduction in capital expenditure from €120 million to €92 million was partly offset by €77 million disposal proceeds.

Overall, the Loan-to-Value (LTV) ratio increased to 40% as of June 30, 2020, a 270-basis-point increase compared to year-end 2019, as a result of the increase in net debt and a slight decline in the fair value of the property portfolio. Restated for deferred and/or unpaid rents, the Loan-to-Value ratio comes out at 38.8%.

The net-debt-to-EBITDA ratio was also affected by both the deferred collection of rents and the sluggish operating performance due to the lockdowns. As of June 30, 2020, it stood at 8.4x.

Financing

Klépierre has accelerated its refinancing plan in order to avoid any material refinancing issues for the next 24 months. Accordingly, during the first half, the Group raised €900 million of new notes at an average yield of 2.0% and a nine-year maturity. Thanks to these operations, Klépierre's liquidity position stood at €3.1 billion as of June 30, 2020, including €679 million in cash at hand, €2.0 billion in unused committed revolving credit facilities (net of commercial paper) and €400 million worth of uncommitted credit facilities.

The average cost of debt continued on a downtrend, coming out at 1.2% versus 1.5% a year ago.

ACT FOR GOOD®: KLÉPIERRE'S LOW-CARBON STRATEGY RECOGNIZED BY THE SCIENCE-BASED TARGETS INITIATIVE

Klépierre's low-carbon commitments have recently been approved as the most ambitious 1.5 °C-aligned targets by the Science-Based Targets initiative (SBTi), in line with the 2015 Paris agreement on climate change. This scientific approval rewards Klépierre's low carbon approach through its Corporate Social Responsibility (CSR) strategy, Act for Good®.

As part of this strategy, Klépierre has set four major carbon targets for 2022:

- To reduce its energy consumption by 40% (compared with 2013). By the end of 2019, the Group had already reduced its consumption by 29%;

- To power the common areas of its shopping malls with 100% renewable electricity. This is currently effective for 93% of Klépierre's malls;
- To achieve a net zero-carbon footprint at the five largest shopping centers in its portfolio. Fields, Créteil Soleil, Val d'Europe, Porta di Roma, Emporia; these five malls represent a testing ground as the Group expands its carbon neutral program to cover all assets in its portfolio by 2030;
- To have its strategy certified by the SBTi. This target has now been achieved, two years ahead of the initial Act for Good® target year.

In advance on these four targets, the Group is drawing ever closer to achieving its longer-term goal of carbon neutrality by 2030, an ambition that is becoming close to a reality since Klépierre has already reduced its carbon emissions by 72% since 2013.

EPRA Net Tangible Assets (NTA)

As recommended by EPRA, Klépierre has applied the new net asset valuation standards as of June 30.

EPRA NTA per share amounted to €34.90 at the end of June 2020, versus €36.90 six months earlier(2). This decrease reflects the decline in the value of the like-for-like portfolio (€1.85 per share), the dividend payment (€1.10 per share) and foreign exchange and other items (€0.42 per share), which more than offset the €1.37 net current cash flow per share.

OUTLOOK

After an encouraging performance in the early months of 2020, the Covid-19 pandemic has affected Klépierre's operations leading the Company to withdraw its 2020 guidance in late April.

Klépierre's priority is to operate its malls with best-in class protective health measures, in view of the situation the Covid-19 pandemic.

Klépierre has engaged in an intensive dialogue with its tenants regarding the payment of rents corresponding to the closure period while providing them with support and flexibility. Many transactions have already been signed and more are expected to be concluded in the coming weeks.

Although the gradually improving trend observed on footfall and retailer sales might augur a possible return to pre-crisis business levels, global economic uncertainties still prevail and will take time to dissipate.

The Group will continue to very carefully manage its financials with a close eye on spending and liquidity.

Klépierre is not able at this stage to provide reliable guidance for full-year earnings in the context of the still-evolving health environment and Covid-19, which could give rise to further – albeit targeted - lockdowns. Nevertheless, the Group is committed to updating the market as soon as it has a clearer view on the pace of its business recovery.

In the long term, Klépierre's conviction is that retailers will continue to refocus their operations on the most productive stores and the most attractive retail destinations for their customers, supporting Klépierre's strategic choices initiated a decade ago:

- Clear asset selection with dominant shopping centers in the most dynamic European urban areas;
- An extensive leasing platform offering differentiating expertise to banners; and
- Operational initiatives in line with new consumer habits and desires in terms of shopping, social interactions and environmental responsibility.

(1) The Supervisory Board met at Klépierre's headquarters on July 28, 2020, to examine the half-year financial statements, as approved by the Executive Board on July 24, 2020. The consolidated financial statements have been subject to review procedures by the Company's Statutory Auditors. The review report on the half-year financial information is to be issued shortly.
(2) Net Tangible Assets per share figures are rounded to the nearest 10 cents.
(3) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, disposals completed since January 2019, and foreign exchange impacts.
(4) EPRA NTA as of December 31, 2019. Change communicated over 6 months.
(5) On a total share basis, including transfer taxes.
(6) Change in retailer sales on a same store basis, excluding closure days.
(7) Excluding VAT.
(8) All the collection rates are as of July 24, 2020.
(9) Total of deals related to Covid-19, in all European countries
(10) For more information, please refer to the Supplemental Information to the Earnings Release (section 6 "Portfolio valuation") available in the Finance section on the Group's website.
(11) EPRA Net Initial Yield is calculated as the 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).
(12) Group share for the shopping center portfolio appraised (i.e., excluding retail parks and movie theaters).

CHANGE IN RETAILER SALES IN JUNE 2020 COMPARED TO JUNE 2019

Country	June[(a)]	% of total reported retailer sales
France	-13%	33%
Belgium	-15%	2%
France-Belgium	**-13%**	**35%**
Italy	**-21%**	**22%**
Norway	+9%	10%
Sweden	-13%	9%
Denmark	-6%	4%
Scandinavia	**-2%**	**23%**
Spain	-26%	7%
Portugal	-26%	2%
Iberia	**-26%**	**8%**
Czech Republic	-18%	2%
Poland	-22%	3%
Turkey	-26%	1%
CE & Other	**-22%**	**6%**
Netherlands	**-24%**	**2%**
Germany	**-16%**	**3%**
TOTAL	-15%	100%

Segment	June[(a)]	% of total reported retailer sales
Fashion	-24%	35%
Culture, Gifts and Leisure	-3%	18%
Health & Beauty	-9%	15%
Food & Beverages	-25%	11%
Household Equipment	5%	13%
Other	-15%	9%
TOTAL	-15%	100%

(a) Change in retailer sales on a same store basis, excluding closure days.

TOTAL REVENUES

In €m	Total share H1 2020	Total share H1 2019	Group share H1 2020	Group share H1 2019
France	211.2	215.4	171.5	176.0
Belgium	9.8	9.1	9.8	9.1
France-Belgium	**220.9**	**224.5**	**181.2**	**185.2**
Italy	**98.3**	**102.6**	**97.2**	**101.4**
Norway	30.6	34.9	17.2	19.6
Sweden	27.0	29.2	15.1	16.4
Denmark	26.1	29.6	14.6	16.6
Scandinavia	**83.6**	**93.6**	**46.9**	**52.5**
Spain	56.6	58.5	56.6	58.5
Portugal	9.1	11.4	9.1	11.4
Iberia	**65.7**	**69.8**	**65.7**	**69.8**
Poland	16.1	17.9	16.1	17.9
Hungary	0.0	9.8	0.0	9.8
Czech Republic	15.8	16.6	15.8	16.6
Turkey	7.6	10.3	6.8	9.4
Other	1.5	1.7	1.5	1.7
CE & Other	**41.0**	**56.4**	**40.2**	**55.4**
Netherlands	**36.9**	**41.2**	**36.9**	**41.2**
Germany	**24.5**	**26.4**	**23.3**	**25.2**
SHOPPING CENTERS GROSS RENTAL INCOME	571.0	614.6	491.5	530.7
Other retail properties	10.0	12.3	10.0	12.3
TOTAL GROSS RENTAL INCOME	581.0	626.9	501.5	543.0
Management, administrative and related income (fees)	34.9	41.4	32.5	39.6
TOTAL REVENUES	616.0	668.3	534.1	582.5
Equity-accounted investees*	39.4	41.9	37.9	40.0

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

QUARTERLY NET RENTAL INCOME ON A TOTAL SHARE BASIS

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

NET CURRENT CASH FLOW

	H1 2020	H1 2019	Change
Total share, in €m			
Gross rental income	581.0	626.9	-7.3%
Rental and building expenses	(69.5)	(63.4)	9.7%
Net rental income	**511.5**	**563.5**	**-9.2%**
Management and other income	42.2	46.1	-8.5%
General and administrative expenses	(63.9)	(83.2)	-23.1%
EBITDA	**489.8**	**526.4**	**-7.0%**
Adjustments to calculate operating cash flow:			
Depreciation charge for right of use assets[a]	(4.0)	(4.3)	
Employee benefits, stock option expense and non-current operating expenses	0.2	3.8	
IFRIC 21 impact	7.5	6.8	
Operating cash flow	**493.5**	**532.7**	**-7.4%**
Cost of net debt	(52.9)	(68.0)	-22.2%
Adjustments to calculate net current cash flow before taxes exclude:			
Amortization of Corio's debt mark-to-market	(8.4)	(9.6)	
Financial instrument close-out costs	4.1	10.5	
Current cash flow before taxes	**436.3**	**465.7**	**-6.3%**
Share in equity-accounted investees	26.4	27.8	-4.8%
Current tax expenses	(8.8)	(18.4)	-52.2%
Net current cash flow	**453.9**	**475.0**	**-4.4%**
Group share, in €m			
NET CURRENT CASH FLOW	**392.1**	**409.8**	**-4.3%**
Average number of shares[b]	*286,430,401*	*295,908,706*	
Per share, in €			
NET CURRENT CASH FLOW	**1.37**	**1.38**	**-1.2%**

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

The review procedures on the condensed interim consolidated financial statements have been completed.
The Statutory Auditors' review report is in the process of being issued.

2020 HALF-YEAR EARNINGS WEBCAST — PRESENTATION AND CONFERENCE CALL

The Klépierre Executive Board will present the 2020 half year earnings on **Thursday, July 30, 2020 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

October 23, 2020	Third-Quarter 2020 Business Review (after market close)
April 29, 2021	Annual General Meeting

INVESTOR RELATIONS CONTACTS

Hubert d'AILLIÈRES, Group Head of IR and financial communication
+33 (0)1 40 67 51 37 — **hubert.daillieres@klepierre.com**
Mengxing ZHANG, IR Officer
+33 (0)1 40 67 53 05 — **mengxing.zhang@klepierre.com**
Paul LOGEROT, IR Officer
+33 (1) 40 67 53 02 — **paul.logerot@klepierre.com**

MEDIA CONTACTS

Helene SALMON, Group Head of Corporate & Internal Communications
+33 (0)1 40 67 55 16 — **helene.salmon@klepierre.com**

Delphine GRANIER, Taddeo
+33 (0)6 33 05 48 50— **teamklepierre@taddeo.fr**

ABOUT KLÉPIERRE

Klépierre, the European leader in shopping malls, combines development, property and asset management skills. The company's portfolio is valued at €22.8 billion at June 30, 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. It is also included in ethical indexes, such as DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 120. 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

Certified with wiztrust

GENERAL INFORMATION

The section General Information appearing on pages 102 to 106 of the Base Prospectus is amended as follows:

a) The item (3) appearing on page 102 entitled "No significant change in the financial performance or financial position of the Issuer" is hereby deleted in its entirety and replaced with the following:

   Except as disclosed in the 2020 HYFR which is incorporated by reference herein (in particular in paragraph 3 "*Risk Factors*" of section "*Documents Incorporated by Reference*" of this First Prospectus Supplement), on pages 72 to 79 (section "*Recent developments*") of the Base Prospectus, and on pages 13 to 23 (section "*Recent developments*") of this First Prospectus Supplement (including information relating to the Covid-19), there has been no significant change in the financial performance or financial position of the Issuer or the Group since 30 June 2020.

b) The item (4) appearing on page 102 entitled "Material adverse change in the prospects of the Issuer" is hereby deleted in its entirety and replaced with the following:

   Except as disclosed in the 2020 HYFR which is incorporated by reference herein (in particular in paragraph 3 "*Risk Factors*" of section "*Documents Incorporated by Reference*" of this First Prospectus Supplement), on pages 72 to 79 (section "*Recent developments*") of the Base Prospectus, and on pages 13 to 23 (section "*Recent developments*") of this First Prospectus Supplement (including information relating to the Covid-19), there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

c) The item (10) appearing on page 103 entitled " Statutory auditors" is hereby deleted in its entirety and replaced with the following:

   Deloitte & Associés, 6, place de la Pyramide, 92908 Paris La Défense Cedex, France and Ernst & Young, 1-2 place des Saisons, 92400 Courbevoie – Paris – La Défense 1, France, have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2019. Deloitte & Associés and Ernst & Young are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*. Deloitte & Associés and Ernst & Young have also issued a limited review report in respect of the Issuer's accounts for the half-year ended 30 June 2020.

d) The item (11) appearing on pages 103 to 104 entitled "Documents on display" is hereby deleted in its entirety and replaced with the following:

   For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer:

   (i) the up-to-date *statuts* of the Issuer;

   (ii) the 2018 Registration Document, the 2019 Universal Registration Document and the 2020 HYFR of the Issuer;

   (iii) any Final Terms relating to Notes admitted to trading on Euronext Paris or any other Regulated Market;

   (iv) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and

(v) all reports, letters, and other documents, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Base Prospectus.

The Agency Agreement (which includes the form of the *Lettre comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection free of charge, at the registered office of the Issuer and at the specified office of the Paying Agent(s).

This Base Prospectus and any supplement to this Base Prospectus will be published on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.klepierre.com). The Final Terms related to Notes traded on any Regulated Market in accordance with the Prospectus Regulation will be published, so long as such Notes are admitted to trading on any Regulated Market, on the websites of (a) the AMF (www.amf-france.org) and (b) the Issuer (www.klepierre.com).

In addition, should the Notes be admitted to trading on a Regulated Market other than Euronext Paris, in accordance with the Prospectus Regulation, the Final Terms related to those Notes will provide whether this Base Prospectus and the relevant Final Terms will be published on the website of (x) the Regulated Market where the Notes have been admitted to trading or (y) the competent authority of the Member State of the EEA or in the United Kingdom where the Notes have been admitted to trading.

PERSONS RESPONSIBLE FOR THE FIRST PROSPECTUS SUPPLEMENT

Person assuming responsibility for the First Prospectus Supplement

Jean-Michel Gault, Deputy Chief Executive Officer (*Directeur Général Délégué*) and member of the Executive Board (*Directoire*)

Declaration by person responsible for the First Prospectus Supplement

The Issuer, confirms, to the best of its knowledge, that the information contained in the First Prospectus Supplement is in accordance with the facts and the First Prospectus Supplement makes no omission likely to affect its import.

Paris, 17 September 2020

Klépierre

26, boulevard des Capucines
75009 Paris
France

duly represented by
Jean-Michel Gault
Deputy Chief Executive Officer (*Directeur Général Délégué*) and member of the Executive Board (*Directoire*)

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This First Prospectus Supplement has been approved on 17 September 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this First Prospectus Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer that is the subject of this First Prospectus Supplement.

This First Prospectus Supplement obtained the following approval number: 20-463.