

**SECOND PROSPECTUS SUPPLEMENT DATED 6 NOVEMBER 2020 TO THE BASE PROSPECTUS
DATED 13 MAY 2020**

KLEPIERRE



KLEPIERRE

€ 7,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the "**Second Prospectus Supplement**") is supplemental to, and should be read in conjunction with the base prospectus dated 13 May 2020 (the "**Base Prospectus**"), as supplemented by the first supplement to the Base Prospectus dated 17 September 2020 (the "**First Prospectus Supplement**") 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 and approval no. 20-463 on 17 September 2020 on the First Prospectus Supplement.

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

This Second 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 updating the Base Prospectus following (i) the publication of the press release dated 23 October 2020 relating to the business review for the first nine months of 2020, (ii) the revision from "A3, negative outlook" to "Baa1, stable outlook" of the rating assigned by Moody's Investors Service, Inc. to the notes initially issued by Corio N.V. that are still outstanding and (iii) the publication of the press release dated 5 November 2020 relating to the impact of Covid-19 on the Issuer's activities in Europe. As a result, modifications to the "*Recent Developments*" and "*General Information*" sections of the Base Prospectus have been made.

Save as disclosed in this Second 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 Second Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this Second 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 Second 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 Second 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.

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RECENT DEVELOPMENTS

In the section entitled "*Recent Developments*" of the Base Prospectus, the paragraphs appearing on pages 72 to 79 of the Base Prospectus are deleted and the following is inserted after the press release published by the Issuer on 29 July 2020 inserted by the First Prospectus Supplement:

• **On 23 October 2020, the Issuer published the following press release:**

Business review for the first nine months of 2020

Paris — October 23, 2020

Klépierre, the European leader in shopping malls, today reported earnings for the first nine months of 2020⁽¹⁾. The significant events of the period include:

- **Continued improvement in retailer sales over the third quarter, reaching 90% of prior-year level**
- **90.3% collection rate for third-quarter rents, 81.7% over 9 months**
- **9-months revenues of €918.5 million, 92% of prior-year level**
- **Strict control of cash outflows with only €162 million left to cash out by 2022 on extension/refurbishment projects already launched**
- **Net debt of €9,181 million at end-September, strong liquidity position (€2.8 billion) covering upcoming refinancing needs through June 2022**

Jean-Marc Jestin, Chairman of the Executive Board, commented, “Amid unprecedented uncertainty and new challenges, Klépierre’s business activity has been recovering over the last three months. A resumption in retailer sales and footfall has driven an encouraging improvement in rent collection. This is the result of the incredible work of Klépierre’s staff and their high commitment alongside all the communities we serve and I salute them for their dedication. Our teams are currently working closely with tenants to provide them with the necessary flexibility and new opportunities to grow their businesses. However, in a health and economic environment that remains highly unpredictable, the Group will preserve and capitalize on its unique combination of strengths: a high-quality portfolio and strong balance sheet. We are committed to financial discipline.”

KEY FINANCIALS

<i>In € millions, total share basis</i>	9M 2020	9M 2019	Reported change
Gross rental income — Shopping centers	852.9	917.9	-7.1%
Gross rental income — Other retail properties	15.0	18.0	-16.9%
Total gross rental income	867.8	935.9	-7.3%
Management, administrative and related income (fees)	50.7	61.2	-17.2%
Total revenues	918.5	997.1	-7.9%

OPERATING PERFORMANCE

Retailer sales

Total **retailer sales** at Klépierre’s malls reached 90% of the prior-year level during the third quarter of 2020, compared to 85% in June and 76% in May, benefiting from a consistent and better-than-anticipated recovery⁽²⁾. Over the period, all of the Group’s shopping centers posted improving performances, except those located near transport hubs that continue to be impacted by the lack of commuters and tourists.

The acceleration in the retailer sales recovery during the third quarter was driven mainly by the fashion **segment**, which recorded a substantial 13-percentage point improvement compared to June (89% of the prior-year level in September). Over the last three months, household equipment (up 5%, including a 7% increase in electronics), supermarkets (99% of the prior-year level) and sports (98% of the prior-year level) continued to post strong performances while food & beverage (78% of the prior-year level) and to a lesser extent health & beauty (92%) continued to be impacted by persistent unfavorable health measures.

By **geographic area**, Scandinavia remained close to pre-Covid levels (98% of the prior-year level), while Italy and France-Belgium experienced the strongest improvement with respective sales reaching 89% and 94% of the prior-year level (compared to 79% and 87% in June). Conversely, retailer sales in Iberia remained sluggish due in particular to the lack of tourists, which weighed on the third-quarter performance, and the persistence of Covid-19 in Barcelona and Madrid which has given rise to new restrictions.

Footfall has also continued to improve during the period, albeit at a slower pace than sales, standing at 82% of the prior-year level in September, compared to 80% in July (and 75% in June).

Revenues

Over the first nine months of 2020, **gross rental income** generated by shopping centers amounted to €852.9 million on a total share basis, down 7.1% compared to the same period last year.

This reflected the combined impact of the following factors:

- A €33.0 million decrease due to disposals, foreign exchange effects and other elements;
- A €25.2 million decrease in variable revenues (including sales-based rents, specialty leasing and car park revenues) as a consequence of the lockdown; and
- A €6.9 million impact from the straight-line amortization (in accordance with IFRS 16) of €24.7 million in rent abatements signed as of September 2020 for the second-quarter rents.

Gross rental income from other retail properties amounted to €15.0 million, down 16.9%, mostly as a result of disposals.

Management, administrative and related income (fees) decreased from €61.2 million to €50.7 million, mainly due to the postponement of certain development projects.

Overall, **total revenues** for the first nine months of 2020 amounted to €918.5 million, down 7.9% year on year.

Rent collection and leasing update

Over the **first nine months of 2020**, the Group invoiced rents and service charges for a total amount of €1,044.6 million⁽³⁾. As of October 20, rent collection rate reached 81.7% over the first nine-months (i.e., €853.2 million collected)⁽⁴⁾, out of which 96.4% in the first quarter.

Out of the €334 million in rents and service charges invoiced over the **second quarter**, Klépierre has collected 56.6%. Based on well-advanced negotiations with tenants, the Group estimates that the collection rate is expected to reach 60%-65% by year end. The outstanding amount of uncollected rents is expected to reflect:

- Minimal bad debt allowances for insolvencies (€11 million);
- A government recommendation in France to waive second-quarter rents for small businesses (€9 million);
- Government measures to defer rents in Spain and Portugal (€2.3 million); and
- The balance (€94 million to €111 million) comprising rent and service charges abatements (one month on average at Group level) that will be amortized on a straight-line basis over the remaining lease term (in accordance with IFRS 16).

Regarding the **third quarter**, the collection rate came out at 90.3%, which only includes 1.0% of rent abatements and 2.9% of security deposits exercised. The Group is confident that the third-quarter collection rate will continue to improve.

Although discussions were mostly focused on reaching deals in respect of the lockdown period, the Group has also signed 300 renewal/releasing/reletting agreements (compared to 400 over the third quarter of 2019). The reversion rate on renewals and relettings stood at a positive 3.7% for the period, in line with the first half of the year (3.9% uplift over the first nine months of the year), with estimated rental values showing good resilience in the current environment.

Over the last three months, the sports segment maintained its expanding momentum through the opening of a New Balance store at Porta di Roma (Roma, Italy), and of JD Sports stores at Centre Mayol (Toulon, France) and Tourville (Tourville-la-Rivière, France). At Rives d'Arcins (Bordeaux area, France), a new right-sized Zara store opened over 3,000 sq.m. in August, and Snipes unveiled a new flagship. More generally, Klépierre continued to

support the expansion of growing retailers, illustrated by the signature of four new Normal stores and three Rituals in France. On the Jewelry segment, Swarovski opened a new boutique in Hoog Catharijne (Utrecht, Netherlands) and Pandora unveiled new flagships at Globo (Milan, Italy) and Sadyba Best Mall (Warsaw, Poland). Lastly, Huawei opened its first store in a French mall at Créteil Soleil (Paris region, France) at the end of September.

DEBT AND LIQUIDITY

As of September 30, 2020, consolidated net debt totaled €9,181 million, versus €9,129 million as of June 30, 2020. The €52 million increase is mainly attributable to the second installment of the 2019 dividend paid in July, partially offset by cash inflows in the third quarter and the recovery of unpaid receivables related to the second quarter.

At the end of September, the Group's liquidity position stood at €2.8 billion (revolving credit facility for €2.3 billion, bank overdrafts for €0.4 billion and cash for €0.1 billion), covering all refinancing needs through June 2022.

Current financial position is commensurate with S&P's expectations related to Klépierre's A-rating (negative outlook).

DEVELOPMENT AND DISPOSALS

Development

Since the beginning of the lockdown period, Klépierre has actively reduced capital expenditure in order to preserve liquidity.

During the third quarter, Klépierre has been focusing on its main committed projects:

- The completion of the redevelopment of Hoog Catharijne in Utrecht (Netherlands);
- The refurbishment of Créteil Soleil in Paris (France), which should be completed by the end of 2021; and
- The extension and refurbishment of Gran Reno in Bologna (Italy), slated to open in fourth-quarter 2021.

Accordingly, over the nine-month period ended September 30, 2020, capital expenditure accounted for €77 million (versus €188 million over the full year in 2019). Only €162 million remains to cash out by 2022 on projects that have been already launched.

Disposals

The Group has completed disposals totaling €79.6 million (total share, excluding transfer taxes) since January 1, 2020. As of September 30, 2020, taking into account sales under promissory agreements, total Group disposals amounted to €151.0 million.

OUTLOOK

During the third quarter of 2020, Klépierre observed an encouraging recovery in terms of sales, footfall and collection rates, marking a clear improvement compared to the first half of the year. Negotiations with retailers on the lockdown period are progressing well and the Group is confident in its ability to finalize the process by the end of the year, which will translate into even higher collection rates for the second quarter.

Concerning the fourth quarter, some countries have recently implemented temporary new restrictions. In the Czech Republic, the government has ordered the closure of all retail stores (except for stores providing essential goods) between October 22 and November 3. In Italy, the Piedmont, Lombardy and Basilicata regions have ordered the closure of shopping malls over the weekends until November 13, with the exception of supermarkets, pharmacies, tobacconists, food and beverage and cosmetics stores. These restrictive measures concerned 10% of our portfolio (in value). In light of this, Klépierre is maintaining a cautious stance regarding how the pandemic will evolve and impact its various geographies and the Group's businesses. Against this backdrop, the Group will be seeking more than ever to capitalize on its core strengths: the high quality of its portfolio, its operational excellence and its financial discipline.

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- (1) The data disclosed in this release, including those set out in the appendices, have not been audited.
 - (2) Change in retailer sales on a same store basis, excluding closure days.
 - (3) Excluding VAT.
 - (4) All collection rates are as of October 20, 2020.

YEAR-ON-YEAR CHANGE IN RETAILER SALES – THIRD-QUARTER 2020

Country	Q3 2020 change^(a)	% of total reported retailer sales
France	-6%	36%
Belgium	-11%	2%
France-Belgium	-6%	37%
Italy	-11%	25%
Norway	+5%	8%
Sweden	-9%	6%
Denmark	-4%	4%
Scandinavia	-2%	18%
Spain	-30%	6%
Portugal	-24%	2%
Iberia	-28%	8%
Czech Republic	-15%	2%
Poland	-18%	2%
Turkey	-2%	2%
CE & Other	-12%	6%
Netherlands	-12%	2%
Germany	-10%	3%
TOTAL	-10%	100%

Segment	Q3 2020 change^(a)	% of total reported retailer sales
Fashion	-11%	38%
Culture, Gifts and Leisure	-4%	19%
Health & Beauty	-8%	14%
Food & Beverage	-22%	10%
Household Equipment	+5%	13%
Other	-24%	6%
TOTAL	-10%	100%

(a) Change in retailer sales on a same store basis.

TOTAL REVENUES

<i>In € millions</i>	Total share		Group share	
	9M 2020	9M 2019	9M 2020	9M 2019
France	316.7	323.3	256.5	263.7
Belgium	13.7	14.2	13.7	14.2
France-Belgium	330.4	337.5	270.2	277.9
Italy	147.6	154.0	145.9	152.2
Norway	46.5	52.0	26.1	29.2
Sweden	40.6	43.5	22.8	24.4
Denmark	39.1	43.9	21.9	24.6
Scandinavia	126.2	139.4	70.8	78.2
Spain	81.2	87.9	81.2	87.9
Portugal	12.0	15.9	12.0	15.9
Iberia	93.2	103.8	93.2	103.8
Poland	23.8	26.4	23.8	26.4
Hungary	0.0	14.8	0.0	14.7
Czech Republic	23.8	24.9	23.8	24.9
Turkey	12.4	14.8	11.2	13.4
Other	2.5	2.6	2.5	2.6
CE & Other	62.5	83.5	61.3	82.1
Netherlands	55.9	60.5	55.9	60.5
Germany	37.0	39.2	35.2	37.3
SHOPPING CENTERS GROSS RENTAL INCOME	852.9	917.9	732.5	792.0
Other retail properties	15.0	18.0	15.0	18.0
TOTAL GROSS RENTAL INCOME	867.8	935.9	747.5	810.0
Management, administrative and related income (fees)	50.7	61.2	46.9	58.5
TOTAL REVENUES	918.5	997.1	794.4	868.6
Equity-accounted investees*	60.5	63.2	58.1	60.4

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

COLLECTION RATE^(a)

	Q1 2020	Q2 2020	Q3 2020	9M 2020
France-Belgium	97.0%	44.8%	92.0%	78.1%
Italy	92.8%	36.0%	85.7%	72.3%
Scandinavia	97.4%	94.3%	96.5%	96.1%
Iberia	97.1%	51.3%	86.8%	78.3%
CE & Other	94.4%	84.6%	79.6%	85.3%
Netherlands	99.6%	77.6%	92.5%	90.1%
Germany	98.3%	54.1%	92.6%	82.1%
TOTAL SHOPPING CENTERS	96.4%	56.8%	90.2%	81.7%
Other retail properties	98.3%	44.3%	91.2%	78.9%
TOTAL	96.4%	56.6%	90.3%	81.7%

(a) As of October 20, 2020, on a total share basis, excluding VAT and equity-accounted companies.

AGENDA

February 3, 2021
May 6, 2021

2020 full-year earnings
Annual General Meeting

- **On 4 November 2020, the rating of the notes initially issued by Corio N.V. that are still outstanding has been revised from "A3, negative outlook" to "Baa1, stable outlook" by Moody's Investors Service, Inc.**

- **On 5 November 2020, the Issuer published the following press release:**

Impact of Covid-19 on Klépierre's activities in Europe

Paris — November 5, 2020

Since early October, further restrictive measures have been imposed in various countries to limit the spread of Covid-19.

In France, Belgium, Barcelona in Spain, Poland, the Czech Republic and in certain Italian regions,⁽¹⁾ the authorities have ordered the closure of all stores except those selling basic necessities.⁽²⁾

47% of Klépierre's malls (in value) is unaffected by those general closure measures.

In other European countries in which Klépierre operates, less restrictive measures have been implemented. In Germany and the Netherlands, the authorities have enforced the closure of bars and restaurants (takeaway service permitted), while in Scandinavia, local restrictions have been placed on restaurant opening hours. Lastly, in Iberia, restrictions have been imposed on movement between certain regions. On average, in these countries, footfall over the past two weeks reached 71% of the prior-year level (vs. 78% in September).

On the other hand, in order to mitigate the impact of these restrictions on retail businesses many countries have announced the implementation or the renewal of tailored-made support packages in the form of tax exemptions or credits, access to state-guaranteed loans or financial compensation to cover fixed costs such as the payment of rents or the salaries of furloughed staff.

To date, the rent collection rate stands at 82% for the first nine months of the year and at 71% in October.

(1) For Klépierre: Lombardy and Piedmont.

(2) Mainly including grocery and small food stores, tobacconists, consumer electronics stores, opticians and pharmacies.

AGENDA

February 17, 2021

2020 full-year earnings

May 6, 2021

Annual General Meeting"

GENERAL INFORMATION

The section entitled "*General Information*" appearing on pages 102 to 106 of the Base Prospectus, as amended by the First Prospectus Supplement, 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 on pages 4 to 10 (section "*Recent developments*") of this Second 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 September 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 the First Prospectus Supplement), on pages 13 to 23 (section "*Recent developments*") of the First Prospectus Supplement and on pages 4 to 10 (section "*Recent developments*") of this Second 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."

PERSONS RESPONSIBLE FOR THE SECOND PROSPECTUS SUPPLEMENT

Person assuming responsibility for the Second 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 Second Prospectus Supplement

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

Paris, 6 November 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*)



This Second Prospectus Supplement has been approved on 6 November 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Second 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 Second Prospectus Supplement.

This Second Prospectus Supplement obtained the following approval number: 20-541.