

FIRST-QUARTER 2023 TRADING UPDATE

Paris — May 11, 2023

Klépierre, the European leader in shopping malls, today reported its first-quarter trading update⁽¹⁾, confirming the positive momentum observed in 2022:

- **First-quarter retailer sales up 13.2%⁽²⁾ and footfall up 14.1% compared to 2022;**
- **Strong growth in net rental income, up 6.2% adjusted for disposals and developments**
- **Steady leasing activity with 304 leases signed, and significant year-on-year growth in occupancy to 95.7%**
- **Robust credit metrics:**
 - o Net debt to EBITDA ratio of 8.1x
 - o Cost of debt at 1.3%
 - o Interest rate hedging at 100% in 2023 and 93% in 2024
- **€530 million in long-term financing closed and drawn year-to-date with an average maturity of 6.4 years**
- **Guidance confirmed for 2023 with net current cash flow per share of €2.35⁽³⁾ (up 5% compared to 2022 adjusted NCCF per share of €2.24⁽⁴⁾)**
- **Cash distribution of €1.75⁽⁵⁾ per share: interim distribution of €0.87 per share paid on March 30, 2023 with the balance of €0.88 per share to be paid on July 11, 2023**
- **Ambitious and quantitative objectives disclosed for the new Act4Good™ strategy to build the most sustainable platform for commerce**

KEY FINANCIALS

<i>In millions of euros, total share</i>	Q1 2023	Q1 2022
Total gross rental income	287.1	276.7
Service charge income ^(a)	68.3	64.5
Management and development fees	16.1	18.3
Total revenue	371.5	359.5

Total net rental income	228.5	221.5	+6.2%	Change on same scope^(b)
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(a) Service charges invoiced to tenants covering the general maintenance and repairs, security, heating, cooling, lighting and cleaning of common areas. Service charge income is included in total revenue (IFRS 15).

(b) Change on same scope excludes the contribution of new and restructured spaces and excludes disposals completed in 2022.



OPERATING PERFORMANCE

In a similar vein to the steady performance observed in 2022, trading continued to improve in the first quarter of the year.

Retailer sales and footfall

Retailer sales continued to rebound strongly over the first quarter of 2023, up 13.2% compared to 2022. The sequence was positive throughout the period with performance peaking in January (up 19%). This trend underscores the relevance of Klépierre's strategy and its robust operating fundamentals.

Footfall also jumped by 14.1% during the period compared to 2022.

By **geographic area**, all countries enjoyed growth and significantly exceeded 2022 levels. The Netherlands and Germany (up 26.8%) led the way, with health restrictions still in place in the first quarter of 2022, followed by Central Europe (up 20.0%), Italy (up 16.3%) and Iberia (up 15.1%).

Retailer sales by geography: Q1 2023 vs. Q1 2022⁽²⁾

Country	Like-for-like change	Share in total reported retailer sales
France	+8.6%	40%
Italy	+16.3%	25%
Scandinavia	+11.6%	12%
Iberia	+15.1%	10%
Netherlands & Germany	+26.8%	7%
Central Europe	+20.0%	6%
TOTAL	+13.2%	100%

Growth was also strong in all **segments**, with increases from 11.5% for Culture, gifts & leisure to 23.5% for Food & beverage. Fashion outperformed the Group average with growth of 13.4% while Household equipment (up 2%) was softer due to solid 2022 figures as this segment was the best performer during the pandemic.

Retailer sales by segment: Q1 2023 vs. Q1 2022⁽²⁾

Segments	Like-for-like change	Share in total reported retailer sales
Fashion	+13.4%	32%
Culture, gifts & leisure	+11.5%	21%
Health & beauty	+12.6%	15%
Food & beverage	+23.5%	13%
Household equipment	+2.0%	12%
Other	+22.3%	7%
TOTAL	+13.2%	100%

Leasing activity

Over the first quarter, the Group signed 304 leases, including 230 renewals and re-lettings, with a 5.2% positive reversion rate. Occupancy rate remained high at 95.7%, up 100 basis points year-on-year.

On the leasing front, highlights of the period included the 7th Retailer Day event held by Klépierre in Paris on March 22, bringing together more than 200 banners, and underscoring their ambition to open stores and enlarge their presence in the Group's malls.

This event provided a forum for productive discussions with retailers and gave the Group the opportunity to promote its recently completed projects, such as the full renovation and 11,600 sq.m. extension of Créteil Soleil (France) - that brought the mall to a total leasable area of 135,000 sq.m. - and the 16,700 sq.m. canopied extension at Gran Reno in Bologna (Italy), which now boasts a retail offering covering a total of 53,000 sq.m.

Current and future projects were also presented, including the extension of Grand Place (France) with 30 new stores, the renovations of Alexandrium in Rotterdam (Netherlands) and Le Gru in Turin (Italy), and the Maremagnum rooftop terrace development in Barcelona (Spain) with Time Out Market.

Revenue

Klépierre's **total revenue** for the three-month period ended March 31, 2023 amounted to €371.5 million, up 3.3% compared to first-quarter 2022.

Over the first three months of 2023, **gross rental income** amounted to €287.1 million, reflecting the bounce-back in retailer sales and footfall, dynamic leasing activity and the rebound in variable revenues and other income.

Net rental income amounted to €228.5 million, up 6.2% compared to first-quarter 2022 adjusted for developments and disposals completed in 2022. This growth was notably driven by a 5.75% positive indexation effect.

Service charge income and management and development fees were in line with 2022 at €84.4 million.

INVESTMENTS

Overall, total capital expenditure invested over the period amounted to €38 million.

Regarding development, Klépierre focused on its main committed projects to strengthen the leadership of its shopping malls in their catchment areas, notably: the Grand Place extension in Grenoble (France) and the rooftop restructuring at Maremagnum in Barcelona (Spain).

Grand Place extension (Grenoble, France)

The construction of the 16,200 sq.m. extension of Grand Place (Grenoble, France) which started in May 2022 is expected to be delivered by the end of 2023 and will bring the total leasable area of the mall to 75,000 sq.m. Pre-leasing currently stands at 93% of the projected net rental income, with leading brands such as Primark - that will open its first store in the region - Snipes, JOTT and NYX, and a food area upgraded to the latest standards of Klépierre's Destination Food® strategy. Yield on cost for this project is projected at c.8%.

Maremagnum (Barcelona, Spain)

The Maremagnum rooftop will host the first Time Out Market in Spain and the second in Europe, making it the new must-visit shopping and dining destination in Barcelona. The opening is planned for 2024, in time for the America's Cup. In addition, the recent enlargement of Inditex brands Stradivarius, Pull & Bear, Bershka and Lefties, has provided fresh retail impetus for the mall. Yield on cost for this project is projected at 13.5%.

Other recent developments

In 2022 and 2023, Klépierre redeveloped several assets to strengthen their leadership in their respective catchment areas. These included the extension of Gran Reno opened in July 2022, translated into strong footfall (up 42% since opening compared to 2019) and retailer sales increases (€74 million of additional retailer sales since opening).

Works at Campania (Naples, Italy) has attracted new brands and enabled the Group to broaden the retail mix, notably characterized by the opening of a Primark megastore. Operational indicators were on the rise in first-quarter 2023, with retailer sales up 10% and footfall up 21% compared to first-quarter 2019.

Similarly, at Nave de Vero (Venice, Italy) the opening of Primark boosted footfall that increased by 24% compared to 2019, while at Centre Deux (France) the revamping of the mall and the welcoming of Primark translated into a 45% growth in footfall in March 2023 compared to March 2022 or 16% compared to 2019.

These solid performances illustrate the relevance of Klépierre's extensions and development projects and its know-how in terms of leasing management.

DEBT AND FINANCING

As of March 31, 2023, consolidated net debt stood at €7,585 million compared to €7,479 million at the end of 2022, almost stable despite the payment of the interim cash dividend on March 30, 2023. The average maturity of the Group's debt was 6.4 years.

Year to date, the Group has signed bank loans totaling €530 million with a 6.4-year weighted average maturity. This amount includes €412 million in unsecured loans and €118 million in mortgage loans primarily used to refinance a €524 million bond, maturing on April 17, 2024.

Klépierre continues to operate one of the most solid balance sheets in the industry with a net debt to EBITDA ratio of 8.1x. Despite the current interest rate environment, the average cost of debt remained low at 1.3%. The hedging profile⁽⁶⁾ remained strong with 100% of net debt hedged at fixed rates in 2023 and 93% in 2024.

Klépierre also renewed €300 million of five-year revolving credit facility, with a liquidity position⁽⁷⁾ standing at €2.6 billion as of March 31, 2023 (€1.9 billion in unused committed revolving credit facilities, net of commercial paper, €300 million in other credit facilities and €400 million in cash and cash equivalents).

Standard & Poor's currently assigns Klépierre a long-term BBB+ rating (A2 short-term rating) with a stable outlook.

ACT4GOOD™: A STRONG COMMITMENT

In early 2023, Klépierre launched its new CSR policy: Act4Good™, featuring an expanded scope with new challenges. Its four commitments are designed to enable Klépierre to achieve its ambition of building the most sustainable platform for commerce by 2030.

“Achieving net zero”

Klépierre aims to operate shopping centers that are low energy - targeting an average portfolio energy efficiency of 70kWh/sq.m., and that locally rely on renewable energy production to reach up to 30% of self-consumption for its top 40 assets. The Group is also committing to increase waste enhancement quality, with a strong focus on material recovery (50%).

Regarding retailers, Klépierre will support them in achieving a 20% reduction in their energy consumption and in creating low-carbon stores. A 40% decrease in carbon emissions related to visitor mobility is also being targeted.

“Servicing communities”

Implementing a “Giving Back” project with high impact for local communities, proposing green services and complying with a set of internal inclusion standards are the main commitments to ensure that all assets are servicing communities. Moreover, one shopping center in each territory will be equipped with a disaster relief plan.

“Growing people”

Klépierre is committed to develop the skills of its employees, daily operating partners and local communities around its assets: Klépierre Academies will be set up to upskill stakeholders and improve their employability in Klépierre Top-50 Malls. To ensure gender balance, the Group is committed to achieve 40% women representation in Top Management and the Top 100 managers, aiming for equal pay. Moreover, Klépierre is encouraging all employees in sponsorship programs to support local communities.

“Promoting sustainable lifestyles”

To leverage Klépierre's impact, each mall will showcase the responsible products and services of its retailers and assess the CSR engagement of tenants before entering into leases. One specific unit to new local, responsible concepts in the Top-50 shopping centers will be dedicated. Lastly, events to promote sustainable lifestyles and players committed to the low-carbon transition will be organized to raise visitor's awareness.

DISTRIBUTION

The proposed €1.75 distribution⁽⁵⁾ for fiscal year 2022 is split into two installments:

- > An interim cash dividend of €0.87 paid on March 30, 2023; and,
- > The balance of €0.88 per share to be paid on July 11, 2023, comprising:
 - o A €0.04 per share “SIIC” dividend; and
 - o A €0.84 per share distribution of share premiums qualifying as an equity repayment within the meaning of Article 112-1 of the French Tax Code (*Code général des impôts*).

OUTLOOK

Considering the performance of the first quarter, Klépierre is confirming its 2023 guidance and expects to generate net current cash flow per share of €2.35⁽³⁾, representing a growth of 5% compared to the adjusted figure for 2022 of €2.24 (i.e., €2.62 restated for €0.30 in reversals of provisions and for €0.08 in cash flow generated by divested assets).

This guidance assumes (i) retailer sales maintain their momentum, (ii) stable occupancy and (iii) a stable collection rate compared to 2022. It also factors in the impact on costs of the projected inflation in Europe for 2023 and current funding cost levels.

(1) The data disclosed in this release have not been audited.

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

(3) Excluding the impact of amortizing Covid-19 rent concessions.

(4) €2.62 restated for €0.30 of reversals of provisions and for €0.08 in cash flow generated by disposed assets.

(5) Amount to be approved by the shareholders present or represented at the Annual General Meeting to be held on May 11, 2023.

(6) Calculated as the ratio of fixed-rate debt (after hedging) to gross borrowings expressed as a percentage.

(7) 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 (€400 million), committed and unused revolving credit facilities (€1.9 billion, net of commercial paper) and other credit facilities (€300 million).

AGENDA

July 7, 2023	Ex-distribution date for the final dividend
July 11, 2023	Final dividend payment
August 1, 2023	First-half 2023 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 €19.8 billion at December 31, 2022, 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 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.

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