

FIRST-HALF 2021 EARNINGS

Paris — July 27, 2021

Klépierre, the European leader in shopping malls, today reported earnings for the six-month period ended June 30, 2021.⁽¹⁾ The main highlights include:

- **First-half 2021 net current cash flow (total share) of €248 million or €0.72 per share**
- **Collection rate of 70% over the first-half as of July 21, 2021, reflecting 5 months of severe restrictions (out of which 2.5 months of full store closures)**
- **Strong sales recovery since reopening, with June sales reaching 96%⁽²⁾ of the 2019 level, and up 15% compared to June 2020**
- **Dynamic leasing activity with almost 800 leases signed, and positive reversion**
- **Loan-to-Value flat compared to December 31, 2020 at 41.1% pro forma⁽³⁾**
- **€472 million in disposals closed since January 1st (including the sale of five assets in Norway on July 8, for a total consideration of €435 million)**
- **EPRA Net Tangible Asset Value per share at €29.70⁽⁴⁾**
- **Guidance confirmed for 2021 net current cash flow per share expected at €1.80⁽⁵⁾, assuming no more store closures or severe restrictions**

KEY FINANCIALS

| | H1 2021 | H1 2020 |
|---|---------|---------|
| <i>In millions of euros, total share</i> | | |
| Total revenues | 475.4 | 616.0 |
| Net Rental Income (NRI), shopping centers | 315.9 | 503.1 |
| Property portfolio valuation (incl. transfer taxes) | 21,471 | 22,840 |
| Net debt | 9,146 | 9,129 |
| Loan-to-Value (LTV) | 42.6% | 40.0% |
| Net debt to EBITDA | 12.6x | 8.4x |
| <i>In euros, Group share</i> | | |
| EPRA Net Tangible Assets (NTA) per share ⁽⁴⁾ | 29.7 | 34.9 |
| Net current cash flow per share | 0.72 | 1.37 |

OPERATING PERFORMANCE

Operating context

In late 2020 and early 2021, Europe faced a third wave of the pandemic, leading governments to reimpose restrictions. As a result, Klépierre experienced the equivalent of 2.5 months of full closure, a longer period than the previous year, when malls were closed for 1.6 months on average during first-half 2020. Governments opted for various restrictions and degrees of lockdowns:

- **Full lockdowns**, in France, Denmark, the Netherlands, Germany, the Czech Republic and Portugal: all non-essential stores, restaurants and entertainment venues were compelled to close from January for some of them to the end of May in some cases;
- **Partial lockdowns/limited restrictions**, in Italy, shopping centers were closed on weekends and public holidays (including the day before) until mid-May and the whole country experienced a full lockdown during the Easter period. In Norway, regional measures included mall closures in the Oslo area. Lastly, in Spain, malls broadly remained open over the period (except in Barcelona during the first quarter), while in Sweden the government recommended avoiding shopping areas without ordering store closures.

From April until the end of May, restrictions were gradually lifted and 100% of our stores (in rents) were authorized to trade. However, restrictions related to certain activities remained in place in several countries (mainly movie theaters, fitness centers and restaurants), such as limits on the number of people allowed in malls as well as curfews in many cases.

With the surge of infections resulting from the Delta variant, new restrictions started to emerge early in the second half of the year. This is the case of the law voted in France on July 25, 2021, that allows the local authorities to impose a vaccination certificate or a negative Covid test to visitors and employees of large malls in regions where the epidemic situation deteriorates, provided that such a measure does not hamper access to public transportation and stores selling essential products.

Retailer sales

Since reopening, retailer sales⁽²⁾ have rebounded much strongly than last year and on a like-for-like basis were up 15% in June compared to 2020 (96% of the June 2019 level). The strength of the business resumption has notably been fueled by high transformation rates and average basket sizes.

By geographic region, France (where retailer sales in June were up 15% vs. June 2020) enjoyed a strong recovery: being today at 99% of the June 2019 level. Similarly, Italian retailers experienced a fairly robust resumption with sales up 23% in June compared to June 2020 and reaching 94% of pre-Covid levels (June 2019). Business also rebounded firmly in Scandinavia where June performances were similar to 2020 and 2019, and fared even better in Norway where sales were up 9% in June 2021 compared to June 2019.

Conversely, recovery has tended to be slower in malls relying on tourism or located in transport hubs and/or large business districts.

Rent collection

Over the first half of 2021, €673.1 million in rents and charges were invoiced at Group level.

As of July 21, 2021, we have collected 70%. Although the management is of the view that rents corresponding to the closure periods are contractually due, it has entered into negotiations with tenants on a case-by-case basis to grant potential waiver in exchange for compensations (lease extensions or the opening of new stores). In addition, allowances for credit losses were also recognized for unpaid rents relating to open periods but very disturbed, considering restrictive measures in place. As of June 30, 2021, €176 million have been recognized as accrued rent abatements (€112 million) or as credit loss allowances (€64 million), pointing to a targeted collection rate of at least 74% for the first half of 2021.

In France, the government announced a specific support program to help retailers pay their rent and charges for the closure period of the third lockdown (February to May 2021). As of today, no decree had been passed and discussions with the European Commission are still ongoing. Should the plan be implemented, it could improve rent collection and the first subsidies are expected to be granted to retailers in the fourth quarter of 2021.

This year, we also continued to collect rents related to 2020 for an aggregate amount of €72 million. Consequently, as of June 30, 2021, the 2020 collection rate stood at 85%, 100 basis points higher than our initial projected rate (84%). Accordingly, €9 million in provisions was reversed during the period.

Leasing

Although Klépierre's malls have been impacted by various closures and restrictions throughout Europe, letting operations recorded growing momentum with 776 leases signed over the first six months of 2021 (with a positive 0.1% reversion), gathering pace month after month. In volume terms, this was comparable to the same period in 2019 and is 70% above the one of 2020.

With a long-term vision, the Group leveraged its European platform of shopping centers and close relations with most of the leading retail chains to further increase its market share in each catchment area and optimize occupancy (which currently stands at 94.2%).

Over the period, Klépierre continued to consolidate its long-standing partnership with key accounts, notably through a dynamic leasing flow with, among others, Inditex, Calzedonia Group, Yves Rocher, Rituals, Sephora and Lego. Simultaneously, growing retailers chose to carry on expanding in Europe within Klépierre's malls, including Samsung, LG and Hubsider as well as value retailers such as Normal and Action.

The Group continues to capitalize on the development of sports banners. In the coming months, ten new stores including Snipes, Asics, FootKorner, Hummel and Intersport will join Klépierre's malls. These openings will further strengthen the sales dynamic of this segment over recent months (up 9%, on a like-for-like basis, compared 2019). Lastly, as part of the rollout of its Destination Food® concept, the Group further broadened the restaurants offering at its malls, notably signing with international banners such as Starbucks, KFC, T.G.I. Friday's, Dunkin' Donuts and Poke House, as well as dynamic local brands.

NET CURRENT CASH FLOW

Over the first half of 2021, net current cash flow amounted to €248 million (total share), or €0.72 per share. Compared to the first half of 2019⁽⁶⁾, the €0.63 decline, is attributable to the negative impacts of rent abatements and allowances (€0.61), the loss in variable revenues due to mall closures and lower occupancy (€0.15); partly offset by cost reductions (€0.03; G&A and payroll) and other items⁽⁷⁾ (€0.10; mostly related to tax reduction in Italy and lower cost of debt).

PORTFOLIO VALUE AND EPRA NET TANGIBLE ASSETS (NTA)

Including transfer taxes, the value of the portfolio is at €21,471 million on a total share basis as of June 30, 2021, down 1.8% on both a reported and like-for-like basis over six months. This decline was balanced between a market effect (negative 1.1%) and a cash flow effect (negative 0.7%).

EPRA NTA per share amounts to €29.70 at the end of June 2021, versus €31.40 six months earlier⁽⁴⁾. The decrease reflects the generation of net current cash flow (€0.72 per share), which was more than offset by the decrease in the value of the like-for-like portfolio (€1.11 per share) and by the cash distribution payment (€1.00 per share). Foreign exchange and other items had a negative impact of €0.31 per share.

DEBT AND FINANCING

As of June 30, 2021, consolidated net debt totals €9,146 million, versus €9,054 million six months ago. It does not incorporate the €435 million disposals in Norway closed in early July (see the Disposals section below).

As of June 30, 2021, the Loan-to-Value (LTV) ratio is at 42.6% (compared to 41.4% at December 31, 2020) and 41.1% factoring in the recent disposals in Norway and assuming the 2020 cash dividend would have been paid in two equal installments.

Klépierre's liquidity position⁽⁸⁾ is strong at €2.2 billion (including €1.8 billion of committed credit facilities) and covers all the Group refinancing needs until May 2024.

DEVELOPMENTS AND DISPOSALS

Investments

Over the first half 2021, Klépierre continued to contain its cash outflows with total capital expenditure amounting to €56.9 million.

The construction of a 16,700-sq.m. extension in Gran Reno (Bologna) which started in April 2019 is expected to be delivered in the second quarter of 2022. Pre-leasing stands at 81% (signed or under advanced negotiations) with leading brands such as Zara, Primark, New Balance and Tommy Hilfiger.

Disposals

Since January 1, 2021, the Group has disposed of assets for a total consideration of €471.6 million⁽⁹⁾ at an average yield of 5.6%⁽¹⁰⁾, mainly including the disposal of five Norwegian non-core properties on July 8, 2021.

ACT FOR GOOD®

Over the first half of 2021, Klépierre has received new ESG acknowledgements and has maintained its leading position within the industry:

- The Building Research Establishment (BRE) awarded Klépierre with the 2021 **BREEAM Award** in the Responsible Investment Large Portfolio category;
- The **MSCI** upgraded its non-financial rating from AA to AAA (highest score achievable) and recognized the Group as a worldwide leader in CSR, demonstrating its ambition to make shopping centers more efficient and even more environmentally responsible; and
- Euronext included Klépierre in the **CAC 40 ESG Index** since its launch in March 2021.

These recognitions are the fruit of the Act for Good® policy and the operational excellence of the Group regarding environmental, societal and social challenges.

The Covid-19 pandemic highlighted opportunities to support the local communities with which Klépierre is involved. Hence, the Group committed to fight against Covid-19 and set up testing points and more recently vaccine hubs working alongside local partners, in France, Italy, the Czech Republic and Germany. The Group notably leveraged its long-lasting partnership with the Italian Red Cross in Porta di Roma to set up a 1,000 sq.m. vaccination center capable of accommodating 3,500 people per day.

In addition, the number of Klépierre malls (by value) that organized initiatives contributing to local employment rose to 95%⁽¹¹⁾.

OUTLOOK

Since the reopening of our malls, footfall and retailer sales have rebounded firmly. Since then, the coronavirus Delta variant has spread rapidly across Europe, causing some European countries to impose new restrictions and possibly triggering additional ones in other countries. At this stage, it is not possible to assess the potential impact of these measures on our malls' operations during the second half of the year.

Assuming no more store closures or severe restrictions in the second half of 2021, the Group maintains its net current cash flow guidance at €1.80 per share⁽⁵⁾ for 2021 and will update the market as and when the situation warrants.

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- (1) The Supervisory Board met at Klépierre's headquarters on July 26, 2021, to examine the interim financial statements, as approved by the Executive Board on July 21, 2021. The consolidated financial statements have been subject to review procedures by the Company's Statutory Auditors. The review report on the interim financial information is to be issued shortly.
 - (2) Change in retailer sales on a same store basis, excluding closure days.
 - (3) Net debt post-Norway disposals and factoring in half of the cash distribution payment related to 2020 (implying net debt of €8,649 million).
 - (4) EPRA NTA per share figures are rounded to the nearest 10 cents.
 - (5) Excluding the impact of amortizing Covid-19 rent concessions.
 - (6) Restated for disposals and share buyback impact.
 - (7) Including €0.06 of tax savings, €0.03 of lower cost of debt, €0.05 of 2020 provision reversals and -€0.04 of management fees.
 - (8) Liquidity position is the total financial resources available to a company. This indicator is therefore equal to the sum of the cash at hand at the end of the year, confirmed and unused revolving credit facilities (net of commercial paper) and uncommitted credit facilities.
 - (9) Excluding transfer taxes, total share.
 - (10) Computed based on 2021 estimated net rental income.
 - (11) As of December 31, 2020.

CHANGE IN RETAILER SALES^(a) IN JUNE 2021 COMPARED TO JUNE 2020 AND JUNE 2019

| Geography | Change in retailer sales | | Share in total reported retailer sales |
|--------------|--------------------------|-------------------------|--|
| | June 2021 vs. June 2020 | June 2021 vs. June 2019 | |
| France | +15% | -1% | 36% |
| Italy | +23% | -6% | 24% |
| Scandinavia | +1% | +1% | 19% |
| Iberia | +20% | -17% | 9% |
| CE & Other | +21% | 0% | 6% |
| Netherlands | +23% | -7% | 3% |
| Germany | +2% | -9% | 3% |
| TOTAL | +15% | -4% | 100% |

| Segments | Change in retailer sales | | Share in total reported retailer sales |
|--------------------------|--------------------------|-------------------------|--|
| | June 2021 vs. June 2020 | June 2021 vs. June 2019 | |
| Fashion | +26% | -4% | 41% |
| Culture, Gifts & Leisure | +7% | +3% | 18% |
| Health & Beauty | +8% | -2% | 14% |
| Food & Beverage | +16% | -13% | 9% |
| Household Equipment | -2% | +1% | 11% |
| Others | +13% | -12% | 7% |
| TOTAL | +15% | -4% | 100% |

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

COLLECTION RATES ON RENTS AND SERVICE CHARGES RELATED TO THE FIRST HALF OF 2021

| Geography | Invoiced (in €m) | Actual collection rate ^(a) |
|---|---------------------|--|
| France | 254.1 | 58% |
| Italy | 105.9 | 60% |
| Scandinavia | 111.1 | 94% |
| Iberia | 75.1 | 82% |
| CE & Other | 49.5 | 72% |
| Netherlands | 38.6 | 75% |
| Germany | 29.6 | 78% |
| TOTAL SHOPPING CENTERS | 663.9 | 70% |
| TOTAL WITH OTHER RETAIL PROPERTIES | 673.1 | 70% |

(a) As of July 21, 2021, on a total share basis, excluding equity-accounted companies and VAT.

TOTAL REVENUES

| In millions of euros | Total share | | Group share | |
|---|--------------|--------------|--------------|--------------|
| | H1 2021 | H1 2020 | H1 2021 | H1 2020 |
| France | 144.1 | 220.9 | 117.4 | 181.2 |
| Italy | 76.4 | 98.3 | 75.6 | 97.2 |
| Scandinavia | 85.2 | 83.6 | 47.8 | 46.9 |
| Iberia | 53.9 | 65.7 | 53.9 | 65.7 |
| CE & Other | 36.0 | 41.0 | 35.6 | 40.2 |
| Netherlands | 25.9 | 36.9 | 25.9 | 36.9 |
| Germany | 17.7 | 24.5 | 16.9 | 23.3 |
| SHOPPING CENTERS GROSS RENTAL INCOME | 439.3 | 571.0 | 373.1 | 491.5 |
| Other retail properties | 5.1 | 10.0 | 5.1 | 10.0 |
| TOTAL GROSS RENTAL INCOME | 444.3 | 581.0 | 378.2 | 501.5 |
| Management, administrative and related income (fees) | 31.1 | 34.9 | 29.3 | 32.5 |
| TOTAL REVENUES | 475.4 | 616.0 | 407.5 | 534.1 |
| Equity-accounted investees* | 30.9 | 39.4 | 29.1 | 37.9 |

* 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

| <i>In millions of euros</i> | H1 2021 | | 2020 | | | |
|---|--------------|--------------|-------------|--------------|--------------|--------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| France | 43.6 | 45.6 | 14.7 | 95.6 | 101.8 | 96.6 |
| Italy | 36.1 | 22.9 | 0.6 | 39.8 | 45.0 | 42.9 |
| Scandinavia | 50.5 | 23.4 | 34.7 | 37.7 | 37.0 | 39.1 |
| Iberia | 22.9 | 19.8 | 13.1 | 21.7 | 29.4 | 31.3 |
| CE & Other | 12.3 | 11.8 | 8.1 | 19.6 | 15.5 | 20.1 |
| Netherlands | 12.5 | 2.9 | 14.4 | 16.0 | 14.6 | 14.4 |
| Germany | 10.6 | 0.9 | 6.1 | 8.8 | 7.1 | 8.5 |
| SHOPPING CENTERS NET RENTAL INCOME | 188.5 | 127.3 | 91.8 | 239.4 | 250.3 | 252.8 |
| Other activities | 2.5 | 2.2 | (1.6) | 5.1 | 4.0 | 4.4 |
| TOTAL NET RENTAL INCOME | 191.0 | 129.6 | 90.3 | 244.4 | 254.3 | 257.2 |

NET CURRENT CASH FLOW

| | H1 2021 | H1 2020 |
|--|--------------|--------------|
| <i>Total share, in millions of euros</i> | | |
| Gross rental income | 444.3 | 581.0 |
| Rental and building expenses | (123.8) | (69.5) |
| Net rental income | 320.6 | 511.5 |
| Management and other income | 35.7 | 42.2 |
| General and administrative expenses | (71.4) | (63.9) |
| EBITDA | 284.9 | 489.8 |
| <i>Adjustments to calculate operating cash flow:</i> | | |
| Depreciation charge for right of use assets ^(a) | (4.2) | (4.0) |
| Employee benefits, stock option expense and non-recurring operating expenses | 0.0 | 0.2 |
| IFRIC 21 impact | 8.2 | 7.5 |
| Operating cash flow | 288.9 | 493.5 |
| Cost of net debt | (58.2) | (52.9) |
| <i>Adjustments to calculate net current cash flow before taxes exclude:</i> | | |
| Amortization of Corio's debt mark-to-market | (1.9) | (8.4) |
| Financial instrument close-out costs | 1.7 | 4.1 |
| Current cash flow before taxes | 230.5 | 436.3 |
| Share in equity-accounted investees | 17.6 | 26.4 |
| Current tax expenses | 0.1 | (8.8) |
| Net current cash flow | 248.1 | 453.9 |
| <i>Group share, in millions of euros</i> | | |
| NET CURRENT CASH FLOW | 206.9 | 392.1 |
| Average number of shares ^(b) | 285,539,909 | 286,430,401 |
| <i>Per share, in euros</i> | | |
| NET CURRENT CASH FLOW | 0.72 | 1.37 |
| IFRS 16 straight-line amortization | (0.01) | - |
| NET CURRENT CASH FLOW | 0.72 | 1.37 |

(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.

2021 HALF-YEAR EARNINGS WEBCAST — PRESENTATION AND CONFERENCE CALL

Klépierre Executive Board will present the 2021 half-year earnings on **Wednesday, July 28, 2021 at 9:00am Paris time (8:00am London time)**. Please visit Klépierre's website at www.klepierre.com to listen to the webcast, or click [here](#).

A replay will also be available after the event.

AGENDA

October 22, 2021 Business review for the first nine months of 2021 (before market opening)

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ABOUT KLÉPIERRE

Klépierre is the European leader in shopping malls, combining property development and asset management skills. The Company's portfolio is valued at €21.5 billion at June 30, 2021 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, EPRA Euro Zone and GPR 250 indexes. It is also included in ethical indexes, such as Euronext CAC 40 ESG Index, DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 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 webpage:

www.klepierre.com/en/finance/publications

