PRESS RELEASE

2022 FULL-YEAR EARNINGS

Paris — February 15, 2023

Klépierre, the European leader in shopping malls, today reported its 2022 full-year earnings[1], which significantly exceeded guidance:

- **Retailer sales[2] up 25% like-for-like compared to 2021**
- **Like-for-like[3] net rental income up 24.8% year on year**
- **Dynamic leasing activity illustrated by:**
  - **Occupancy up 110 basis points to 95.8%**
  - **4.1% positive reversion, on top of 3.7% indexation**
- **Net current cash flow up 20.1% versus 2021 to €2.62 per share, beating the mid-range initial guidance by 13%**
- **Proposed increased cash distribution to shareholders at €1.75[4] per share**
- **Solid balance sheet and improved credit metrics:**
  - **Total disposals of €602 million, in line with appraised values[5]**
  - **Net debt down €527 million over one year and by €1.6 billion compared to December 31, 2020**
  - **Net debt to EBITDA at 7.9x, LTV of 37.7% and ICR at 10.0x**
- **2023 net current cash flow per share expected at €2.35[6] (up 5% compared to 2022 adjusted NCCF of €2.24[7])**
- **Confirmed industry leadership in CSR with a new Act4Good™ strategy aiming at "Building the most sustainable platform for commerce" by 2030**

Jean-Marc Jestin, Chairman of the Executive Board, said, *"Our team has delivered a remarkable operating and financial performance. Our operating fundamentals are solid. Today we are posting a 20.1% growth in net current cash flow, 13% higher than our initial guidance. The upturn in retailer sales, footfall, leasing activity and revenues is the direct result of Klépierre's clear strategic positioning in Europe's largest cities with a portfolio of pre-eminent shopping malls in large and wealthy catchment areas. With net debt down by €1.6 billion over two years, our Group operates with one of the most solid balance sheets in the industry.*

We will be proposing an increase in the cash distribution to our shareholders, to €1.75[4] per share.

Furthermore, we have delivered powerful and concrete results in the CSR space and have been ranked number one by several non-financial rating agencies. Going forward, with our new Act4Good™ strategy, we are aiming to act as a game changer as we want to build the most sustainable platform for commerce by 2030".

KLEPIERRE

KEY FINANCIALS

	2022	2021	Reported change	Like-for-like change[3]
In millions of euros, total share				
Total revenues	1,231.7	1,071.4	+15.0%	
Net Rental Income (NRI), shopping centers	1,023.6	863.4	+18.6%	+24.8%
Property portfolio valuation (incl. transfer taxes)	19,832	20,713	−4.3%	-0.7%
Net debt	7,479	8,006	−6.6%	
Loan-to-Value (LTV)	37.7%	38.7%		
Net debt to EBITDA	7.9x	8.8x		
In euros, Group share				
EPRA Net Tangible Assets (NTA) per share	30.90	31.20	−1.0%	
Net current cash flow per share	2.62	2.18	+20.1%	

OPERATING PERFORMANCE

Trading improved continuously throughout the year, illustrating the strength of the business rebound, the attractiveness of Klépierre's retail venues and the relevance of the Group's operational initiatives in providing a constantly renewed offering adapted to shoppers' evolving expectations.

Retailer sales[2] and footfall

On a like-for-like basis, **retailer sales** rebounded strongly in 2022. After suffering the negative impacts from the pandemic and the early months of the Ukraine conflict, retailer sales continued to improve between April and December, hitting 100% of 2019 levels over the period, and coming out 2% higher in December.

Retailer sales by geography compared to 2019[2]

	Retailer sales change		
Country	First-quarter 2022 vs. 2019	From April to December 2022 vs. 2019	Share in total reported retailer sales
France	89%	101%	41%
Italy	86%	98%	27%
Scandinavia	91%	97%	12%
Iberia	92%	102%	10%
Netherlands & Germany	85%	103%	5%
Central Europe	93%	108%	5%
TOTAL	89%	100%	100%

Retailer sales by segment compared to 2019[2]

	Retailer sales change		
Segments	First-quarter 2022 vs. 2019	From April to December 2022 vs. 2019	Share in total reported retailer sales
Fashion	83%	100%	36%
Culture, gifts & leisure	93%	102%	21%
Health & beauty	92%	101%	14%
Food & beverage	84%	99%	11%
Household equipment	102%	100%	12%
Other	83%	96%	6%
TOTAL	89%	100%	100%

Footfall also increased sharply from 78% of the 2019 level in January 2022 to 92% in December 2022.

Leasing

Over the course of 2022, leasing demand for our unique European platform of shopping malls was remarkably strong. The Group signed 1,360 leases including 974 renewals and re-lettings, with a 4.1% positive reversion rate, on top of the 3.7% indexation applied in January 2022.

The bounceback in retailer sales and footfall coupled with the Group's **Retail First®** strategy enabled Klépierre to seize opportunities with best-in-class banners and offer an even more attractive retail mix to visitors. Overall, this significantly supported the occupancy rate which increased by 110 basis points over one year to 95.8% as of December 31, 2022.

The average left duration of leases in Klépierre malls also increased to 5 years, significantly higher than the year-earlier figure of 4.7 years and the pre-Covid level of 4.8 years.

Net Rental Income

Net rental income amounted to €1,035.3 million in 2022, up 17.7% on a reported basis and 24.8% like-for-like(3).

2021 was severely impacted by Covid-19 as stores were closed for 2.5 months on average. 2022 is the first undisturbed year with virtually no business disruption due to Covid-19, although some light restrictions were still in place during the first quarter. Consequently, the comparison between 2021 and 2022 is not meaningful.

In 2022, net rental income included two non-recurring/one-off contributions:

- reversals of provisions (€88.6 million or €0.30 per share) due to better-than-expected rent collection for 2020 and 2021; and
- €25.0 million in net rental income generated by assets disposed over the course of 2022.

Excluding those two elements, net rental income for 2022 amounted to €921.7 million, reflecting the basis of the first undisturbed year since Covid-19 outbreak.

NET CURRENT CASH FLOW

In 2022, net current cash flow amounted to €851.0 million (total share), or €2.62 per share (Group share), up 20.1% over the year. This amount included €0.30 per share relating to higher-than-anticipated collection of 2020 and 2021 rents (one-off item) and €0.08 per share relating to cash flow generated by asset disposed over the course of 2022.

SHOPPING CENTER PORTFOLIO VALUE AND EPRA NET TANGIBLE ASSETS (NTA)

Including transfer taxes, Klépierre's shopping center portfolio stood at €19,595(8) million on a total share basis as of December 31, 2022, down 1.0% like-for-like(3) over 12 months and down 1.3% over 6 months.
The change in the like-for-like valuation during the second half of 2022 was attributable to the following changes in appraisers' assumptions:

> The tightening credit environment and impacts on risk free rates translated into a 40-basis-point increase in discount rates to 7.2%, and a 20-basis-point increase in exit rates to 5.6%; and

> On the back of the inflationary environment, the compound annual growth rate for net rental income increased slightly from 2.5% to 2.8%.

Overall, as of December 31, 2022, the average EPRA Net Initial Yield of the portfolio stood at 5.4%.

EPRA NTA per share amounted to €30.90 as of December 31, 2022, compared to €31.20 as of December 2021.

DEBT AND FINANCING

As of December 31, 2022, consolidated net debt totaled €7,479 million compared to €8,006 million at the end of 2021. Overall, net debt has fallen by €1.6 billion over the last two years.

As a result, Klépierre significantly improved its financing metrics, restoring them to – and even exceeding - pre-Covid levels. As of December 31, 2022, the net debt to EBITDA ratio stood at 7.9x (versus 8.8x one year earlier), while the Loan-to-Value (LTV) ratio stood at 37.7%, a 100 basis-point decrease compared to December 31, 2021. The interest coverage ratio was 10.0x, among the highest in the industry. The hedging profile remains strong with 100% of net debt hedged at fixed rates in 2023, and 90% in 2024.

Klépierre's liquidity position(9) stood at €2.8 billion, mainly comprising €2.1 billion in unused committed revolving credit facilities, net of commercial paper, €0.4 billion in other credit facilities and €0.3 billion in cash and cash equivalents. The average maturity of the Group's debt was 6.5 years, while the cost of debt remained stable at 1.2%.

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

DEVELOPMENTS AND DISPOSALS

Investments

In 2022, Klépierre focused on its main committed projects: the Gran Reno extension in Bologna (Italy), the refurbishment and extension of Grand Place in Grenoble (France) and the development of five Primark megastores in Italy and France.

On a total share basis, total capital expenditure for 2022 amounted to €184 million, of which €108 million in development projects, €76 million in like-for-like capex and capitalized interests.

Pipeline

As part of its development strategy, Klépierre regularly transforms its existing assets to strengthen their leadership in their respective catchment areas. The two main projects under construction are:

Extension of Grand Place (Grenoble, France)

The construction of the 16,200 sq.m. extension started in May 2022 and is scheduled for completion by the end of 2023. Pre-leasing is at 89% of the projected net rental income. In addition, this new development will host the first Primark store in the region. As part of Klépierre's Destination Food® strategy, 14 new restaurants including KFC, Poke House and Black & White will open with indoor and outdoor terraces offering customers an enjoyable gastronomic experience. Yield on cost for this project is projected at c.8%.

Maremagnum (Barcelona, Spain)

In early 2024, Maremagnum, Barcelona's leading mall, is set to host the second Time Out Market in Europe. With this food and cultural market concept, the 5,200 sq.m. rooftop will become Barcelona's leisure hotspot for food & beverage with exclusive views over the city, the port and the sea. In addition, the recently signed deal with Inditex for the enlargement of Stradivarius, Pull & Bear, Bershka and Lefties, will provide fresh retail impetus for the mall.

Disposals

Since January 1, 2022, the Group has completed disposals or signed promissory agreements for a total consideration of €602.2 million (total share, excluding transfer taxes). This amount includes the sale of Norwegian properties, as well as a few portfolios of retail properties in France and offices located above the Hoog Catharijne (Utrecht) shopping center.

Retail assets sold and under promissory agreements were disposed in line with December 2021 appraised values (-1.8%).

ACT FOR GOOD®: FIVE YEARS OF ACHIEVEMENTS AND NEW MILESTONES AHEAD

Klépierre consolidated its position as leader in sustainable development. Among the first companies to be recognized for its CSR commitment within the industry, the Group was rewarded with the highest levels of certification by several non-financial rating agencies. For the third year in a row, Klépierre has been ranked number 1 of the "Global Retail Listed", "Europe Retail", "Europe Retail Listed" and "Europe Listed" GRESB categories. In 2022, the Group improved its score to 98/100, substantially outperforming the average comparable company rating (79/100) and the combined rating of all GRESB participants (74/100).

Klépierre was once again included in the CDP's "A List" of the most advanced companies fighting climate change at global level and was rated "AAA" (highest score achievable) by MSCI. Likewise, in January 2023, Euronext included Klépierre in the CAC SBT 1.5° index, a new climate-focused index, made up of companies whose emissions reduction targets have been approved as in line with the 1.5°C goal of the Paris Agreement.

In 2018, Klépierre launched Act for Good®, a five-year CSR plan built on 32 concrete objectives. The results to date have exceeded expectations with the Group having achieved an average of 99.8% of the objectives. In particular, Klépierre has reduced the energy intensity of its portfolio by 42% since 2013 and cut its direct and indirect greenhouse gas (GHG) emissions by 82%.

As unveiled on February 1, 2023, alongside its new Act4Good™ strategy, Klépierre now intends to go a step further by building the most sustainable platform for commerce. Developed with a committee of independent experts, this new CSR strategy is based on four pillars:

- Act for the climate by achieving net zero by 2030;
- Act to service communities and territories around its shopping centers;
- Act as a skills developer for its employees, partners and visitors; and
- Act to promote sustainable lifestyles for its entire ecosystem – customers, retailers, employees, partners and citizens.

DISTRIBUTION

The Supervisory Board will recommend that the shareholders, at the Annual General Meeting to be held on May 11, 2023, approve the payment of a cash distribution in respect of fiscal year 2022 of €1.75 per share. The proposed distribution will be paid in two installments:

- A cash distribution of €0.87 per share from Klépierre's tax exempt activities (SIIC). This will be paid as an interim distribution on March 30, 2023; and
- The balance of €0.88 per share corresponding to:
  - A €0.04 per share "SIIC" dividend; and
  - 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*), to be paid on July 11, 2023.

OUTLOOK

Over the course of 2022, Klépierre's operations grew thanks to robust fundamentals: rebound in retailer sales and footfall, high rent collection, strong cash flow generation and improved credit metrics.

In 2023, the Group expects to generate net current cash flow per share of €2.35[(6)], 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 disposed assets).

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

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

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

(1) The Supervisory Board met on February 14, 2023, to examine the full-year financial statements, as approved by the Executive Board on February 13, 2023. The consolidated financial statements have been subject to audit procedures. The Statutory Auditors' report is to be issued shortly with the Universal Registration Document.

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

(3) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, disposals completed since January 2021 and foreign exchange impacts.

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

(5) Retail assets were sold in line with December 2021 appraised values (-1.8%).

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

(7) €2.62 restated for €0.30 of reversals of provisions and for €0.08 in cash flow generated by disposed assets.

(8) Only shopping centers, excluding Turkey. As of December 31, 2022, the value of the overall portfolio, including transfer taxes, amounts to €19,832 million on a total share basis.

(9) 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, committed and unused revolving credit facilities (net of commercial paper) and other credit facilities.

TOTAL REVENUES

In millions of euros	Total share	
	2022	2021
France	466.7	366.3
Italy	217.7	174.1
Scandinavia	141.1	158.7
Iberia	130.7	117.4
Netherlands & Germany	110.5	102.9
Central Europe	65.7	59.0
Other countries	16.3	14.6
SHOPPING CENTERS GROSS RENTAL INCOME	**1,148.7**	**993.1**
Other retail properties	13.7	13.3
TOTAL GROSS RENTAL INCOME	**1,162.4**	**1,006.4**
Management, administrative and related income (fees)	69.3	65.1
TOTAL REVENUES	**1,231.7**	**1,071.4**

NET CURRENT CASH FLOW

	2022	2021	Change
Total share, in €m			
Gross rental income	1,162.4	1,006.4	+15.5%
Rental and building expenses	(127.1)	(126.9)	+0.2%
Net rental income	**1,035.3**	**879.5**	**+17.7%**
Management and other income	83.8	74.5	+12.4%
General and administrative expenses	(164.0)	(147.2)	+11.4%
EBITDA	**955.0**	**806.8**	**+18.4%**
Adjustments to calculate operating cash flow:			
Depreciation charge for right-of use assets[a]	(8.7)	(8.4)	
Employee benefits, stock-option expenses and non-current operating expenses/income	3.6	3.3	
Operating cash flow	**949.9**	**801.7**	**+18.5%**
Cost of net debt	(119.5)	(115.3)	+3.7%
Adjustments to calculate net current cash flow before taxes:			
Amortization of Corio debt mark-to-market	(1.7)	(2.8)	
Financial instruments close-out costs	7.8	2.6	
Net current cash flow before taxes	**836.4**	**686.1**	**+21.9%**
Share in earnings of equity-accounted companies	53.4	49.6	+7.7%
Current tax expense	(38.7)	(16.7)	+132.0%
Net current cash flow	**851.0**	**718.9**	**+18.4%**
Group share, in €m			
NET CURRENT CASH FLOW	**740.8**	**622.3**	**+19.1%**
Number of shares	*286,524,518*	*285,860,024*	
Per share, in €			
NET CURRENT CASH FLOW - IFRS	**2.59**	**2.18**	**+18.8%**
IFRS 16 adjustment	0.03	0.0	
NET CURRENT CASH FLOW - ADJUSTED	**2.62**	**2.18**	**+20.1%**

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

2022 FULL-YEAR EARNINGS WEBCAST — PRESENTATION AND CONFERENCE CALL

Klépierre's Executive Board will present the full-year 2022 earnings on **Thursday, February 16, 2023 at 9:00 a.m. Paris time (8.00 a.m. London time).** Please visit Klépierre's website **www.klepierre.com** to listen to the webcast, or click here.

A replay will also be available after the event.

AGENDA

May 11, 2023	Annual General Meeting
May 11, 2023	First quarter 2023 business review (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 €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.

For more information, please visit the newsroom on our website: **www.klepierre.com**

This press release and its appendices together with the earnings presentation slideshow are available in the "Publications section" of Klépierre's Finance page:
www.klepierre.com/en/finance/publications

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