

2021 FULL-YEAR EARNINGS

Paris — February 16, 2022

Klépierre, the European leader in shopping malls, today reported its 2021 full-year earnings⁽¹⁾. The main highlights include:

- **2021 net current cash flow of €2.18 per share, (up 10.6% versus 2020), and 9% higher than guided in October 2021**
- **Strong recovery in retailer sales⁽²⁾ since reopening, almost equaling pre-pandemic levels (95%⁽³⁾ of 2019 levels), up 10% year on year**
- **Like-for-like Net Rental Income up 6.9% compared to 2020**
- **Occupancy up 50 basis points over 6 months to 94.7% due to a strong leasing activity on a par with pre-Covid levels in absolute terms delivering a 0.9% reversion**
- **Full-year 2021 collection rate to reach at least 87%, and at least 93.5% from July to December⁽⁴⁾**
- **Shopping centers portfolio valuation up 0.6% on a like-for-like basis over 6 months**
- **Disposal of non-core assets in Norway, Germany, France and Sweden for €874 million**
- **Net debt down by more than €1 billion and Loan-to-Value ratio at 38.7%, down 270 basis points compared to December 2020**
- **EPRA Net Tangible Assets per share stable at €31.20⁽⁵⁾**
- **Proposed cash distribution to shareholders of €1.70 per share, up 70% versus last year**
- **2022 net current cash flow per share expected between €2.30 and €2.35, (up by between 9.5% and 11.9% compared to 2021⁽⁶⁾)**

Jean-Marc Jestin, Chairman of the Executive Board, said, “2021 has been a challenging year, characterized by the equivalent of 2.5 months of store closures in Klépierre’s malls. But despite these headwinds, today, we are posting strong results with growth of 10.6% in net current cash flow per share, surpassing our most recent guidance. Since reopening, all of our operating indicators near or outpace pre-Covid levels as illustrated by the upturn in leasing activity, the improvement in the occupancy rate and rebound in retailer sales. I am very thankful to all of Klépierre’s teams and their tremendous commitment at each stage of this crisis. Over the year, we also managed to divest close to €880 million in non-core retail assets and to sizably reduce our net debt by more than €1 billion. Lastly, Klépierre’s worldwide leadership has been commended by several non-financial agencies with prestigious scores for its CSR strategy. These great achievements coupled with our solid operating fundamentals provide a remarkable platform for the years to come, leading us to propose to our shareholders a 70% increase in our cash distribution, to €1.70 per share. Looking ahead, in a still uncertain health environment, our 2022 guidance demonstrates our confidence in the resilience of our business model and our ability to capitalize on the ongoing recovery.”



KEY FINANCIALS

	12/31/2021	12/31/2020	Reported change	Like-for-like change ⁽⁷⁾
<i>In millions of euros, total share</i>				
Total revenues	1,071.4	1,130.8		
Net Rental Income (NRI)	879.5	846.2	+3.9%	+6.9%
Property portfolio valuation (incl. transfer taxes)	20,713	21,859	-5.2%	-1.3%
Net debt	8,006	9,054	-11.6%	
Loan-to-Value (LTV)	38.7%	41.4%	-270 bps	
Net debt to EBITDA	8.8x	10.8x	-2.0x	
<i>In euros, Group share</i>				
EPRA Net Tangible Assets (NTA) per share	31.20	31.40	-0.6%	
Net current cash flow per share	2.18	2.05	+6.1%	
Net current cash flow per share (excluding IFRS 16)	2.18	1.97	+10.6%	

OPERATING PERFORMANCE

Retailer sales⁽²⁾ and footfall

Since reopening, from June to December 2021, **retailer sales** rebounded strongly, reaching 95% of the 2019 pre-Covid business levels (up 10% over the year compared to 2020). **Footfall** also benefited from the business restart, albeit at a slower pace, coming out at 80% of 2019 levels on average and continuing to be hindered by the remaining restrictions in certain countries. The performance was weaker in the Group's few malls located in business districts or dependent on tourist traffic or commuters. The omicron variant, which gave rise to historically high contamination levels, weighed on footfall and sales towards the end of the year. Nevertheless, in what remained a challenging environment, the overall performance underscores the strength of the business resumption, notably fueled by high transformation rates and average basket sizes.

By **geographic region**, Scandinavia and France posted the strongest performances over the last seven months of 2021 at 98% and 95% of 2019 levels, respectively. Similarly, Italian and Central European retailers experienced a fairly robust resumption with sales reaching 94% and 93% of pre-Covid levels, respectively. Despite an undeniable improvement, the recovery tended to be slower in Iberia (87% of 2019 levels), due to the dearth of tourists.

By **segment**, household equipment led the pack and exceeded pre-Covid levels (up 3% compared to June-December 2019), followed by culture, gifts & leisure (99% of 2019 level), both posting a sustained recovery. Fashion posted a sharp rebound mainly during June to October when it recorded sales at 95% of pre-Covid levels, with a comparable performance at health & beauty. Meanwhile, food & beverage remained below 2019 levels (down 16% between June and December), mainly due to the restrictions still in place for restaurants.

Leasing

Leasing activity bounced back in 2021, with 1,570 leases signed, up 65% compared to 2020 and in line with pre-Covid levels in absolute terms. Reversion on the 1,240 renewals and re-lettings was positive at 0.9%, demonstrating the attractiveness of Klépierre's malls and its sustainable rents and charges. Overall, occupancy remained high at 94.7% which represents an improvement of 50 basis points compared to June 30, 2021.

Leasing highlights included deals in the most **dynamic segments** such as **sports, health & beauty** and **innovative** retail. The leasing flow was dense with sneaker retailers Courir (8 deals), Snipes (5 leases), Foot Locker (5 leases), Sidestep (3 deals), Skechers (3 deals) and JD Sports (3 deals) while French street fashion retail chain FootKorner (8 deals) continued to expand and Adidas, Hummel and Intersport joined Klépierre's malls. Several **beauty** retailers such as Sephora, Rituals and Kiko also expanded their presence. Among innovative banners, the digital native optician Mister Spex, the value-for-money specialists Normal, Action, Pepco and Dealz opened new stores and high-tech brands Hubsid, Samsung, LG and Xiaomi continued to expand in Europe.

Klépierre also seized opportunities with best-in-class **fashion** retailers, leveraging its relationships with its key accounts, notably Inditex, Calzedonia Group, Mango and H&M. In addition, the Group signed an important deal with United Colors of Benetton for four new stores in Italian shopping centers (Shopville Le Gru, Milanofiori, Globo and Grandemilia) while Tommy Hilfiger, Calvin Klein and Guess unveiled new flagships during the year. The Group also further broadened its **food & beverage** offering with the rollout of its Destination Food® concept, signing with international chains such as T.G.I. Fridays, KFC, Dunkin' Donuts and Poke House, as well as with dynamic local brands. Klépierre also signed deals with premium food brands such as Pierre Hermé over the year.

Lastly, prioritizing the rejuvenation of its retail offering, Klépierre has developed a new contract model built around **partnerships** and shared investments through joint ventures designed to give innovative retail players access to its shopping centers. The first partners to open stores and restaurants in Klépierre malls using this innovative approach include NOUS anti-gaspi (anti-waste grocery brand), Lobsta, Von Dutch (Advanced Retail), Pataugas and Gémio Kids. This strategy is enabling Klépierre to explore new territories and welcome new players, boosting the appeal and competitive edge of its centers.

Rent collection

In 2021, €1,355 million in rents and service charges were invoiced at Group level. As of February 7, 2022, before rent abatements and provisions for credit losses, **Klépierre had collected €1,161 million, corresponding to 85.7% of invoiced rents and charges**. The Group expects to ultimately achieve a collection rate of at least 86.7%. The balance of uncollected amounts (13.3%) breaks down as (i) rent abatements (7.5% – i.e., the equivalent of 0.9 months for 2.5 months of closure), (ii) provisions for bankrupt and insolvent tenants (3%) and (iii) additional provisions for credit losses booked pending the final outcome of negotiations with retailers (2.8%), that will ultimately translate into either rent abatements or cash collection.

By way of comparison, the ultimate collection rate for rents and service charges invoiced in 2020 (as of December 31, 2021) was 86.7%. The balance of uncollected amounts (13.3%) broke down as rent abatements (10% – i.e., the equivalent of 1.2 months for 2.1 months of closure) and provisions for credit losses (3.3%).

Net Rental Income

Net rental income amounted to €879.5 million in 2021, up 3.9% compared to 2020 and up 6.9% on a like-for-like basis⁽⁶⁾. The change in net rental income stemmed mainly from the decrease in rent abatements and in provisions for credit losses.

PORTFOLIO VALUE AND EPRA NET TANGIBLE ASSETS (NTA)

Including transfer taxes, Klépierre's shopping center portfolio stood at €20,518 million on a total share basis as of December 31, 2021, down 1.3% like-for-like over 12 months and up 0.6% over 6 months. Overall, as of December 31, 2021, the average EPRA net initial yield for the portfolio stood at 5.2%, down 10 basis points compared to one year ago.

EPRA NTA⁽⁵⁾ per share amounted to €31.20 at the end of December 2021, versus €31.40 one year ago. This slight decrease reflects the generation of net current cash flow (€2.18 per share), which was partly offset by a decrease in the value of the like-for-like portfolio (€0.84 per share) and the dividend payment (€1.00 per share). Foreign exchange and other items had a negative impact of €0.54 per share.

DEBT AND FINANCING

Debt

As of December 31, 2021, consolidated net debt totaled €8,006 million compared to €9,054 million at the end of 2020. The €1,048 million decrease is mainly attributable to the proceeds from disposals in 2021 (€847 million). As a result, Klépierre has improved its net debt to EBITDA ratio to 8.8x (versus 10.8x one year ago), while the Loan-to-Value (LTV) ratio stood at 38.7%, a 270 basis-point decrease compared to December 31, 2020.

Financing

At the end of 2021, Klépierre's liquidity position⁽⁹⁾ stood at €2.8 billion (including €1.8 billion in unused committed revolving credit facilities) and covers all the Group refinancing needs for the next two years. The Group maintained the average maturity of its total debt at 7.0 years and its cost of debt at 1.2% as of December 31, 2021.

In January 2022, Klépierre launched a tender offer on two of its shortest public bonds maturing in April 2023 (€750 million bearing a 1% coupon) and November 2024 (€630 million bearing a 1.75% coupon, with the aim of reducing the excess cash position. At the end of the offer, €297 million worth of notes were tendered, including €226 million of the April 2023 and €71 million of the November 2024 bonds.

DEVELOPMENTS AND DISPOSALS

Investments

In 2021, Klépierre has continued to focus on its main committed projects (including Gran Reno in Italy and Grand Place in France), with total capital expenditure amounting to €169.6 million.

In Gran Reno (Bologna, Italy), refurbishment work has been completed since September 2021 and leasing activity in the new extension is well on track with 99% of the projected net rental income either already signed (77%) or under advanced negotiation (22%). This 16,700 sq.m extension is slated to open in the second quarter of 2022.

In parallel, the construction of the 16,200 sq.m extension in Grand Place (Grenoble, France) started in July and is scheduled for completion at the end of 2023. Pre-leasing is progressing well, at 82%, with 56% of leases signed and 27% in agreed form.

Disposals

Since January 1, 2021, the Group has completed disposals totaling €874 million. This amount includes the sale of:

- > **Seven shopping centers:** five in Norway (Vinterbro Senter in Ås, Amanda in Haugesund, Nerstranda in Tromsø, Farmandstredet in Tønsberg and Nordbyen in Larvik), one in Germany (Boulevard Berlin in Berlin) and one in Slovakia (Danubia in Bratislava);
- > **A retail park** of 22 retail units in Bordeaux in France, close to Bègles Rives d'Arcins;
- > **Other retail properties** throughout France, Scandinavia and the Netherlands.

Overall, assets were sold in line (-0.4%) with appraised values for a blended EPRA Net Initial Yield of 5.4%.

ACT FOR GOOD®: ANOTHER YEAR OF ACHIEVEMENTS

In 2021, Klépierre continued to improve the environmental performance of its assets, progressing towards its 5-year plan ending in 2022 and towards its transition to a net-zero carbon portfolio in 2030. As part of its sustainability strategy and thanks to the active rollout of the energy management culture in its malls, Klépierre has reduced the energy intensity of the common and serviced areas of its shopping centers by 45% since 2013, leading the Group to surpass its target two years ahead of schedule. Carbon emissions have been cut by 84%⁽¹⁰⁾ since 2013 at Group level, thanks especially to the greater use of renewable electricity to power those areas (95% versus 73% in 2018).

Klépierre still played an active role towards its communities as the pandemic revealed shopping centers' critical role in addressing urgent local needs. As such, the Group actively implemented vaccination hubs in its malls and contributed to jabbing more than 1,000,000 people against Covid-19 across Europe. In addition, the percentage of Klépierre malls (by value) that organized initiatives contributing to local employment rose to 100%.

Lastly, Klépierre was also recognized as a worldwide leader in CSR by several non-financial rating agencies. First, GRESB, the leading ESG benchmark for real estate and infrastructure investments, ranked Klépierre Top 1

of the “Global Retail Listed”, “Europe Retail Listed” and “Europe Listed” categories for the second year in a row and maintained its Five-Star rating. Klépierre’s ESG rating was then also upgraded from “AA” to “AAA” (highest score achievable) by MSCI while the Group once again made the CDP’s “A list” of the most advanced companies fighting climate change at global level. Likewise, Euronext has included Klépierre in the CAC 40 ESG Index since its launch in March 2021.

DISTRIBUTION

The Supervisory Board will recommend that the shareholders, at the Annual General Meeting on April 26, 2022, approve a cash distribution in respect of fiscal year 2021 of €1.70 per share. The proposed distribution would be an equity repayment⁽¹¹⁾ paid in a single installment on May 16, 2022.

OUTLOOK

Since June 2021, the operating environment has improved with footfall, retailer sales and collection rates rebounding close to pre-pandemic levels. Assuming that the business resumption is not impacted in 2022 by further Covid-related disruptions on our clients’ operations, the Group expects to generate net current cash flow per share⁽¹²⁾ of between €2.30 and €2.35, representing growth of 9.5% to 11.9% on the €2.10 per share recorded in 2021, restated for the impact of disposals in 2021 (-€0.08). The main drivers are:

- > tenants sales at least at the level recorded since reopening in June 2021;
- > higher collection rates;
- > lower rent abatements;
- > higher variable income;
- > improved occupancy through sustained leasing activity;
- > partly offset by the disposals executed in 2021. The guidance does not include the potential impact of any disposals in 2022.

(1) The Supervisory Board met on February 15, 2022, to examine the full-year financial statements, as approved by the Executive Board on February 9, 2022. 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.

(3) From June to December 2021.

(4) As of February 7, 2022.

(5) EPRA NTA per share figures are rounded to the nearest 10 cents.

(6) 2021 net current cash flow restated for disposals impact (-€0.08 per share).

(7) 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.

(8) After the impacts of asset disposals and foreign exchange.

(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 uncommitted credit facilities

(10) Scopes 1 & 2 (building energy consumption), reported scope, market based.

(11) The proposed distribution of €1.70 per share would be an equity repayment within the meaning of paragraph 1 of Article 112 of the French Tax Code.

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

YEAR-ON-YEAR CHANGE IN RETAILER SALES^(A) FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2021

Geography	Change in retailer sales		Share <i>(in total reported retailer sales)</i>
	Full-year 2021 versus Full-year 2020	June-December 2021 versus June-December 2019	
France	+2%	-5%	36%
Italy	+23%	-6%	26%
Scandinavia	+1%	-2%	15%
Iberia	+28%	-13%	10%
Netherlands & Germany	-3%	-9% ^(b)	6%
Central Europe	+15%	-7%	4%
Other countries	n.s.	n.s.	3%
TOTAL	+10%	-5%	100%

Segments	Change in retailer sales		Share <i>(in total reported retailer sales)</i>
	Full-year 2021 versus Full-year 2020	June-December 2021 versus June-December 2019	
Fashion	+16%	-5%	38%
Culture, Gifts & Leisure	+7%	-1%	20%
Health & Beauty	+5%	-5%	14%
Food & Beverage	+11%	-16%	9%
Household Equipment	+9%	+3%	13%
Other	+1%	-15%	7%
TOTAL	+10%	-5%	100%

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

(b) Restated for restricted trading in the Netherlands in December

TOTAL REVENUES

<i>In millions of euros</i>	Total share		Group share	
	2021	2020	2021	2020
France	366.3	390.4	298.6	320.6
Italy	174.1	173.7	172.4	171.8
Scandinavia	158.7	167.3	89.0	93.9
Iberia	117.4	115.7	117.4	115.7
Netherlands & Germany	102.9	120.4	101.1	118.1
Central Europe	59.0	61.7	59.0	61.7
Other countries	14.6	14.3	13.4	13.2
SHOPPING CENTERS GROSS RENTAL INCOME	993.1	1,043.6	850.9	895.0
Other retail properties	13.3	18.8	13.3	18.8
TOTAL GROSS RENTAL INCOME	1,006.4	1,062.4	864.2	913.7
Management, administrative and related income (fees)	65.1	68.4	61.7	63.8
TOTAL REVENUES	1,071.4	1,130.8	925.9	977.5
Equity-accounted companies*	70.6	71.1	67.5	67.8

* Contributions from equity-accounted companies 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>	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
France	109.5	100.1	43.6	45.6	14.7	95.6	101.8	96.6
Italy	70.5	48.2	36.1	22.9	0.6	39.8	45.0	42.9
Scandinavia	31.6	33.9	50.5	23.4	34.7	37.7	37.0	39.1
Iberia	29.9	33.5	22.9	19.8	13.1	21.7	29.4	31.3
Netherlands & Germany	23.8	28.8	23.1	3.8	20.5	24.8	21.7	22.9
Central Europe	12.5	18.7	10.4	9.6	9.8	15.0	13.7	15.7
Other countries	3.7	2.9	1.9	2.3	(1.7)	4.7	1.8	4.4
SHOPPING CENTERS NET RENTAL INCOME	281.5	266.0	188.5	127.3	91.8	239.4	250.3	252.8
Other activities	5.3	6.1	2.5	2.2	(1.6)	5.1	4.0	4.4
TOTAL NET RENTAL INCOME	286.8	272.1	191.0	129.6	90.3	244.4	254.3	257.2

NET CURRENT CASH FLOW

	2021	2020	Change
<i>(Total share, in millions of euros)</i>			
Gross rental income	1,006.4	1,062.4	-5.3%
Rental and building expenses	(126.9)	(216.2)	-41.3%
Net rental income	879.5	846.2	+3.9%
Management and other income	74.5	89.2	-16.4%
General and administrative expenses	(147.2)	(138.2)	+6.5%
EBITDA	806.8	797.2	+1.2%
<i>Adjustments to calculate operating cash flow:</i>			
Depreciation charge for right-of use assets ^(a)	(8.4)	(8.5)	
Employee benefits, stock option expense and non-current operating expenses/income	3.3	(7.2)	
IFRIC 21 impact	0.0	0.0	
Operating cash flow	801.7	781.5	+2.6%
Cost of net debt	(115.3)	(108.6)	+6.2%
<i>Adjustments to calculate net current cash flow before taxes:</i>			
Amortization of Corio debt mark-to-market	(2.8)	(16.9)	
Financial instrument close-out costs	2.6	5.2	
Current cash flow before taxes	686.1	661.3	+3.7%
Share in earnings of equity-accounted companies	49.6	35.9	+37.9%
Current tax expense	(16.7)	(7.4)	+125.6%
Net current cash flow	718.9	689.9	+4.2%
<i>(Group share, in millions of euros)</i>			
NET CURRENT CASH FLOW	622.3	586.9	+6.0%
Average number of shares ^(b)	285,860,024	286,072,515	
<i>(Per share, in euros)</i>			
NET CURRENT CASH FLOW – IFRS	2.18	2.05	+6.1%
IFRS 16 straight-line amortization	0.00	(0.08)	
NET CURRENT CASH FLOW – ADJUSTED	2.18	1.97	+10.6%

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

(b) Excluding treasury shares.

2021 FULL-YEAR EARNINGS WEBCAST — PRESENTATION AND CONFERENCE CALL

Klépierre's Executive Board will present the full-year 2021 earnings on **Thursday, February 17, 2022 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

April 26, 2022	Annual General Meeting
April 28, 2022	First quarter 2022 business review (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 €20.7 billion at December 31, 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 and EPRA Euro Zone Indexes. It is also included in ethical indexes, such as Euronext CAC 40 ESG, 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

