CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

KLEPIERRE

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In millions of euros	Notes	12/31/2023	12/31/2022
Gross rental income	5.1	1,155.1	1,162.4
Land expenses (real estate)	5.2	(6.6)	(6.5)
Service charge income	5.3	265.0	266.1
Service charge expenses	5.3	(361.0)	(356.2)
Building expenses (owner)	5.4	(18.9)	(30.5)
Net rental income		**1,033.6**	**1,035.3**
Management, administrative and related income and other operating income[a]	5.5	76.8	83.8
Survey and research costs		(2.3)	(4.7)
Payroll expenses	5.6	(115.6)	(112.7)
Other general expenses	5.7	(35.5)	(46.7)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	5.8	(17.7)	(16.6)
Provisions		3.8	(0.6)
Change in value of investment properties	5.9	(477.0)	(312.0)
Income (loss) from the disposal of investment properties and equity investments	5.10	(8.4)	(74.2)
Goodwill impairment	4.1	(0.5)	(9.1)
Operating income		**457.2**	**542.5**
Financial income		111.4	38.9
Financial expenses		(236.2)	(150.3)
Interest expense on leases liabilities	5.8	(9.2)	(8.2)
Cost of net debt	**5.11**	**(134.0)**	**(119.6)**
Net dividends and provisions on non-consolidated investments		0.0	(0.0)
Change in the fair value of financial instruments	5.12	(63.9)	50.1
Gain (loss) on net monetary position	5.13	(28.6)	(25.7)
Share in earnings of equity-accounted companies		44.4	53.3
Profit before tax		**275.1**	**500.6**
Income tax expense	6	(100.8)	(70.8)
Consolidated net income		**174.3**	**429.8**
Of which			
- Attributable to owners of the parent		192.7	415.2
- Attributable to non-controlling interests		(18.4)	14.6
Average number of shares - undiluted		**285,504,966**	**285,442,230**
Undiluted earnings per share (in €) **- Attributable to owners of the parent**		**0.68**	**1.45**
Average number of shares - diluted		**286,301,949**	**286,524,518**
Diluted earnings per share (in €) **- Attributable to owners of the parent**		**0.67**	**1.45**

[a] "Management, administrative and related income" presented for €69.3 million and "Other operating income" presented for €14.5 million as of December 31, 2022 are presented aggregated starting 2023.

In millions of euros	12/31/2023	12/31/2022
Consolidated net income	**174.3**	**429.8**
Other items of comprehensive income recognized directly in equity	**(88.4)**	**11.8**
- Effective portion of gains and losses on cash flow hedging instruments	(22.6)	46.4
- Translation gains and losses	(70.7)	(28.5)
- Tax on other items of comprehensive income	4.0	(7.6)
Items that will be reclassified subsequently to profit or loss	**(89.3)**	**10.3**
- Gains and losses on sales on treasury shares	0.6	(2.0)
- Actuarial gains and losses	0.3	3.5
Items that will not be reclassified subsequently to profit or loss	**0.9**	**1.5**
Share of other items of comprehensive income attributable to equity-accounted companies		
Total comprehensive income (loss)	**85.9**	**441.6**
Of which		
- Attributable to owners of the parent	121.1	414.6
- Attributable to non-controlling interests	(35.2)	27.0
Undiluted comprehensive earnings per share (in €) **- Attributable to owners of the parent**	**0.42**	**1.45**
Diluted comprehensive earnings per share (in €) **- Attributable to owners of the parent**	**0.42**	**1.45**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In millions of euros	Notes	12/31/2023	12/31/2022
Goodwill	4.1	467.0	469.6
Intangible assets	4.2	23.2	25.3
Property, plant and equipment	4.3	37.0	16.1
Investment properties at fair value	4.4	17,298.5	17,757.1
Investment properties at cost	4.4	74.5	110.2
Investments in equity-accounted companies	4.5	971.6	994.4
Other non-current assets	4.6	260.5	296.7
Long-term derivative instruments		29.4	51.3
Non-current deferred tax assets		19.4	12.7
Non-current assets		**19,181.1**	**19,733.4**
Investment properties held for sale	4.4	65.4	13.1
Trade and other receivables	4.7	126.7	141.8
Other receivables	4.8	266.2	265.3
- Tax receivables		68.3	64.3
- Other		197.9	201.0
Short-term derivative instruments		89.1	111.4
Current deferred tax assets	6	5.6	4.6
Cash and cash equivalents	4.9	358.7	281.6
Current assets		**911.7**	**817.8**
TOTAL ASSETS		**20,092.8**	**20,551.2**
Share capital	4.11	401.6	401.6
Additional paid-in capital		3,344.9	3,585.9
Legal reserves		44.0	44.0
Consolidated reserves		4,033.5	3,917.5
- Treasury shares		(25.7)	(28.6)
- Hedging reserves		13.2	24.9
- Other consolidated reserves		4,046.0	3,921.2
Consolidated net income		192.7	415.2
Equity attributable to owners of the parent		**8,016.7**	**8,364.2**
Equity attributable to non-controlling interests		2,002.9	2,094.8
Total equity		**10,019.6**	**10,459.0**
Non-current financial liabilities	4.6	6,065.9	5,717.8
Non-current leases liabilities	4.10	299.0	266.6
Long-term provisions	4.12	25.4	29.1
Pension obligations	4.13	7.9	7.2
Long-term derivative instruments	7.1/7.3	100.8	116.6
Deposits		151.0	145.7
Deferred tax liabilities	6	1,110.4	1,074.1
Non-current liabilities		**7,760.4**	**7,357.1**
Current financial liabilities	4.6	1,590.1	1,978.0
Current leases liabilities	4.10	12.4	12.6
Bank overdrafts	4.9	0.3	0.1
Trade payables		161.6	165.7
Due to suppliers of fixed assets		52.3	52.6
Other liabilities	4.14	328.5	337.3
Short-term derivative instruments	7.1/7.3	0.8	2.7
Payroll and tax liabilities	4.14	166.8	186.1
Current liabilities		**2,312.8**	**2,735.1**
TOTAL EQUITY AND LIABILITIES		**20,092.8**	**20,551.2**

CONSOLIDATED STATEMENTS OF CASH FLOWS

In millions of euros	12/31/2023	12/31/2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	174.3	429.8
Elimination of expenditure and income with no cash effect or not related to operating activities		
– Depreciation, amortization and provisions	*(15.0)*	*2.4*
– Change in value of investment properties	*477.0*	*312.0*
– Goodwill impairment	*0.5*	*9.1*
– Capital gains and losses on asset disposals	*8.4*	*74.2*
– Current and deferred income taxes	*100.8*	*70.8*
– Share in earnings of equity-accounted companies	*(44.4)*	*(53.3)*
– Reclassification of interest and other items	*272.1*	*131.4*
Gross cash flow from consolidated companies	**973.7**	**976.4**
Income tax (received) paid	(55.9)	(32.7)
Change in operating working capital	16.0	(33.3)
Net cash flow from operating activities	**933.8**	**910.4**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	100.0	296.2
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repaid)	16.3	257.6
Acquisitions of investment properties	(11.9)	
Payments in respect of construction work in progress	(192.2)	(176.9)
Acquisitions of other fixed assets	(7.6)	(10.3)
Acquisitions of subsidiaries (net of cash acquired)	(1.3)	(1.4)
Dividends received (including dividends received from joint ventures and associates)	31.5	24.2
Movements in loans and advance payments granted and other investments[a]	17.3	(12.3)
Net cash flow from investing activities	**(47.9)**	**377.1**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	(258.5)	
Dividends paid to non-controlling interests	(32.6)	(87.5)
Change in capital of subsidiaries with non-controlling interests	(20.6)	(0.6)
Repayment of share premiums	(241.0)	(485.3)
Acquisitions/disposals of treasury shares	0.1	0.1
New loans, borrowings and hedging instruments	1,853.8	1,274.8
Repayment of loans, borrowings and hedging instruments	(1,941.0)	(2,196.6)
Net repayment of lease liabilities	(15.3)	(15.1)
Interest paid	(143.5)	(108.5)
Interest paid on lease liabilities	(9.2)	(8.2)
Net cash flow used in financing activities	**(807.8)**	**(1,626.9)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(1.1)**	**(3.6)**
CHANGE IN CASH AND CASH EQUIVALENTS	**77.0**	**(343.0)**
Cash and cash equivalents at beginning of period	**281.5**	**624.5**
Cash and cash equivalents at end of period	**358.5**	**281.5**

(a) Of which advances and loans repayments for a negative €14.7 million and new advances and loans for a positive €32.0 million.

STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY

In millions of euros	Share capital	Capital reserves	Treasury shares	Hedging reserves	Other consolidated reserves	Consolidated net income	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Equity at 12/31/2021	**401.6**	**4,115.2**	**(33.5)**	**0.1**	**3,376.6**	**544.7**	**8,404.7**	**2,188.7**	**10,593.4**
Share capital transactions									
Share-based payments									
Treasury share transactions			4.9		(0.9)		4.0		4.0
Allocation of net income (loss)					544.7	(544.7)			
Dividends		(485.3)					(485.3)	(123.6)	(608.9)
Net income for the period						**415.2**	**415.2**	**14.6**	**429.8**
Gains and losses recognized directly in equity									
Proceeds from sales of treasury shares					(2.0)		(2.0)		(2.0)
Gains and losses from cash flow hedging				26.5			26.5	19.9	46.4
Translation gains and losses					(24.3)		(24.3)	(4.2)	(28.5)
Actuarial gains and losses					3.5		3.5		3.5
Tax on other comprehensive income				(1.7)	(2.6)		(4.3)	(3.3)	(7.6)
Other comprehensive income				**24.8**	**(25.4)**		**(0.6)**	**12.4**	**11.8**
Changes in the scope of consolidation								(0.7)	(0.7)
Other movements					26.2		26.2	3.4	29.6
Equity at 12/31/2022	**401.6**	**3,629.9**	**(28.6)**	**24.9**	**3,921.2**	**415.2**	**8,364.2**	**2,094.8**	**10,459.0**
Share capital transactions									
Share-based payments									
Treasury share transactions			2.9				2.9		2.9
Allocation of net income (loss)					415.2	(415.2)	0.0		0.0
Dividends		(241.0)			(258.5)		(499.5)	(36.9)	(536.4)
Net income for the period						**192.7**	**192.7**	**(18.4)**	**174.3**
Gains and losses recognized directly in equity									
Proceeds from sales of treasury shares					0.6		0.6		0.6
Gains and losses from cash flow hedges				(12.9)			(12.9)	(9.7)	(22.6)
Translation gains and losses[a]					(61.9)		(61.9)	(8.8)	(70.7)
Actuarial gains and losses					0.3		0.3		0.3
Tax on other comprehensive income				1.2	1.1		2.3	1.7	4.0
Other comprehensive income				**(11.7)**	**(59.9)**		**(71.6)**	**(16.8)**	**(88.4)**
Changes in the scope of consolidation								(24.8)	(24.8)
Other movements[b]					28.0		28.0	5.0	33.0
Equity at 12/31/2023	**401.6**	**3,388.9**	**(25.7)**	**13.2**	**4,046.0**	**192.7**	**8,016.7**	**2,002.9**	**10,019.6**

(a) The €61.9 million negative impact in translation gains and losses mainly concerns Turkey (negative €52.6 million), Norway (negative €35.5 million), Sweden (positive €19.9 million), Poland (positive €6.5 million), Czech Republic (positive €1.4 million) and Denmark (negative €0.8 million).

(b) The positive amount of €28.0 million in "Other movements" relates to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to Turkey.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 Significant events of the period

1.1. Debt and financing

As of December 31, 2023, consolidated net debt decreased to €7,348.8 million compared to €7,479.3 million at the end of 2022.

The Group raised €1,040.0 million of new financing, mainly comprising bank loans totaling €790.0 million (€412.0 million of corporate loans and €378.0 million of mortgage loans) in addition to tapping existing bonds for €250.0 million. These funds were used to refinance the €524.0 million bond maturing on April 17, 2023 as well as to prefinance the bond maturing on November 6, 2024.

Over the year, Klépierre successfully renewed €550.0 million of its existing credit facilities and set up €175.0 million of new ones, mostly on a five-year maturity basis. The Group also exercised the first one-year extension option on one of its existing bilateral revolving credit facilities (€100.0 million).

At the end of May, Fitch assigned to Klépierre a first-time rating of BBB+ with a stable outlook and a senior unsecured rating of A-.

1.2. Distribution

On May 11, 2023, the General Meeting of Shareholders approved the payment of a €1.75 per share cash distribution in respect of the 2022 fiscal year. The total distribution amounted to €499.5 million (excluding treasury shares), and was deducted from issue premiums and retained earnings.

On March 30, 2023, a €0.87 per share interim dividend was paid to shareholders, for a total amount of €248.2 million excluding taxes and fees. A further €0.88 per-share (€251.3 million) dividend was paid on July 11, 2023.

1.3. Investments and divestments

Overall, capital expenditure invested over the period in investment properties at fair value and at cost held by fully consolidated companies, amounted to €195 million.

Regarding development, Klépierre focused on its main committed projects to strengthen the leadership of its shopping centers in their catchment areas, notably the Grand Place extension in Grenoble (France), the refurbishment of Shopville LeGru in Turin and Gran Reno in Bologna (Italy) and the rooftop restructuring at Maremagnum in Barcelona (Spain).

Over the year 2023, the Group completed disposals totaling €104.4 million comprising the Metz Saint Jacques and Valenciennes Place d'Armes shopping centers, a retail park in Mérignac Soleil and several other retail assets (France), a retail park in Murcia (Spain) and a building adjacent to Galleria Boulevard in Kristiandstad mall (Sweden).

NOTE 2 Accounting basis and scope

2.1. Corporate reporting

Klépierre is a French joint-stock corporation *(société anonyme)* subject to French company legislation, and more specifically the provisions of the French Commercial Code *(Code de commerce)*. The Company's registered office is located at 26 boulevard des Capucines in Paris.

On February 13, 2024, the Executive Board approved the consolidated financial statements of Klépierre SA for the year ended December 31, 2023 and authorized their publication.

Klépierre is listed on Euronext Paris (compartment A).

2.2. Application of IFRS

Pursuant to European Commission Regulation (EC) no. 1606/2002 of July 19, 2002, the 2023 consolidated financial statements have been prepared in accordance with international accounting standards International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The consolidated financial statements are presented in millions of euros (€m), with all amounts rounded to the nearest hundred thousand, unless otherwise indicated. Slight differences between figures may exist between the different statements due to rounding.

2.2.1.Standards, amendments and interpretations whose application was mandatory as of January 1, 2023

The accounting policies applied by the Group are unchanged on those applied for the preparation of the consolidated financial statements for the year ended December 31, 2022. The standards, amendments, and interpretations which entered into mandatory effect on January 1, 2023 did not have a material impact on the Group financial statements.

2.2.2.Standards, amendments and interpretations whose application was not mandatory as of January 1, 2023

The Group did not early adopt any new standards, amendments or interpretations not yet in effective as of January 1, 2023.

2.2.3 Implementation of the 15% minimum taxation for large groups (Pillar 2)

The OECD reform setting a 15% country-by-country minimum rate of taxation for large groups with revenues of at least €750 million (Pillar Two Rules) has been transposed into an EU Directive and French domestic law and is effective as of January 1, 2024.

Based on the preliminary analysis performed with our tax consultants and technical discussions with the OECD and the French tax authorities, as Klépierre SA is subject to the French SIIC (REIT) regime, it would qualify as a Real Estate Investment Vehicle that is an Ultimate Parent Entity, and would therefore be an Excluded Entity – as would the vast majority of Klépierre SA subsidiaries included in the Group's consolidated financial statements. At this stage of our analysis and in view of the clarifications obtained, the Klépierre Group does not reasonably expect the Pillar Two Rules to have a major impact on the consolidated financial statements. The Group expects the OECD to issue additional guidelines in early 2024 that will confirm this preliminary assessment.

2.3. Use of material judgments and estimates

In preparing these consolidated financial statements in accordance with IFRS, Group management used certain estimates and realistic, reasonable assumptions. Changes in facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and earnings.

The main assumptions made in respect of future events and other sources of uncertainty relating to the use of period-end estimates for which there is a significant risk of material change to the carrying amounts of assets and liabilities in subsequent years are presented below:

- Measurement of goodwill of management companies : The Group tests goodwill for impairment at least once a year. This involves estimating the recoverable value of the cash-generating units to which the goodwill is allocated. In order to determine the recoverable value, Klépierre prepares expected future cash flows for each cash-generating unit and applies a pre-tax discount rate to calculate the present value of these cash flows (see note 4.1). Recoverable values are determined by an independent expert.

- Investment property and equity-accounted companies : The Group appoints independent appraisers to perform half-yearly valuations of its real estate assets in accordance with the methods described in note 4.4. The appraisers make assumptions concerning future cash flows and rates that have a direct impact on the value of the properties.

- Credit risk assessment: Credit risk is assessed in accordance with IFRS 9, as described in note 4.6.

- Financial instruments: The Group measures the fair value of the financial instruments it uses in accordance with standard market models and IFRS 13, as described in note 4.10.

- Deferred taxes: See note 6.

2.4. Translation of foreign currencies

The consolidated financial statements are presented in euros (€), which is the presentation currency of the consolidated group, as well as the presentation and functional currency used by Klépierre SA.

Each entity determines its own functional currency, and all items in its financial statements are measured using this functional currency. The functional currency of an entity is the currency of the primary economic environment in which it carries out its operations.

The Group's foreign subsidiaries conduct some transactions in currencies other than their functional currency. These transactions are initially recorded in the functional currency at the exchange rate prevailing on the transaction date.

At the reporting date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that day. Non-monetary items stated in foreign currencies and measured at historical cost are translated using the exchange rates prevailing on the dates of the initial transactions. Non-monetary items stated in foreign currencies and measured at their fair value are translated using the exchange rates applicable on the dates when the fair values were calculated.

For the preparation of the Group's consolidated financial statements, the assets and liabilities of subsidiaries are translated into euros at the exchange rate as of the reporting date. Their income statements are translated at the average exchange rate for the year. Any resulting translation differences are allocated directly to equity under a separate line item.

2.5. Hyperinflation

In March 2022, Turkey met the criteria of a hyperinflationary economy within the meaning of IAS 29 “Financial Reporting in Hyperinflationary Economies”.

As of December 31, 2023, Turkey continued to meet the criteria of a hyperinflationary economy.

The criteria set out in IAS 29 are therefore met and both the French financial markets authority (*Autorité des marchés financiers* – AMF) and the European Securities and Markets Authority (ESMA) consider that Turkey should be qualified as a hyperinflationary economy within the meaning of IAS 29 as from January 1, 2022.

Consequently, IAS 29 is applicable to the Group’s operations in Turkey since 2022 and as if it had always been a hyperinflationary economy:

- Non-monetary assets and liabilities, except for those at fair value, must be adjusted for inflation using a general price index. Monetary items on the statement of financial position are not restated.
- Income statement and other comprehensive income items in local currency are restated for inflation by applying the change in the general price index from the dates when the income and expense items were initially recorded in the interim condensed consolidated financial statements. The statements of financial position, income and comprehensive income of Turkish subsidiaries are translated into euros at the closing rate of the reporting period.

The impact on comprehensive income in 2023 is presented in note 5.13 “Gain (loss) on net monetary position”.

2.6. Risk factors relating to climate change

To draw up the Group’s financial statements, the Executive Board takes into account the challenges of climate change and sustainable development, based on current knowledge and practices.

Expenditure related to measures taken by the Group to meet its climate commitments, in particular to achieve a net-zero carbon footprint of its portfolio of scope 1 and scope 2 shopping centers by 2030, are recognized either as investments (maintenance and replacement of energy equipment, installation of solar panels, electric vehicle charging stations, etc.) or as recurring expenses (use of energy management tools, audits, “BOOST” action plans, studies on the net-zero strategy, etc.).

The valuation of investment property at fair value, as performed by independent appraisers in accordance with the option provided for in IAS 40, factors in climate risks based on their current methodology.

For the valuation campaign that led to setting the values of investment properties as of December 31, 2023, the Group provided appraisers with the following information:

- a set of 12 non-financial key performance indicators for each property asset appraised. These indicators included final energy consumption, water consumption, direct greenhouse gas emissions, and gross physical climate risks; and
- the multi-year investment plan required to maintain assets or bring them up to the environmental standards or objectives set by the Group.

In addition, a portion of the Group’s financing incorporates environmental performance criteria of the Group’s assets.

As of December 31, 2023, the Group had contracted €2,110 million in financing subject to sustainability criteria whereby the margin on the facility is reduced if Klépierre achieves the targets set out in the loan agreement. Most of the resulting savings are reinvested by Klépierre in programs designed to improve the low-carbon efficiency and overall environmental performance of its assets. In addition, a five-year green mortgage loan of €260 million was signed in 2023.

2.7. Consolidation methods and changes in consolidation scope

As of December 31, 2023, the Group's scope of consolidation included 218 companies, of which 184 fully consolidated companies and 34 companies accounted for using the equity method. Over the period, there were no significant changes in the scope of consolidation.

The Klépierre Group's consolidated financial statements include all companies over which Klépierre has control, joint control or significant influence.

The consolidation method is based on the degree of control exercised by the Group:

- Control: full consolidation. According to IFRS 10, an investor controls an investee when it has power, exposure to variable returns and the ability to use that power to affect its returns from the investee.

  Control is presumed to exist when Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent company has the power to direct the financial and operating policies of the company and appoint, dismiss or convene the majority of the members of the Board of Directors or equivalent management body.
- Joint control and significant influence: equity-method accounting. Joint control exists where operating, strategic and financial decisions require unanimous agreement between the partners. The agreement is contractual, i.e., subject to bylaws and shareholder agreements. Influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Investments in associates are initially recognized in the statement of financial position at acquisition cost, and are subsequently adjusted for the share of the profit or loss and other comprehensive income of the entity. Changes in equity of companies accounted for using the equity method are reported on the asset side of the statement of financial position under "Investments in equity-accounted companies" and under the corresponding item in equity.

Details of the scope of consolidation are provided in note 9.5 "List of consolidated entities".

Intercompany balances and profits resulting from transactions between Group companies are eliminated in consolidation.

2.8. Earnings per share

Basic earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of shares outstanding, excluding treasury shares.

Diluted earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of shares outstanding, excluding treasury shares, adjusted to reflect the effects of any diluting options.

2.9. Net Debt

Net Financial Debt means, on the basis of the consolidated financial statements of the Borrower, financial liabilities (excluding fair value hedge adjustments and cross currency swaps) plus bank overdrafts, less cash, cash equivalents (which for the avoidance of doubt includes, marketable securities), and the funds managed by the Group on behalf of its principal.

Net debt as of December 31, 2023 is presented in note 4.6.2 "Change in debt".

NOTE 3 Segment information

Accounting policies

Segment information

In accordance with IFRS 8, operating segments are identified on the basis of the internal reporting used by management when evaluating performance and allocating resources.

3.1. Segment earnings

For management purposes, the Group is structured into business segments corresponding to geographic regions. There are a total of five operating segments, structured as follows:

- France (including Belgium and Other retail properties);
- Italy;
- Scandinavia (Steen & Strøm: Norway, Sweden and Denmark);
- Iberia (Spain and Portugal);
- Other countries (Netherlands, Germany, Poland, Czech Republic, Greece and Turkey).

The operating segments "Netherlands and Germany", "Central Europe", and "Other countries (Greece and Turkey)" have been grouped together as they are less significant. The current presentation complies with the quantitative thresholds defined by IFRS 8.

The management team monitors the results of each operating segment independently for the purposes of allocating resources to the segment and assessing its performance.

The "Scandinavia" segment includes all the legal entities of Steen & Strøm, in which Klépierre owns a 56.1% controlling equity stake.

	France [a] [c]		Italy		Scandinavia		Iberia		Other Countries [b] [c]		Klepierre Group	
In millions of euros	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Gross rental income	**431.1**	**480.3**	**245.8**	**217.7**	**132.9**	**141.1**	**137.4**	**130.7**	**207.9**	**192.5**	**1,155.1**	**1,162.4**
NET RENTAL INCOME	**393.5**	**431.6**	**227.7**	**207.4**	**117.7**	**122.8**	**125.1**	**119.4**	**169.6**	**154.0**	**1,033.6**	**1,035.3**
Management and other income	35.2	34.8	16.8	19.5	7.0	8.3	7.4	11.5	10.4	9.7	76.9	83.8
Payroll and other general expenses	(79.3)	(78.2)	(20.0)	(27.7)	(16.7)	(14.9)	(12.7)	(15.5)	(24.7)	(27.8)	(153.4)	(164.0)
Depreciation, amortization and impairment	(10.3)	(1.6)	(0.3)	(2.2)	(1.3)	(1.3)	(0.8)	(0.5)	(1.2)	(45.5)	(13.9)	(17.3)
Change in value of investment properties	(410.5)	1.3	106.3	(24.0)	(133.0)	(92.4)	19.4	77.4	(59.2)	28.8	(477.0)	(312.0)
Net proceeds (losses) on disposal of investment properties and equity investments	(7.8)	177.2	(0.1)		0.1	(27.1)	(0.6)		(0.0)	43.6	(8.4)	(74.2)
Share in earnings (losses) of equity-accounted companies	(19.4)		33.2	20.5	(2.3)	4.4	3.0	(1.8)	29.9		44.4	53.3
SEGMENT INCOME (LOSS)	**(98.6)**	**177.2**	**363.5**	**193.5**	**(28.4)**	**(0.1)**	**140.8**	**190.6**	**124.8**	**43.6**	**502.1**	**604.9**

(a) Shopping centers and other retail properties, including Belgium.

(b) Starting 2023, the "Netherlands & Germany" and "Central Europe" operating segments have been grouped together under "Other countries".

(c) Starting 2023, "Non-allocated" items have been grouped together under the "France" segment.

3.2. Investment properties by operating segment

The value of investment properties by operating segment, as shown in the consolidated statement of financial position, is presented below (excluding investment properties held by equity-accounted companies):

In millions of euros	Value of investment properties at 12/31/2023[a]	Value of investment properties at 12/31/2022[a]
France[b]	6,803.5	7,202.7
Italy	3,448.0	3,300.7
Scandinavia	2,287.5	2,481.8
Iberia	2,133.9	2,118.9
Other countries [c]	2,700.1	2,763.2
TOTAL	**17,373.0**	**17,867.3**

(a) Including investment properties at fair value, investment properties at cost and excluding investment properties held for sale.

(b) Including Belgium and Other retail properties.

(c) Starting 2023, the "Netherlands & Germany" and "Central Europe" operating segments have been regrouped together under "Other countries".

3.3. Investments and disposals over the period by operating segment

The amount of investments over the period by operating segment is presented below :

In millions of euros	Investment properties at fair value	Investment properties at cost	New investments at 12/31/2023(a)
Shopping centers	**190.2**	**4.6**	**194.8**
France[b]	96.0	0.8	96.8
Italy	37.2	3.8	41.0
Scandinavia	12.4		12.4
Iberia	17.7		17.7
Other countries	26.9		26.9
TOTAL	**190.2**	**4.6**	**194.8**

(a) Investments include acquisitions, capitalized expenses and changes in scope.

(b) Including Belgium and Other retail properties.

Investments over the period (including capitalized interest) in France mainly concern refurbishment work at Grand Place (Grenoble), Centre Deux (Saint-Etienne), the Blagnac renovation (Toulouse) and the final stages of the Créteil Soleil renovation (Paris area).

In Italy, investments are mainly attributable to the refurbishment works carried out in Shopville LeGru (Turin) and Gran Reno (Bologna).

Proceeds from disposals of investment properties and equity investments by operating segment is presented below :

In millions of euros	Proceeds from disposals
Investment properties and equity investments	**104.4**
France[a]	77.6
Italy	
Scandinavia	5.6
Iberia	21.0
Other countries	0.2
TOTAL	**104.4**

(a) Including Belgium and Other retail properties.

NOTE 4 Notes to the statement of financial position

4.1. Goodwill

Accounting policies

Accounting for business combinations

The accounting rules for business combinations comply with IFRS 3 (revised).

To decide whether a transaction is a business combination the Group considers whether an integrated set of activities is acquired besides the investment property:

-The optional concentration test is used to assess whether substantially all of the fair value of the acquisition is concentrated in a single asset or group of similar assets.

- If the outcome of this test is negative, determining whether or not a business has been acquired depends on whether the acquisition includes substantive processes critical to continue producing outputs (or to develop them in the event that assets do not have outputs at the acquisition date) together with an organized workforce with the necessary skills to perform the process.

If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

All business combinations are recognized using the acquisition method. The consideration transferred is measured as the fair value of assets contributed, equity issued and liabilities incurred at the transfer date. The identifiable assets and liabilities of the acquiree are measured at their fair value at the acquisition date. Any liabilities are only recognized if they are a present obligation at the date of the business combination and if their fair value can be reliably measured. For each business combination, the acquirer must measure all non-controlling interests held in the acquired company, either at their fair value at the acquisition date or at the corresponding share in the fair value of the assets and liabilities of the acquired company.

Any surplus of the consideration transferred and the value of non-controlling interests over the net fair value of the business' identifiable assets acquired and liabilities assumed, is recognized as goodwill. Costs directly linked to the acquisition are recognized as expenses.

IFRS 3 (revised) stipulates a maximum period of 12 months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.

As regards the treatment of deferred tax assets, the Group recognizes an adjustment to income for deferred tax assets unrecognized at the acquisition date or during the measurement period.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date control is transferred. Any difference between fair value and carrying amount of this investment is recognized in income.

Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.

Transactions that do not affect control (additional acquisition or disposal) are accounted for as equity transactions for which the equity is allocated proportionally between the owners of the parent and the non-controlling interest with no impact on profit or loss and/or goodwill adjustment.

Goodwill measurement and impairment

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment tests if there is an indication of impairment, and at least once a year. For the purposes of this test, assets are grouped into cash-generating units (CGUs). CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

An impairment loss must be recognized whenever the recoverable amount of goodwill is less than its carrying amount.

Klépierre has two types of goodwill:

- **Goodwill corresponding to optimized value of deferred taxes**

This goodwill results from the recognition of deferred taxes at the date of the business combination. It represents the difference between the deferred tax liabilities recognized in the statement of financial position in accordance with IAS 12, and the tax expected to be paid in the event of a sale by means of a share deal. Accordingly, impairment tests performed on this type of goodwill at each reporting date consist in comparing the carrying amount with the amounts expected to arise from optimizing deferred taxes.

- **Goodwill of management companies**

Goodwill may relate to management companies. Impairment tests are performed annually or when triggering events arise and are based on internal or external valuations. These valuations are based on the discounted cash flow (DCF) method in every country where the Klépierre Group conducts management activities. This method consists of three stages.

In the first stage, cash flows that may be generated in the future by each company's portfolio of business (i.e., before consideration of explicit or implicit financing costs) are estimated on the basis of the specific business plans developed in each country where the Group conducts management activities for itself and for third parties.

In the second stage, forecast cash flows and the estimated future value of the management business portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is determined on the basis of the capital asset pricing model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast average market risk premium multiplied by the beta coefficient for the business portfolio) and a specific market risk premium (which takes account of the proportion of specific risk not already included in cash flows).

In the third and final stage, the value of shareholders' equity is obtained by deducting the company's net debt on the valuation date from the value of its business portfolio.

Impairment tests consist in comparing the carrying amount of the entity with their recoverable value as explained above. Recoverable values are determined by an independent expert.

As of December 31, 2023, goodwill totaled €467.0 million, versus €469.6 million as of December 31, 2022, breaking down as follows:

Goodwill of management companies

As of December 31, 2023, goodwill of management companies totaled €218.1 million, remaining stable compared to December 31, 2022. According to IAS 36, an impairment test is performed when there is an indication that goodwill may be impaired and at least once a year.

At December 31, 2023, no impairment has been identified.

In millions of euros	12/31/2022	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2023
France	117.7					117.7
Italy	53.7					53.7
Spain	32.0					32.0
Portugal	7.1					7.1
Germany	7.6					7.6
Goodwill relating to management activities	**218.1**					**218.1**

The main assumptions used to calculate the enterprise value based on the latest valuations were as follows:

- The discount rate applied to France, Norway and Spain was 8.2% compared to 8.2% in 2022;
- The discount rate applied to Italy was 8.7% compared to 8.7% in 2022;
- The discount rate applied to Germany was 8.7% compared to 8.7% in 2022;
- The discount rate applied to other countries was 7.7% compared to 7.7% in 2022;
- Free cash flow over the duration of the business plan is based on business volume and operating margin assumptions that take into account economic and market assumptions at the date on which the plan was prepared;
- A growth rate for the 2024-2028 period based on the assumptions used in the internal business plan by country;
- A terminal value determined using a growth rate of 1.75% applied from 2029.

The sensitivity of enterprise values per country to changes in both the discount rate and the perpetual growth rate was assessed and is presented below :

	Enterprise Value at 12/31/2023	Book Value at 12/31/2023 (post impairement)	Spread vs. Enterprise value	Discount rate	50-bp increase in discount rate	Perpetual growth rate	50-bp decrease in perpetual growth rate
France	172.2	139.0	-19%	8.2%	-6.2%	1.75%	-5.1%
Spain	41.7	32.2	-23%	8.2%	-6.5%	1.75%	-5.2%
Italy	65.9	55.0	-17%	8.7%	-5.9%	1.75%	-4.4%
Portugal	11.1	7.1	-36%	7.7%	-6.1%	1.75%	-4.8%
Czech Republic	9.4	0.1	n.m.	7.7%	-7.3%	1.75%	-5.8%
Poland	10.1	0.1	n.m.	7.7%	-7.5%	1.75%	-6.1%
Germany	8.2	8.2	0%	8.7%	-7.1%	1.75%	-5.8%
Norway		2.5	n.m.	8.2%		1.75%	
TOTAL	**318.6**	**244.2**			**-6.3%**	**1.75%**	**-5.0%**

Goodwill corresponding to the optimized value of deferred taxes

As of December 31, 2023, goodwill corresponding to the optimized value of deferred taxes totaled €249.0 million, versus €251.5 million as of December 31, 2022.

In millions of euros	12/31/2022	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2023
Italian Corio assets	173.3			(0.5)		172.8
Spanish Corio assets	23.1					23.1
IGC	18.7					18.7
Oslo City	33.1				(2.1)	31.0
Other	3.3					3.3
Goodwill arising on deferred tax liabilities	**251.5**			**(0.5)**	**(2.1)**	**249.0**

4.2. Intangible assets

Accounting policies

Intangible assets

An intangible asset is a non-monetary asset without physical substance. It must be simultaneously identifiable (and therefore separable from the acquired entity or arising from legal or contractual rights), controlled by the company as a result of past events and provide an expectation of future financial benefits.

IAS 38 states that an intangible asset is amortized only where it has a finite useful life. Intangible assets with an indefinite useful life are not amortized, but are tested annually for impairment (IAS 36) or whenever there is evidence of a loss of value.

Assets recognized as intangible assets with finite useful lives are amortized on a straight-line basis over periods that equate to their expected useful life.

Impairment of intangible assets

After initial recognition, other intangible assets are recognized at cost, less any related amortization or impairment losses.

Useful lives are examined annually and an impairment test is conducted if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized. The "indefinite" nature of the useful life is reviewed at least annually. These assets are tested for impairment annually, or if there is an indication of impairment, by comparing their carrying amount with the recoverable amount. In the event of decline in value, an impairment loss is recognized in income. The Klépierre Group's intangible assets are not subject to independent valuation.

<u>Intangible assets with finite useful lives:</u>

The net value of intangible assets with finite useful lives amounted to €23.2 million and corresponds to software for €21.1 million.

<u>Intangible assets with indefinite useful lives:</u>

Business goodwill for a gross amount of €4.1 million had been written down in full as of December 31, 2023.

4.3. Property, plant and equipment

Accounting policies

Property, plant and equipment

In accordance with IAS 16, property, plant and equipment are valued at their historical cost, less accumulated depreciation and any decreases in value. Depreciation is calculated based on the useful life of each operating asset class.

Property, plant and equipment include operating assets such as fixtures and other office equipment owned by the Group, related to headquarters buildings and offices.

Property, plant and equipment also include the remaining lease payments on head office leases, vehicle leases and other equipment leases, that are initially recognized in the form of a right-of-use asset in accordance with IFRS 16:

- Recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position, initially measured at the present value of unavoidable lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities over the lease term; and
- Separation of the total amount of cash paid into a principal portion and interest.

Property, plant and equipment and work in progress

In millions of euros	12/31/2022	Acquisitions and capitalized expenses	Disposals, retirement of assets	Additions for the period	Currency movements	Reclassifications and other movements	12/31/2023
Depreciable assets and work in progress	32.5	0.8	(6.2)		(1.4)	2.8	28.5
Right-of-use asset relating to property, plant and equipment	39.6	28.9	(1.1)		(0.9)	1.4	67.9
Total gross value	**72.1**	**29.7**	**(7.3)**	**-**	**(2.3)**	**4.2**	**96.4**
Depreciable assets	(26.2)		6.1	(1.1)	0.2	(0.1)	(21.1)
Right-of-use asset relating to property, plant and equipment	(29.8)		1.0	(9.1)	0.6	(1.0)	(38.3)
Total depreciation	**(56.0)**	**-**	**7.1**	**(10.2)**	**0.8**	**(1.1)**	**(59.4)**
PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**16.1**	**29.7**	**(0.2)**	**(10.2)**	**(1.5)**	**3.1**	**37.0**

4.4. Investment properties

Accounting policies

Investment properties (IAS 40, IFRS 13 and IFRS 16)

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. For all investment properties, current use equates to the best possible use.

Investment property is measured initially at cost, including related transaction costs and, where applicable, eviction and borrowing costs (see below).

After initial recognition, investment property is carried at fair value. Investment property under construction, or significantly restructured, is measured at fair value if it is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- Stage of completion;
- Level of reliability of cash inflows after completion;
- Development risk specific to the property.

Additions to investment properties under construction consist of capital expenditure, eviction costs, capitalized interest, letting fees and other internal costs related to development. Certain internal staff and associated costs directly attributable to the management of major projects during the construction phase are also capitalized.

The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement in "Change in value of investment properties".

The profit on disposal is determined as the difference between the sale proceeds and the carrying amount of the asset based on the carrying amount at the reporting date.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be held as an investment property.

In addition, investment properties recorded at cost are tested for impairment as of June 30 and December 31, whenever there is evidence of a loss of value. Where such evidence exists, the recoverable amount of the asset is compared with its carrying amount, and an impairment loss is recognized.

In determining the carrying amount of investment properties under the fair value model, assets or liabilities that are recognized as separate assets or liabilities are not double counted.

Ground leases

Right-of-use assets relating to ground leases that meet the definition of investment property are measured in accordance with IAS 40 using the fair value model. IFRS 16 requires lessees to record all leases as follows (with an exemption for low value assets and short-term leases):

- Recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position, initially measured at the present value of unavoidable lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities over the lease term; and
- Separation of the total amount of cash paid into a principal portion and interest.

After initial recognition, it is measured using the fair value model in accordance with IAS 40 "Investment Property". They are subsequently measured at an amount equal to the remaining balance of the lease liability.

Borrowing costs

Under IAS 23, borrowing costs directly attributable to the acquisition or construction of eligible assets are included in the cost of the respective assets.

When a loan is not directly attributable to an asset, Klépierre capitalizes the interest rate applied to the expenses related to the asset in order to measure the attributable cost; if several non-specific borrowing lines exist, the interest rate is the weighted average rate of those loans observed during the fiscal year.

Fair value of investment property

The fair value of Klépierre's investment properties is determined by professionally qualified independent appraisers who have relevant expertise and recent industry experience in the locations and segments of the investment properties being valued. They perform their valuation of the Group's assets as of June 30 and December 31 of each year.

Investment properties are presented at fair value excluding transfer costs. Transfer costs are measured for each asset disposal. The fair values of investment properties are determined in compliance with the measurement rules described in IFRS 13. In addition, given the complexity of real estate asset valuations and the nature of certain non-public data (such as projected rent increases, capitalization and discount rates), the fair values of investment properties have been classified as level 3 on the IFRS 13 fair value hierarchy (see note 4.10). Accordingly, there are no transfers of properties between the fair value categories.

Given that valuations are, by their nature, estimates, the amount realized on the disposal of some real estate assets may differ from the estimated value of those assets, even where such disposal occurs within a few months of the reporting date.

Klépierre entrusts the task of valuing its real estate assets to various independent appraisers :

- Jones Lang LaSalle (JLL) values all Spanish, Portuguese, Greek and Turkish assets, a portion of the French portfolio and most of the Italian portfolio;
- CBRE values all assets in the Czech Republic and the Netherlands, and several assets in France and Italy;
- BNP Paribas Real Estate values all German assets;
- Cushman & Wakefield values a portion of the French portfolio, all Danish, Swedish, and Norwegian assets, as well as the Polish assets;
- Other retail assets are valued by BNP Paribas Real Estate.

All valuations are conducted in accordance with the principles of the *Charte de l'Expertise en Evaluation Immobilière*, the recommendations of the AMF dated February 8, 2010 and Royal Institution of Chartered Surveyors standards. The fees paid to appraisers, agreed prior to their valuation of the properties concerned, are determined on a lump sum basis to reflect the number and complexity of the assets appraised. The fee is entirely unrelated to the appraised value of the assets concerned.

In thousand of euros	**2023 appraisal fees**
Cushman & Wakefield	237.9
CBRE	245.1
Jones Lang LaSalle	271.4
BNP Paribas Real Estate	55.1
TOTAL	**809.6**

The valuations performed by the independent appraisers are reviewed internally by senior management in charge of investments and relevant people within each operating division. This process includes discussions of the assumptions used by the independent appraiser, as well as a review of the resulting valuations. Discussions of the valuation process and results are held between senior management in charge of investments and the independent appraiser on a half-yearly basis.

All Klépierre Group assets are systematically appraised using two methods: the yield method (or capitalization methodology) and the discounted cash flows method. However, Klépierre only retains the latter. Appraisal values are also cross-checked using comparable transaction inputs when available.

According to the yield method, to determine the fair value of a shopping center, appraisers apply a yield rate to total net rent for occupied premises, and to the net market rent for vacant properties, discounted for the anticipated period of vacancy. The yield rate is set by the appraiser based on a range of inputs, the most important of which are: retail sales area, layout, competition, type of ownership, gross rental income and extension potential and comparability with recent transactions in the market.

As regards the discounted cash flows approach, appraisers estimate the different cash flows over a ten-year period. To determine future cash flows, appraisers are provided with all relevant information (detailed rent rolls, footfall, retailer sales, occupancy cost ratios, etc.), which they use to make their own assessment.

They factor in their own leasing assumptions (ERV, vacancy, incentives, etc.), as well as future capital expenditures and non-recoverable operating expenses. Lastly, they apply a discount rate that varies from one property to another since it is a combination of the risk-free rate and the risk premium attached to each property due to its location, quality, size, and technical specificities.

Terminal value is calculated based on the net rental income for the tenth year, capitalized by an exit yield.

The fair value of investment property excludes prepaid or accrued operating lease income which are recognized separately in the statements of financial position.

4.4.1.Investment properties at fair value

In millions of euros	
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2022	**17,757.1**
Additions to the scope of consolidation	
Capital expenditure	189.0
Capitalized interest	1.2
New right-of-use assets and indexation	18.0
Disposals and removals from the scope of consolidation	(98.0)
Other movements, reclassifications	(39.9)
Currency movements	(65.9)
Fair value adjustments	(463.0)
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2023	**17,298.5**

Investments for €189.0 million reflect the Group's focus on renovations, extensions and restructuring operations. The main investments are described in note 1.3.

The two main events during the period are the inauguration of the Grand Place shopping center in late November 2023 (France) and the refurbishment of the Maremagnum's 5,200 sq.m. rooftop in Barcelona (Spain), expected to be completed in early 2024.The Group completed disposals over the period representing a net booking value of €98.0 million. Main disposals are described in note 1.3.

"Other movements, reclassifications" mainly includes reclassifications from "Investment properties at cost" and reclassification to "Investment properties held for sale".

The table below presents the parameters used by external appraisers to determine the fair value of investment properties:

Shopping centers (weighted average)	Discount rate[a]	Exit rate[b]	CAGR of NRI[c]	EPRA NIY
France	7.3%	5.7%	3.3%	5.3%
Italy	8.2%	6.6%	1.9%	6.5%
Scandinavia	7.8%	5.6%	3.0%	5.1%
Iberia	8.1%	6.4%	2.7%	5.8%
Other countries	8.8%	6.5%	4.0%	6.5%
TOTAL GROUP	**7.8%**	**6.0%**	**2.8%**	**5.9%**

Discount and exit rates are weighted by shopping center portfolio valuation (including transfer taxes).

(a) Rate used to calculate the present value of future cash flows.
(b) Rate used to capitalize the exit rent to determine the exit value of an asset.
(c) Compound annual growth rate of net rental income determined by the appraiser at 10 years.

As of December 31, 2023, the average EPRA Net Initial Yield (NIY) of the portfolio stood at 5.9% (including transfer taxes). A 10-basis-point increase in yields would result in a €274 million decrease in the portfolio valuation (attributable to owners of the parent company).

The tables below present the change in the valuation of the shopping center portfolio using different discount and exit rate assumptions than those used by the appraisers.

Geography	Discount rate variance			
	−50 bps	−25 bps	+25 bps	+50 bps
France	+3.5%	+1.7%	-1.7%	-3.4%
Italy	+3.5%	+1.7%	-1.7%	-3.3%
Scandinavia	+3.-%	+1.8%	-1.7%	-3.4%
Iberia	+3.5%	+1.7%	-1.7%	-3.4%
Other countries	+4.1%	+2.0%	-1.9%	-3.8%
TOTAL SHOPPING CENTERS	**+3.6%**	**+1.8%**	**-1.8%**	**-3.5%**

Geography	Exit rate variance			
	−50 bps	−25 bps	+25 bps	+50 bps
France	+4.7%	+2.2%	-2.2%	-4.2%
Italy	+4.5%	+2.2%	−2.0%	-3.9%
Scandinavia	+5.8%	+2.7%	-2.5%	-4.8%
Iberia	+5.3%	+2.5%	-2.3%	-4.5%
Other countries	+5.2%	+2.5%	-2.3%	-4.4%
TOTAL SHOPPING CENTERS	**+4.9%**	**+2.3%**	**-2.2%**	**-4.3%**

As of December 31, 2023, the amounts included in the value of investment properties at fair value relating to leases (as lessee) are as follows:

In millions of euros	12/31/2022	Increase (new leases)	Decrease (lease terminations)	Remeasurement and other movements	Allowances and repayment of lease liabilities	Currency movements	Reclassifi-cations	12/31/2023
Right-of-use asset relating to ground leases at fair value	318.3	18.0	(1.0)	0.5		0.4		336.3
Change in fair value of right-of-use asset relating to ground leases	(25.1)				(5.6)	(0.3)		(31.0)
Total right-of-use asset relating to ground leases	**293.2**	**18.0**	**(1.0)**	**0.5**	**(5.6)**	**0.2**		**305.3**

The amount shown under “Lease terminations” within “Right-of-use asset relating to ground leases at fair value” relates to leased space that has been partially returned to the Barcelona port authorities.

4.4.2.Investment properties at cost

In millions of euros	
INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2022	**110.2**
Capital expenditure	4.6
Other movements, reclassifications	(26.2)
Currency movements	(0.1)
Impairment losses and reversals	(14.0)
INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2023	**74.5**

As of December 31, 2023, investment properties at cost mainly comprise projects under construction. Other investment properties at cost are:

- In Denmark: a land plot in Odense;
- In Belgium: a land plot in Louvain-La-Neuve.

4.4.3.Investment properties held for sale

Accounting policies

Investment properties held for sale

Investment properties that the Group has contractually committed to sell or entered into an agreement to sell are presented according to IFRS 5.

The accounting impacts of their presentation according to IFRS 5 in the consolidated financial statements are as follows:

- Reclassification as investment property held for sale; and
- Presentation on a separate line as current assets in the dedicated section of the statement of financial position.

The Group has no held-for-sale investment property qualified as “discontinued” within the meaning of IFRS 5.

In millions of euros	
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2022	**13.1**
Disposals and removals from the scope of consolidation	(13.1)
Other movements, reclassifications	65.4
Currency movements	
Fair value adjustments	-
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2023	**65.4**

During 2023, the Group sold several retail units in France, which were classified as held for sale as of December 31, 2022.

Assets classified as “Investment properties held for sale” as of December 31, 2023 mainly concern shopping arcades in Sweden and in France.

4.4.4.Investment property portfolio reconciliation

The following table reconciles the carrying amount of investment properties to the value of the property portfolio disclosed in the management report:

	12/31/2023				
In millions of euros	Investment properties held by fully consolidated companies	Investments in equity-accounted companies[(a)]	Transfer taxes	Lease liability[(b)]	Total portfolio value (including transfer taxes)
Investment properties	16,993.2	1,182.6	916.0		**19,091.9**
Right-of-use asset relating to ground leases	305.3			(282.1)	**23.2**
Incl. upfront payments on ground leases	*23.2*				***23.2***
Investment properties at fair value	**17,298.5**	**1,182.6**	**916.0**	**(282.1)**	**19,115.0**
Investment properties at cost	74.5	47.3			**121.9**
Investment properties held for sale	65.4				**65.4**
Operating lease incentives	28.2				**28.2**
TOTAL	**17,466.7**	**1,230.0**	**916.0**	**(282.1)**	**19,330.6**

(a) Investments in equity-accounted assets are included based on the fair value of the shares held and taking into account shareholder financing granted by the Group.

(b) The lease liability as defined by IFRS 16 is deducted from the investment property value in the portfolio valuation.

4.5. Investments in equity-accounted companies

In millions of euros	12/31/2022 Attributable to owners of the parent	Share in earnings	Dividends received	Capital increases and decreases	Currency movements	Changes in scope of consolidation and other movements	12/31/2023 Attributable to owners of the parent
Investments in joint ventures	830.4	19.4	(19.9)	(9.7)	(8.6)	(0.6)	811.0
Investments in associates	164.0	25.0	(5.8)		(25.7)	3.2	160.6
EQUITY-ACCOUNTED COMPANIES	994.4	44.4	(25.7)	(9.8)	(34.3)	2.6	971.6

Thirty-four companies were accounted for using the equity method as of December 31, 2023, of which 25 joint ventures and 9 associates.

Non-current assets presented in this section mainly concerned investment property held by equity-accounted companies. The valuation of the investment property follows the Group's rules as described in note 4.4.

Investments in joint ventures :

The main items of the statements of financial position and income of joint ventures[1] are presented below (the values shown below include consolidation adjustments):

In millions of euros	12/31/2023		12/31/2022	
	100%	Attributable to owners of the parent	100%	Attributable to owners of the parent
Non-current assets	2,202.0	1,091.4	2,220.9	1,100.0
Current assets	87.0	42.5	80.7	39.2
Cash and cash equivalents	85.1	41.3	106.3	51.8
Non-current external financial liabilities	(35.5)	(15.2)	(41.7)	(18.7)
Non-current financial liabilities (Group and associates)	(463.2)	(231.6)	(491.7)	(245.9)
Non-current liabilities	(188.2)	(93.9)	(142.1)	(70.8)
Current external financial liabilities	(7.5)	(3.6)	(7.0)	(3.4)
Current liabilities	(41.8)	(19.9)	(46.3)	(21.9)
NET ASSETS	1,637.9	811.0	1,679.1	830.4

The year-on-year decrease in non-current assets is mainly due to the slight decline in the value of investment properties.

Non-current liabilities mainly include deferred tax.

In millions of euros	12/31/2023		12/31/2022	
	100%	Attributable to owners of the parent	100%	Attributable to owners of the parent
Revenues from ordinary activities	149.8	74.2	143.8	71.3
Operating expenses	(28.0)	(13.8)	(31.9)	(15.7)
Change in value of investment properties	(9.1)	(3.5)	(26.4)	(12.8)
Financial expense	(20.3)	(10.1)	(19.9)	(9.9)
Profit before tax	**92.4**	**46.8**	**65.6**	**32.9**
Tax	(54.7)	(27.4)	(23.2)	(11.6)
NET INCOME	37.7	19.4	42.4	21.3

(1) Cécobil SCS, Du Bassin Nord SCI, Le Havre Vauban SNC, Le Havre Lafayette SNC, Girardin 2 SCI, Société Immobilière de la Pommeraie SC, Kleprim's SCI, Celsius Le Murier SNC, Celsius Haven SNC, Lobsta & K SAS, Lobsta & K Serris SAS, Lobsta & K Boulogne SAS, Clivia SpA, CCDF SpA, Galleria Commerciale Porta di Roma SpA, Galleria Commerciale 9 Srl, Italian Shopping Centre Investment Srl, Holding Klege Srl, Metro Senter ANS, Økern Sentrum ANS, Økern Eiendom ANS, Metro Shopping AS, Økern Sentrum AS, Nordal ANS, and Klege Portugal SA.

As of December 31, 2023, Klépierre's share in the external net debt (current and non-current external financial liabilities adjusted for cash and cash equivalents) of its joint ventures represented a positive €22.4 million.

Investments in associates :

The main components of the statements of financial position and income of associates[2] are presented below (the amounts shown below include consolidation adjustments):

In millions of euros	12/31/2023		12/31/2022	
	100%	Attributable to owners of the parent	100%	Attributable to owners of the parent
Non-current assets	918.9	160.2	997.5	165.7
Current assets	10.0	1.7	8.4	1.4
Cash and cash equivalents	22.8	5.8	25.9	5.7
Non-current external financial liabilities	(4.0)	(0.4)	(4.5)	(0.5)
Non-current financial liabilities (Group and associates)	(37.8)	(3.9)	(39.5)	(4.2)
Non-current liabilities	(10.0)	(1.5)	(10.1)	(1.5)
Current external financial liabilities	(0.1)		(0.1)	
Current liabilities	(14.1)	(1.3)	(20.9)	(2.6)
NET ASSETS	**885.7**	**160.6**	**956.7**	**164.0**

In millions of euros	12/31/2023		12/31/2022	
	100%	Attributable to owners of the parent	100%	Attributable to owners of the parent
Revenues from ordinary activities	64.1	13.3	62.1	12.3
Operating expenses	(10.5)	(3.3)	(12.1)	(3.0)
Change in value of investment properties	(30.1)	17.3	38.8	24.9
Financial income	(0.3)	0.8	1.0	0.8
Loss on net monetary position	(6.9)	(3.1)	(6.8)	(3.0)
Profit before tax	**16.3**	**25.0**	**83.0**	**32.0**
Tax			0.0	0.0
NET INCOME	**16.3**	**25.0**	**83.0**	**32.0**

(2) La Rocade SCI, La Rocade Ouest SCI, Du Plateau SCI, Achères 2000 SCI, Le Champ de Maïs SC, Secar SC, Antigaspi & K SAS, NEAG Boulogne SAS and Akmerkez Gayrimenkul Yatirim Ortakligi AS.

4.6. Current and non-current financial assets and liabilities

Accounting policies for financial items (current and non-current)

Financial assets

Financial assets include long-term financial investments, current assets representing operating receivables, debt securities, investment securities (including derivatives) and cash.

The Group classifies financial assets in one of the categories identified by IFRS 9 on the acquisition date, based on the instrument's characteristics and the business model.

Assets at amortized cost

Financial assets are valued at amortized cost where they are recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding).

These assets comprise advances to equity-accounted companies, other loans and deposits. After initial recognition at fair value, they are recognized and measured at amortized cost using the effective interest method. The effective interest rate is the rate that precisely discounts estimated future cash flows to obtain the carrying amount of the instrument.

In accordance with IFRS 9, these assets are impaired based on a forward-looking expected credit loss (ECL) approach.

Assets at fair value through profit or loss

This category includes:

- Financial assets that are not held either to collect contractual cash flows or to sell the assets and whose contractual conditions do not solely give rise to payments of principal and interest on the principal amount outstanding; and
- Assets designated at fair value whose performance and management are based on fair value and non-consolidated investments.

Fair value gains and losses are recognized in other financial income and expenses.

Assets at fair value through other comprehensive income with cumulative gains and losses reclassified to profit or loss upon derecognition

This category includes financial assets recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding) and potentially selling the assets.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of interest income recognized in other financial income and expenses. Fair value gains and losses are released to net income on the sale of the assets.

Assets at fair value through other comprehensive income without reclassification to profit or loss upon derecognition

This category includes equity instruments not held for trading and primarily concerns non-consolidated investments.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of dividends recognized in other financial income and expenses. Fair value gains and losses are not released to net income on the sale of the assets.

Financial liabilities

Financial liabilities include borrowings, other forms of financing, bank overdrafts, derivatives and operating payables.

IFRS 9 "Financial Instruments" describes how financial assets and liabilities must be measured and recognized.

Measurement and recognition of financial liabilities

With the exception of derivatives, all loans and other financial liabilities are measured at amortized cost using the effective interest method.

Recognition of liabilities at amortized cost

In accordance with IFRS, premiums on bonds and debt issuance expenses are deducted from the nominal value of the loans concerned and incorporated into the calculation of the effective interest rate.

Application of the amortized cost method to liabilities hedged at fair value

Changes in the fair value of (the effective portion of) swaps used as fair value hedges are offset by the remeasurement of the hedged risk component of the debt.

Given that the characteristics of derivatives and items hedged at fair value are similar in most instances, any ineffective portion carried to hedging profit or loss may be minimal.

If a derivative is canceled before the due date of the hedged liability, the amount of the debt adjustment will be amortized over the residual term using the effective interest rate calculated at the date the hedging relationship ceased.

Measurement and recognition of derivatives

As the parent company, Klépierre takes responsibility for almost all Group funding and provides centralized management of interest and exchange rate risks. This financing policy involves Klépierre implementing the facilities and associated hedging instruments required by the Group.

Klépierre hedges its liabilities using derivatives and has consequently adopted hedge accounting in accordance with IFRS 9:

- Hedges to cover statement of financial position items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fair value hedges);
- Hedges to cover the exposure to future cash flow risk (cash flow hedges), which consists of setting the amount of future cash flows arising on floating-rate liabilities or assets;
- Klépierre's derivatives portfolio qualified for hedge accounting meets all IFRS 9 hedge definition and effectiveness criteria.

The adoption of hedge accounting has the following consequences:

- Fair value hedges of existing assets and liabilities: the hedged portion of the asset/liability is accounted for at fair value in the statement of financial position. The gains or losses resulting from changes in fair value are recognized immediately in profit or loss with a corresponding adjustment in the fair value of the hedging instrument, in line with its effectiveness.
- Cash flow hedges: the portion of the gain or loss on the fair value of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and reclassified to the income statement when the hedged cash transaction affects profit or loss. The gain or loss from the change in value of the ineffective portion of the hedging instrument is recognized immediately in profit or loss.

Financial instruments qualified in the trading category are measured at fair value, with fair value movements recognized in profit or loss for the period.

Recognition date: trade or settlement

IFRS aims to reflect the time value of financial instruments as closely as possible by ensuring that, wherever possible, instruments with a deferred start date are recognized on the trade date, thus allowing calculation of the deferred start date.

However, this principle cannot be applied to all financial instruments in the same way.

For example, commercial paper is often renewed a few days before its due date. If these instruments were recognized at their trade date, this would artificially inflate the amount concerned between the renewal trade date of a paper and its effective start date.

Klépierre applies the following rules:

- Derivatives are recognized at their trade date, since their measurement effectively takes account of any deferred start dates;
- Other financial instruments (especially liabilities) are recognized on their settlement date.

Tax treatment of changes in fair value of financial instruments

Klépierre applies the following rules:

- Deferred taxes are calculated based on the change in fair value of financial instruments based on the tax-rate of the country where the instrument is held;
- For instruments held by SIIC eligible entities, deferred taxes are recognized for their non-SIIC portion in the SIIC/non-SIIC asset pro rata to Klépierre SA's statement of financial position.

4.6.1. Non-current assets

Movements in other non-current assets during 2023 are as follows:

In millions of euros	12/31/2022	Change in scope	Increases	Decreases	Other (including currency movements)	12/31/2023
Advances to equity-accounted companies and other	260.0		23.1	(35.4)	(5.5)	242.3
Loans	19.0			(17.5)	(1.5)	0.0
Deposits	16.2		2.4	(1.8)	(0.0)	16.8
Other long-term financial investments	1.5			(0.0)	(0.0)	1.4
TOTAL	**296.7**		**25.5**	**(54.7)**	**(7.0)**	**260.5**

4.6.2. Change in debt

Changes in debt presented below do not include lease liabilities under IFRS 16 which are presented in note 4.10.2.

Current and non-current financial liabilities amounted to €7,656.0 million as of December 31, 2023, versus €7,695.8 million as of December 31, 2022.

In millions of euros	12/31/2023	12/31/2022
Non-current		
Bonds net of costs/premiums	**4,602.7**	**4,949.5**
– Of which fair value hedge adjustments	(77.9)	(116.5)
Bank loans and borrowings – long term	**1,358.6**	**655.3**
– Of which fair value hedge adjustments	2.3	0.3
Other loans and borrowings	**104.6**	**113.0**
– Advance payments to associates	104.6	113.0
– Other		
TOTAL NON-CURRENT FINANCIAL LIABILITIES	6,065.9	5,717.8
Current		
Bonds net of costs/premiums	**592.3**	**675.9**
– Of which fair value hedge adjustments		
Bank loans and borrowings – short term	**66.3**	**55.1**
– Of which other borrowing issue costs	3.2	3.2
Accrued interest	**47.2**	**44.5**
– On bonds	37.4	39.6
– On bank loans	3.4	1.6
– On advance payments to associates	6.3	3.3
Commercial paper	**880.5**	**1,199.9**
Other loans and borrowings	**3.8**	**2.6**
– Advance payments to associates	3.8	2.6
TOTAL CURRENT FINANCIAL LIABILITIES	1,590.1	1,978.0
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	7,656.0	7,695.8

Net debt totaled €7,348.8 million as of December 31, 2023, versus €7,479.3 million as of December 31, 2022 reduced by €130.5 million. Net debt is the difference between financial liabilities (excluding fair value hedge adjustments and cross currency swaps) plus bank overdrafts less available cash and marketable securities.

In millions of euros	12/31/2023	12/31/2022
Non-current and current financial liabilities	7,656.0	7,695.8
Bank overdrafts	0.3	0.1
Revaluation due to fair value hedge and cross currency swaps	91.8	116.1
Cash and cash equivalents[a]	(399.3)	(332.7)
Net debt	7,348.8	7,479.3

(a) Includes cash managed for principals for €40.6 million as of December 31, 2023 and for €51.2 million as of December 31, 2022.

4.6.3. Main sources of financing

The Group's main financial resources are detailed in the table below (nominal value).

In millions of euros	Borrower	Issue currency	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount drawn as of 12/31/2023
	Group financing						
Bonds - Klépierre SA						**5,312**	**5,312**
	Klépierre SA	EUR	1.750%	11/06/2024	At maturity	557	557
	Klépierre SA	EUR	2.125%	10/22/2025	At maturity	255	255
	Klépierre SA	EUR	1.875%	2/19/2026	At maturity	500	500
	Klépierre SA	EUR	1.375%	2/16/2027	At maturity	600	600
	Klépierre SA	EUR	4.230%	5/21/2027	At maturity	50	50
	Klépierre SA	EUR	2.000%	5/12/2029	At maturity	700	700
	Klépierre SA	EUR	0.625%	7/1/2030	At maturity	700	700
	Klépierre SA	EUR	0.875%	2/17/2031	At maturity	600	600
	Klépierre SA	EUR	1.250%	9/29/2031	At maturity	600	600
	Klépierre SA	EUR	1.625%	12/13/2032	At maturity	750	750
Bonds - Steen & Strøm						**44**	**44**
	Steen & Strøm	NOK	2.550%	10/24/2024	At maturity	13	13
	Steen & Strøm	NOK	NIBOR	10/24/2024	At maturity	22	22
	Steen & Strøm	NOK	2.980%	5/23/2029	At maturity	9	9
Bank loans and revolving credit facilities						**3,666**	**487**
	Klépierre SA	EUR	Fixed	12/15/2027	At maturity	75	75
	Klépierre SA	EUR	Euribor	(b)	At maturity	150	150
	Klépierre SA	JPY	TONAR	2028	At maturity	262	262
	Klépierre SA	EUR	Euribor	12/16/2027	At maturity	1,385	
	Klépierre SA	EUR	Euribor	(b)	At maturity	1,625	
	Steen & Strøm	NOK	NIBOR	2024	At maturity	89	
	Steen & Strøm	NOK	NIBOR	2025	At maturity	80	
Mortgage loans						**957**	**957**
	Massalia Shopping Mall	EUR	Euribor	6/23/2026	At maturity	90	90
	Hoog Catharijne	EUR	Euribor	10/16/2028	At maturity	260	260
	Steen & Strøm	SEK	STIBOR	(c)		238	238
	Steen & Strøm	DKK	CIBOR	(c)		319	319
	Steen & Strøm	DKK	Fixed	(c)		51	51
Short-term facilities and bank overdrafts						**321**	
Commercial paper						**1,500**	**881**
	Klépierre SA	EUR	Euribor	-	At maturity	1,500	881
	Steen & Strøm	NOK	NIBOR		At maturity		
	Steen & Strøm	SEK	STIBOR		At maturity		
GROUP TOTAL[(a)]						**10,301**	**7,681**

(a) Totals are calculated excluding backup lines since the maximum amount of the "Commercial paper" line includes the backup lines.
(b) These lines combine several facilities with maturities from 2025 to 2028 and differents lenders.
(c) These lines combine several mortgage loans with maturities from 2024 to 2043 and differents lenders.

As a general rule, the Group finances its assets with equity or debt raised by Klépierre SA. In certain cases, especially in the context of joint operations and in Scandinavia, the Group may use mortgage loans to fund its activities. Mortgages granted to secure this financing (€957 million) amounted to €1,175 million as of December 31, 2023.

4.6.4. Covenants

The Group's main credit agreements contain covenants. Failure to comply with these covenants could trigger mandatory repayment of the underlying facility.

Covenants applicable to Klépierre SA financing :

As of December 31, 2023, Klépierre SA complied with all obligations arising from its borrowings.

Financing	Ratios/covenants	Limit[(a)]	12/31/2023	12/31/2022
Syndicated loans and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤60%	38.0%	37.7%
	EBITDA/Net interest expenses[(b)]	≥2.0x	8.4	10.0
	Secured debt/Portfolio value[(c)]	≤20%	2.1%	0.6%
	Portfolio value[(d)]	≥€10bn	€16.7bn	€17.1bn
Bond issues	Secured debt/Revalued Net Asset Value[(c)]	≤50%	3.7%	0.7%

(a) Covenants are based on the 2020 revolving credit facility.
(b) Excluding the impact of liability management operations (non-recurring items).
(c) Excluding Steen & Strøm.
(d) Group share, including transfer taxes.

Financial covenants applicable to fully consolidated companies with non-controlling interests:

As of December 31, 2023, all of the Group's borrowing entities complied with the obligations arising from their borrowings. In respect of a non-recourse mortgage loan granted to the Group’s subsidiary Massalia Shopping Mall, the tests to be conducted in 2024 may identify a breach of the financial covenants. However, this would not have a significant impact at the level of the Group as a whole. In any event, this would have no consequences on the Group's other financing obligations.

A portion of Steen & Strøm’s debt is subject to a covenant that requires shareholders’ equity to be above or equal to 20% of net asset value at all times. As of December 31, 2023, this ratio was 58.45%.

4.6.5.Breakdown of borrowings by maturity date

The breakdown of borrowings by maturity date presented below does not include lease liabilities under IFRS 16, which are presented in note 4.10.3.

In millions of euros	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net of costs/premiums	**4,602.7**		**1,402.7**	**3,200.0**
– Of which fair value hedge adjustments	(77.9)			(77.9)
Bank loans and borrowings – long term	**1,358.6**		**896.8**	**461.8**
– Of which fair value hedge adjustments	2.3		2.3	
Fair value adjustments to debt[a]				
Other loans and borrowings	**104.6**		**104.6**	
– Advance payments to associates	104.6		104.6	
– Other				
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6,065.9**		**2,404.1**	**3,661.8**
CURRENT				
Bonds net of costs/premiums	**592.3**	**592.3**		
– Of which fair value hedge adjustments				
Bank loans and borrowings – short term	**66.3**	**66.3**		
Fair value adjustments to debt[a]				
Accrued interest	**47.2**	**47.2**		
– On bonds	37.4	37.4		
– On bank loans	3.4	3.4		
– On advance payments to associates	6.3	6.3		
Commercial paper	**880.5**	**880.5**		
Other loans and borrowings	**3.8**	**3.8**		
– Advance payments to associates	3.8	3.8		
TOTAL CURRENT FINANCIAL LIABILITIES	**1,590.1**	**1,590.1**		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,656.0**	**1,590.1**	**2,404.1**	**3,661.8**

Commercial paper corresponds to short-term resources used on a rollover basis and fully covered by backup revolving credit facilities with an average maturity of four years.

4.7. Trade receivables

Accounting policies

Trade and other receivables

Trade receivables are recognized and measured at face value minus allowances for non-recoverable amounts, in accordance with IFRS 9, as described in note 4.6.

Other receivables under this heading include the effect of recognizing lease incentives granted to tenants over time (step-up rents and rent-free periods). All receivables have a maturity of less than one year, except step-up rents and rent-free periods, which are spread over the expected term of the lease.

Impairment is based on the standard's simplified approach. Expected credit losses are calculated based on lifetime losses, using the Group's historical credit loss experience and forward-looking projections.

In millions of euros	12/31/2023	12/31/2022
Trade receivables	222.2	254.6
Allowances for bad debts	(137.8)	(167.4)
Net value of trade receivables	**84.3**	**87.2**
Step-up rents and rent-free periods	42.4	54.6
TRADE AND OTHER RECEIVABLES	**126.7**	**141.8**

As of December 31, 2023, trade receivables totaled €222.2 million. As of December 31, 2022, trade receivables stood at €254.6 million, representing €267.2 million in gross trade receivables less €12.6 million in accrued rent abatements.

4.8. Other receivables

	12/31/2023			12/31/2022
In millions of euros	Total	Less than one year	More than one year	Total
Tax receivables	**68.3**	**68.3**		**64.3**
Income tax	14.4	14.4		13.8
VAT	33.4	33.4		44.5
Other tax receivables	20.5	20.5		6.0
Other	**197.9**	**197.9**		**201.0**
Service charges due	20.7	20.7		14.6
Downpayments to suppliers	78.1	78.1		84.5
Prepaid expenses	15.1	15.1		14.7
Funds from principals	40.6	40.6		51.2
Other	43.4	43.4		36.0
TOTAL	**266.2**	**266.2**		**265.3**

VAT mainly includes outstanding refunds in respect of construction projects in progress.

Downpayments to suppliers decreased from €84.5 million as of December 31, 2022 to €78.1 million as of December 31, 2023, mainly due to the settlement of charges in France.

Funds managed by Klépierre Management on behalf of its principals stood at €40.6 million as of December 31, 2023 versus €51.2 million as of December 31, 2022. The management accounts of the principals are recognized under "Other liabilities" (see note 4.14) for the same amount.

The line "Other" mainly comprises dividends receivable from equity-accounted investees and receivables from co-ownership associations relating to construction work.

4.9. Cash and cash equivalents

Accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash held in bank accounts, short-term deposits, money-market funds and other marketable securities.

Cash and cash equivalents meet the definition given by IAS 7 and IFRS 9, i.e., short-term, highly-liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are recognized and measured at fair value through profit or loss in accordance with IFRS 9, as described in note 4.6

In millions of euros	12/31/2023	12/31/2022
Cash equivalents	85.5	0.0
- Deposit account	*75.0*	*0.0*
- Money-market investments	*10.5*	
- Accrued interest on other variable-income securities		
Cash	273.2	281.6
Gross cash and cash equivalents	**358.7**	**281.6**
Bank overdrafts	**(0.3)**	**(0.1)**
NET CASH AND CASH EQUIVALENTS	**358.5**	**281.5**

4.10. Fair value of financial assets and liabilities

Accounting policies

Measurement and recognition of financial assets and liabilities

The recognition and measurement of financial assets and liabilities is governed by IFRS 9, as described in note 4.6.

Method used to determine fair value of financial instruments

Financial assets and liabilities recognized at fair value are measured either on the basis of market price or by using measurement models that apply the market inputs prevailing on the reporting date. The term "model" refers to mathematical methods based on generally-accepted financial theories. The realizable value of these instruments may differ from the fair value adopted when preparing the financial statements.

Where prices quoted on an active market are available on the reporting date, they are used to determine fair value. Listed securities, bonds, and derivatives traded on organized markets such as futures or option markets are therefore measured in this way.

Most over the counter (OTC) derivatives, swaps, futures, caps, floors and simple options are traded on active markets. They are measured using generally-accepted models (discounted cash flow, Black-Scholes, etc.) based on the market prices of such instruments or similar underlying assets.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly, supply and demand are reasonably balanced, or in which transactions involve instruments that are very similar to the instrument being measured.

Fair value hierarchy of financial assets and liabilities

IFRS 13 sets out a fair value hierarchy that categorizes inputs to valuation techniques used to measure the fair value of all financial assets and financial liabilities into three levels.

Valuation techniques are based on:

- Quoted prices in an active market (level 1);
- Internal valuation techniques involving standard mathematical calculation methods integrating observable market data (forward rates, interest rate curves, etc.). Valuations produced by these models are adjusted to take account of a reasonable change in the credit risk of the Group or the counterparty (level 2);
- Internal valuation techniques integrating factors estimated by the Group in the absence of observable market data (level 3).

4.10.1. Financial assets

The following table presents the net carrying amount and fair value hierarchy of the Group's financial assets and liabilities as of December 31, 2023:

		Amounts recognized in the statement of financial position according to IFRS 9			Fair value hierarchy		
In millions of euros	Carrying amount 12/31/2023	Amortized cost	Fair value through profit or loss	Fair value	Level 1	Level 2	Level 3
Advances to equity-accounted companies and other	242.3	242.3		242.3		242.3	
Loans	0.0	0.0		0.0		0.0	
Deposits	16.8	16.8		16.8		16.8	
Other long-term financial investments	1.4	1.4		1.4		1.4	
Total other non-current assets	**260.5**	**260.5**		**260.5**		**260.5**	
Cash equivalents	85.5	85.5		85.5	85.5		
- Treasury bills and certificates of deposit	*75.0*	75.0		*75.0*	75.0		
- Money-market investments							
Cash	273.2	273.2		273.2	273.2		
Gross cash and cash equivalents	**358.7**	**358.7**		**358.7**	**358.7**		
Bank overdrafts	**(0.3)**	**(0.3)**		**(0.3)**	**(0.3)**		
NET CASH AND CASH EQUIVALENTS	**358.5**	**358.5**		**358.5**	**358.5**		

The fair value of financial assets is identical to the carrying amount of the Group's financial assets at amortized cost, as they are not remeasured.

4.10.2. Financial liabilities

The table below presents the breakdown of financial liabilities by measurement approach in accordance with IFRS 9 :

		Amounts recognized in the statement of financial position according to IFRS 9			Fair value hierarchy		
In millions of euros	Carrying amount 12/31/2023	Liability at amortized cost	Liability at fair value recognized through profit or loss	Fair value	Level 1	Level 2	Level 3
Non-current							
Bonds net of costs/premiums	4,602.7	4,086.2	516.5	4,159.6	4,159.6		
Bank loans and borrowings – long term	1,358.6	1,281.3	77.3	1,362.1		1,362.1	
Fair value adjustments to debt							
Other loans and borrowings	104.6	104.6		104.6		104.6	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6,065.9**	**5,472.2**	**593.8**	**5,626.3**	**4,159.6**	**1,466.7**	
Current							
Bonds net of costs/premiums	592.3	592.3		558.8	558.8		
Bank loans and borrowings – short term	66.3	66.3		66.3		66.3	
Fair value adjustments to debt							
Accrued interest	47.2	47.2		47.2		47.2	
Commercial paper	880.5	880.5		880.5		880.5	
Other loans and borrowings	3.8	3.8		3.8		3.8	
TOTAL CURRENT FINANCIAL LIABILITIES	**1,590.1**	**1,590.1**		**1,556.6**	**558.8**	**997.8**	
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,656.0**	**7,062.2**	**593.8**	**7,182.9**	**4,718.4**	**2,464.5**	

As of December 31, 2023, the carrying amount of financial liabilities for which the change in fair value is recognized in profit or loss was €593.8 million. This corresponds to fixed-rate debts that were converted into floating rate debts by means of fixed rate receiver swaps qualified as fair value hedges.

4.10.3 Lease liabilities

The breakdown of current and non-current lease liabilities as of December 31, 2023 is presented below:

In millions of euros	12/31/2022	Increase (new leases)	Decrease (lease terminations)	Remeasurement and other movements	Allowances and repayment of lease liabilities	Currency movements	Reclassifi-cations	12/31/2023
Lease liabilities - non-current	266.6	40.2	(1.1)	0.5		(0.0)	(7.3)	299.0
Lease liabilities - current	12.6	6.6		0.1	(14.2)	(0.0)	7.3	12.4
TOTAL LEASE LIABILITIES	**279.2**	**46.9**	**(1.1)**	**0.6**	**(14.2)**	**(0.0)**		**311.4**

The maturity date of current and non-current lease liabilities as of December 31, 2023 is presented below:

In millions of euros	Total	Less than one year	One to five years	More than five years
Lease liabilities - non-current	299.0		38.5	260.6
Lease liabilities - current	12.4	12.4		
TOTAL LEASE LIABILITIES	**311.4**	**12.4**	**38.5**	**260.6**

4.11. Equity

4.11.1. Share capital, additional paid-in capital and capital reserves

As of December 31, 2023, the share capital comprised 286,861,172 fully paid-up shares each with a par value of €1.40. Shares are held in either registered or bearer form.

Per unit	Number of shares
As of January 1, 2023	286,861,172
Cancellation of shares in 2023	
Shares issued in 2023	
Dividend distribution in 2023	
AS OF DECEMBER 31, 2023	**286,861,172**

In euros	Share capital	Legal reserve	Issue premiums	Merger premiums	Other premiums	TOTAL CAPITAL RESERVES
As of January 1, 2023	**401,605,641**	44,009,849	3,583,554,521		2,312,546	**3,629,876,916**
Cancellation of shares in 2023						
Shares issued in 2023						
Dividend distribution in 2023			(240,993,322)			**(240,993,322)**
AS OF DECEMBER 31, 2023	**401,605,641**	**44,009,849**	**3,342,561,199**		**2,312,546**	**3,388,883,594**

On May 11, 2023, the General Meeting of Shareholders approved the payment of a €1.75 per share cash distribution in respect of the 2022 fiscal year. The total distribution approved by Klépierre's shareholders amounted to €499.5 million excluding treasury shares.

The dividend distribution was deducted from issue premiums (€241.0 million), and retained earnings (€258.5 million).

As of December 31, 2023, the legal reserve stood at €44 million.

4.11.2. Treasury shares

Accounting policies

Treasury shares

All treasury shares held by the Group are recognized at their acquisition cost and deducted from equity. Any gain arising on the disposal of treasury shares is recognized immediately as equity, such that disposal gains or losses do not impact net income for the fiscal year.

As of December 31, 2023, Klépierre held 1,211,937 treasury shares, versus 1,360,321 shares as of December 31, 2022.

The following tables present the breakdown of treasury shares as of December 31, 2023 :

	12/31/2023					
	Future performance share plans	Performance shares allocated	Liquidity agreement	External growth	Share buyback programs	Total
Number of shares	414,954	796,983				**1,211,937**
Acquisition value (in millions of euros)	8.9	16.8				**25.7**
Proceeds from sales (in millions of euros)		(3.1)	0.4			**(2.7)**

4.11.3. Performance shares

There are currently five performance share plans in place for Group executives and employees.

Plan authorized in 2019	**Plan no. 8** **France**	**Other**
Grant date	05/06/2019	05/06/2019
End of vesting period	05/06/2022	05/06/2023
End of lock-up period	05/06/2024	-
Shares allotted	226,000	95,800
Shares canceled	67,700	17,950
Shares vested	79,150	36,700
Lapsed shares as of December 31, 2023	79,150	41,150
Outstanding shares as of December 31, 2023		

		Plan no. 9	
Plan authorized in 2020	**France** Part 1	**Other** Part 1	**France** Part 2
Grant date	05/07/2020	05/07/2020	12/22/2020
End of vesting period	05/07/2023	05/07/2024	12/22/2023
End of lock-up period	05/07/2025	-	-
Shares allotted	215,300	97,600	7,250
Shares canceled	59,982	32,687	1,250
Shares vested	105,797		5,887
Lapsed shares as of December 31, 2023	49,521	22,284	113
Outstanding shares as of December 31, 2023		42,629	

	Plan no. 10	
Plan authorized in 2021	**France** Part 1	**Other** Part 2
Grant date	07/01/2021	07/01/2021
End of vesting period	07/01/2024	07/01/2025
End of lock-up period	07/01/2026	-
Shares allotted	331,500	155,000
Shares canceled	98,746	43,750
Shares vested		
Lapsed shares as of December 31, 2023		
Outstanding shares as of December 31, 2023	232,754	111,250

Plan authorized in 2022	Plan no. 11 France & Other
Grant date	07/07/2022
End of vesting period	07/07/2025
End of lock-up period	-
Shares allotted	522,357
Shares canceled	61,620
Shares vested	
Lapsed shares as of December 31, 2023	
Outstanding shares as of December 31, 2023	460,737

Plan authorized in 2023	Plan no. 12 France & Other
Grant date	05/12/2023
End of vesting period	05/12/2026
End of lock-up period	
Shares allotted	549,210
Shares canceled	24,992
Shares vested	
Lapsed shares as of December 31, 2023	
Outstanding shares as of December 31, 2023	524,218

On May 12, 2023, 549,210 shares were allotted to management and Group employees, as part of a performance share plan, authorized by the Executive Board.

The total expense recognized for the period for all performance share plans amounted to €3.5 million and includes updates to the performance criteria for Plans no.10, no.11 and no.12. It also takes into account an estimate of the number of beneficiaries at the end of each vesting period, as they may forfeit their entitlements if they leave the Klépierre Group during the period.

The following tables present the assumptions used to measure the value of performance share plans and the expenses recognized over the period.

Plan authorized in 2022	Plan no. 11 France & Other
Share price on the allotment date	€18.20
Average of the 40 opening share prices preceding July 7, 2022	€20.58
Klépierre share price volatility: Historical volatility over 3 years, calculated as of July 7, 2022 based on daily variations	49.4% Klepierre share and ranking among top 10 European companies operating in the shopping center sector
Dividend per share	Normative dividend yield of 7%
Share value	€9.52
Income for the period	€1.2 million

Plan authorized in 2023	Plan no. 12 France & Other
Share price on the allotment date	€21.37
Average of the 40 opening share prices preceding May 12, 2023	€21.51
Klépierre share price volatility: Historical volatility over 3 years, calculated as of May 12, 2023 based on daily variations	38.0% Klepierre share and ranking among top 10 European companies operating in the shopping center sector
Dividend per share	€1.75
Share value	€9.50
Income for the period	€0.8 million

Regarding the authorized plans in 2019, 2020 and 2021, the total amount of the expense recognized over the period amounts to €1.5 million of which €1.0 million related to France and €0.5 million related to other countries.

4.12. Long-term provisions and contingent liabilities

Accounting policies

Provisions and contingent liabilities

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized where the Group has a liability towards a third party, and it is probable or certain that an outflow of resources will be required to settle this liability without an equivalent or greater amount expected to be received from the third party concerned.

Non-interest-bearing long-term liabilities are discounted in accordance with IAS 37.

Long-term provisions amounted to €25.4 million as of December 31, 2023 versus €29.1 million as of December 31, 2022, and mainly concern business-related litigation and taxes outside the scope of IFRIC 23 in the different countries in which Klépierre operates.

During the period, neither Klépierre nor its subsidiaries were subject to any governmental, judicial or arbitration proceedings (including any proceedings of which Klépierre has knowledge, which are currently suspended or are threatened) which have recently had a material impact on the financial position or profitability of the issuer and/or the Group.

In July 2021, the developer of the L'Esplanade shopping center in Louvain-la-Neuve initiated a claim against certain Group companies to obtain the payment of two earn-outs related to the building rights of land plots adjacent to the shopping center. According to the judicial calendar, the first hearing is expected to take place in March or April 2024.

The construction permit for an area of Field's shopping center in Copenhagen, formally classified as a department store (25,000 sq.m. out of a total of 65,000 sq.m.), has been declared invalid by administrative authorities due to non-compliance with the local development plan. The case has been brought by Field's Copenhagen AS in front of the Copenhagen City Court. The main hearing will take place in the course of 2024. Should the Court declare that the construction permit is invalid, its decision would be appealable, and a final decision would not be expected for several years.

No provisions related to this case had been recognized in the group's consolidated financial statements as of December 31, 2023.

4.13. Pension obligations

Accounting policies

Employee benefits

Employee benefits are recognized as required by IAS 19, which applies to all payments made for services rendered, except for share-based payment, which is covered by IFRS 2.

All short or long-term employee benefits, whether paid in cash or in kind, must be classified into one of the following four main categories:

- Short-term benefits, such as salaries, annual vacation, mandatory and discretionary profit-sharing plans and employer top-up contributions;
- Post-employment benefits, which relate primarily to supplementary pension payments in France, and private pension plans elsewhere;
- Other long-term benefits, which include paid vacation, long-service payments, and certain deferred payment schemes paid in monetary units;
- Severance pay.

Measurement and recognition methods for employee benefits vary depending on the category.

Short-term benefits

The Company recognizes an expense when it uses services provided by its employees and pays agreed benefits in return.

Post-employment benefits

In accordance with generally-accepted accounting principles, the Group makes a distinction between defined contribution plans and defined benefit plans.

Defined contribution plans do not generate a liability for the Group, and no provision is therefore set aside. Contributions paid during the period are recognized as an expense.

Only defined benefit plans generate a liability for the Group, and are therefore measured and provisioned.

The classification of a benefit into one of these categories depends on its economic substance, which is used to determine whether the Group is required to provide the promised benefit to the employee under the terms of an agreement or an implicit obligation.

Post-employment benefits classified as defined benefit plans are subject to actuarial valuations based on demographic and financial assumptions.

The amount of the commitment to be provisioned is calculated using the actuarial assumptions adopted by the Company and by applying the projected unit credit method. The value of any hedging assets (plan assets and reimbursement rights) is deducted from the resulting figure. In accordance with IAS 19 (revised), actuarial gains and losses are recognized in equity.

In May 2021, the IFRS Interpretations Committee published a decision related to the principles to be applied when attributing benefit to periods of service for a defined benefit plan.

As a reminder, paragraphs 70-74 of IAS 19 require an entity to attribute benefit to periods of service under the plan’s benefit formula from the date when the employee service first leads to benefits the plan until the date when further employee service will lead to no material amount of further benefits under the plan.

The committee clarified the paragraphs and concluded that:

- The retirement benefit is capped to the last 16 years of service till the age of 62 years;
- Any service the employee renders before the age of 46 does not lead to benefits under the plan.

Long-term benefits

These are benefits other than post-employment benefits and severance pay, which are not payable in full within twelve months of the end of the financial year in which the employees concerned provided the services in question.

The actuarial measurement method applied is similar to that used for defined benefit plans, and the actuarial gains and losses are recognized directly in equity. Furthermore, any gain or loss resulting from changes in the plan, but deemed to apply to past services, is recognized immediately.

Share-based payments

In accordance with IFRS 2, all share-based payments must be recognized as expenses when use is made of the goods or services provided in return for these payments.

For the Klépierre Group, this standard applies primarily to the purchase of shares to meet the commitments arising from its employee performance share plans.

Performance share plans granted to employees are measured at fair value at the grant date. This fair value is not subsequently remeasured for equity-settled share-based payment transactions.

This value is applied to the number of performance shares that vest at the end of the vesting period and is booked as an expense, with a corresponding increase in equity over the vesting period.

This employee expense reflecting the performance shares granted (corresponding to the fair value of services rendered by employees) is measured by an independent expert. The model adopted complies with the basic assumptions of the Black-Scholes model, adapted to the specific characteristics of the options concerned.

4.13.1. Defined contribution plans

In France, the Klépierre Group contributes to a number of national and inter-profession core and supplementary pension organizations.

4.13.2. Defined benefit plans

Provisions recognized for defined benefit pension plans totaled €7.9 million as of December 31, 2023.

In millions of euros	12/31/2022	Increases during the period	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	Changes in the scope of consolidation	12/31/2023
Provisions for employee benefit obligations							
– Defined benefit plans	5.5	0.5			(0.1)		6.0
– Other long-term benefits	1.7	0.4			(0.2)		1.9
TOTAL	**7.2**	**0.9**			**(0.3)**		**7.9**

The defined benefit plans in place in France are subject to an independent actuarial assessment, using the projected unit credit method to calculate the expense relating to rights vested by employees and the outstanding benefits to be paid to pre-retirees and retirees. The demographic and financial assumptions used when estimating the discounted value of the plan obligations and plan assets reflect the economic conditions specific to the monetary zone concerned.

Klépierre has set up supplementary pension plans under a corporate agreement. Under these supplementary plans, employee beneficiaries will, on retirement, receive additional income over and above their national state pensions (where applicable) in accordance with the type of plan they are entitled to.

Group employees also benefit from agreed or contractual personal protection plans in various forms, such as retirement benefits.

In Italy, Klépierre Management Italia operates a *Trattamento di Fine Rapporto* (TFR) plan. The amount payable by the employer on termination of the employment contract (as a result of resignation, dismissal or retirement) is calculated by applying an annual coefficient for each year worked. The final amount is capped. Since the liability is known, it can be recognized under other liabilities and not as a provision for contingencies.

Until December 31, 2014, Scandinavia had both public and supplementary pension plans. Both plans provided for mandatory annual contributions to pension funds. In addition to these plans, Steen & Strøm had put in place a private plan for some employees in Norway. This system met the definition of a defined benefit plan within the meaning of IAS 19 (revised). As of December 31, 2015, the subsidiary in Norway terminated its defined benefit plan and set-up a defined contribution plan. Under the defined contribution plan the entity's obligation is limited to the amount that it agrees to contribute to the fund responsible for the payment of the obligation.

In Spain, a provision for employee benefit commitments may be recognized where specific provision is made in the collective bargaining agreement, but this does not affect employees of the Klépierre Group in Spain. The existing commitments for post-employment medical assistance plans are measured based on assumed rises in medical costs. These assumptions, based on historical observations, take into account the estimated future changes in the cost of medical services resulting from both the cost of medical benefits and inflation.

Components of the net obligation (five-year comparison of actuarial liabilities)

In millions of euros	2023	2022	2021	2020	2019
Surplus (plan assets less obligations)					
Gross discounted value of obligations fully or partially funded by assets	**5.7**	**8.0**	**9.5**	**9.1**	**10.5**
Fair value of plan assets	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)
Discounted value of unfunded obligations	**5.5**	**7.8**	**9.4**	**8.9**	**10.4**
Costs not yet recognized in accordance with IAS 19					
Past service cost	0.7	0.7	0.8	0.8	1.1
Net actuarial losses or gains	0.3	(2.9)	(0.9)		(2.4)
Acquisitions/Disposals					
Length of service awards due	(0.3)	(0.1)	(0.2)	(0.3)	(0.2)
Other	(0.2)		(1.3)		
NET OBLIGATION RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION FOR DEFINED BENEFIT PLANS	**6.0**	**5.5**	**7.8**	**9.4**	**8.9**

Components of retirement expenses

The total expense recognized for the period is mainly attributable to the cost of services rendered for €0.7 million. Financial cost is not material.

Main actuarial assumptions used for statement of financial position calculations

	12/31/2023	12/31/2022
Discount rate	3.13%	3.64%
Expected rate of return on plan assets	3.13%	3.64%
Expected rate of return on reimbursement rights	NA	NA
FUTURE SALARY INCREASE RATE	**1.50% - 2.50%**	**1.50% - 2.50%**

The discount rate is determined using the AA zero-coupon yield curve published by Bloomberg. As of December 31, 2023 the discount rate used was the 10-year iBoxx AA corporate bonds index.

The impact of the change in actuarial gains and losses represented €0.3 million as of December 31, 2023 and was recognized directly in equity.

4.14. Payroll, tax liabilities and other liabilities

In millions of euros	12/31/2023	12/31/2022
Payroll and tax liabilities	**166.8**	**186.1**
Employees and related accounts	38.9	42.1
Social security and other bodies	11.0	10.4
Tax payables		
– Income tax	65.6	57.8
– VAT	37.3	41.2
Other taxes and duties	13.9	34.6
Other liabilities	**328.5**	**337.3**
Creditor customers	25.0	15.4
Prepaid income	29.4	23.4
Other liabilities	274.1	298.5

Creditor customers for €25.0 million corresponds to advance payments received from tenants in respect of service charges.

Other liabilities also include funds representing the management accounts of Klépierre Management's principals, offset in full by other receivables (see note 4.8 "Other receivables"). These funds totaled €40.6 million as of December 31, 2023 (€51.2 million as of December 31, 2022).

NOTE 5 Notes to the statement of comprehensive income

5.1. Gross rental income

Accounting policies

IFRS 16 "Leases"

In accordance with IFRS 16, the Group, as landlord, distinguishes between two types of leases:

- Finance leases, which transfer substantially all the risks and rewards inherent in the ownership of an asset to the lessee. Title to the asset may or may not be transferred at the end of the lease term;
- All other leases are classified as operating leases.

Recognition of step-up rents and rent-free periods

Gross rental income from operating leases is recognized over the full lease term on a straight-line basis.

Step-up rents and rent-free periods are recognized as additions to, or deductions from, gross rental income for the fiscal year.

The reference period adopted is the first non-cancelable lease term.

Entry fees

Entry fees received by the lessor are recognized as additional rent.

Entry fees are part of the net amount exchanged between the lessor and the lessee under a lease. For this purpose, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement or the rent payment schedule. Entry fees are taken to income over the first non-cancelable lease term.

Early termination penalties

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties.

Such penalties are allocated to the terminated contract and credited to income for the period in which they are recognized.

IFRS 15 "Revenue from Contracts with Customers"

Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Gross rental income is excluded from the scope of IFRS 15.

Consequently, only service charges and management, administrative and related income are accounted for in accordance with IFRS 15.

Service charge revenues and services charge expenses are presented separately in the consolidated statements of comprehensive income.

Gross rental income breaks down as follows:

In millions of euros	12/31/2023	12/31/2022
Minimum guaranteed rents	1,044.7	1,008.5
Other rents	81.1	111.3
Gross rents	**1,125.9**	**1,119.7**
Other rental income	29.2	42.7
GROSS RENTAL INCOME	**1,155.1**	**1,162.4**

5.2. Land expenses (real estate)

Accounting policies

Ground leases: IFRS 16

Ground leases are recognized as a right-of-use asset and lease liability in the statement of financial position for the present value of the lease payments (fixed portion only) and are subsequently measured at fair value in accordance with IAS 40. The lease expenses are reclassified to “Interest expenses” and “Change in value of investment properties”.

Consequently, “Land expenses” only comprises variable payments on ground leases not included in the right-of-use valuation, in accordance with IFRS 16.

For the year ended December 31, 2023, land expenses relating to variable payments on ground leases (not restated in accordance with IFRS 16) amounted to €6.6 million, compared to €6.5 million for the year ended December 31, 2022.

5.3. Service charges

Service charge income corresponds to service charges invoiced to tenants, and is presented separately. Service charge income is recorded as income in the period in which it is earned.

Service charge expenses cover the cost of services such as general maintenance and repairs, security, heating, cooling, lighting and cleaning of common areas. Service charge expenses are presented for their gross amounts.

5.4. Owners’ building expenses

These expenses comprise owners’ rental expenses, expenses related to construction work and legal costs, net allowances for credit losses, and intermediaries and other fees.

In millions of euros	12/31/2023	12/31/2022
Losses and allowance for credit losses	(62.3)	(120.0)
Write-back of provisions for credit losses	69.2	112.2
Net impairment on credit losses	**6.9**	**(7.8)**
Other bulding expenses	(25.8)	(22.7)
BUILDING EXPENSES (OWNER)	**(18.9)**	**(30.5)**

5.5. Management, administrative and related income and other operating income

Management, administrative and related income and other operating income amounted to €76.8 million in 2023 and is presented below:

In millions of euros	12/31/2023	12/31/2022
Real estate development fees	5.1	7.0
Acquisition development fees	**5.1**	**7.0**
Rent management fees	10.1	10.7
Renewal and reletting fees	2.1	1.7
Real estate management fees	50.3	46.1
Other property fees	3.6	3.8
Other operating income	5.6	14.5
Property fees	**71.7**	**76.7**
TOTAL	**76.8**	**83.8**

5.6. Payroll expenses and headcount

5.6.1. Payroll expenses

Total payroll expenses amounted to €115.6 million as of December 31, 2023, and included fixed and variable salaries plus mandatory and discretionary profit sharing for €85.4 million, pension-related expenses, retirement expenses and payroll costs for €27.2 million, and taxes and similar compensation-related payments for €3.0 million.

5.6.2. Headcount

As of December 31, 2023, the Group had an average of 1,031 employees, breaking down as 440 employees in France (including Belgium) and 591 employees in the other geographic segments, including 108 employees at the Scandinavian real estate company Steen & Strøm. The Klépierre Group’s average headcount as of December 31, 2023 breaks down as follows:

	12/31/2023	12/31/2022
France	440	429
Scandinavia	108	108
Italy	169	170
Iberia	109	109
Other Countries[(a)]	205	199
TOTAL	**1,031**	**1,015**

(a) The former "Netherlands & Germany" and "Central Europe & Other" segments have been merged into a single segment.

5.7. Other general expenses

Other general expenses mainly comprise costs related to offices management, consultancy and audit, communication, IT and other administrative expenses. They amounted to €35.5 million for the year ended December 31, 2023 compared to €46.7 million for the year ended December 31, 2022.

5.8. Depreciation, amortization and impairment of property, plant and equipment and intangible assets

For the year ended December 31, 2023, depreciation, amortization and impairment of property, plant and equipment and intangible assets amounted to €17.7 million, of which €9.2 million in depreciation of right-of-use assets.

As lessee, the amounts recognized in comprehensive income for the year ended December 31, 2023 in respect of leases, by type of contract, are as follows:

In millions of euros	Right-of-use asset related to property, plant and equipment	Right-of-use asset related to ground leases	Total
Depreciation and impairment of property, plant and equipment	(9.2)		(9.2)
Change in value of right-of-use asset relating to ground leases		(5.6)	(5.6)
Interest expense on lease liabilities	(0.6)	(8.6)	(9.2)
TOTAL	**(9.8)**	**(14.1)**	**(23.9)**

5.9. Change in value of investment properties

As of December 31, 2023, changes in the value of investment properties amounted to a negative €477.0 million, versus a negative €312.0 million as of December 31, 2022.

In millions of euros	12/31/2023	12/31/2022
Change in value of investment properties at fair value[(a)]	(463.0)	(308.2)
Change in value of investment properties at cost	(14.0)	(3.8)
TOTAL	**(477.0)**	**(312.0)**

(a) The change in the value of the right-of-use asset relating to ground leases amounted to a negative €5.6 million .

Recognition and measurement of investment properties at fair value and at cost are disclosed in note 4.4.

5.10. Income from disposals of investment properties and equity investments

Income from disposals in 2023 amounted to a negative €8.4 million and comprised €104.4 million in net proceeds from disposals less €112.8 million in carrying amounts.

The main disposals over the period are disclosed in note 1.3.

5.11. Cost of net debt

The cost of net debt totaled €134.0 million as of December 31, 2023, versus €119.6 million as of December 31, 2022. Excluding IFRS 16 interest expense on lease liabilities, the cost of net debt increased by €13.4 million compared to December 31, 2022. In a rising interest rates backdrop, this increase is mainly due to the higher rates contracted in the hedges recently implemented.

In millions of euros	12/31/2023	12/31/2022
Financial income	**111.4**	**38.9**
Interest income on swaps	90.7	21.7
Interest on advances to associates	10.2	9.5
Other revenue and financial income	4.4	5.5
Currency translation gains	6.0	2.1
Financial expenses	**(236.2)**	**(150.3)**
Interest on bonds	(88.0)	(94.0)
Interest on bank loans	(68.6)	(10.2)
Interest expense on swaps	(41.7)	(10.3)
Other financial expenses[(a)]	(26.6)	(32.4)
Currency translation losses	(11.4)	(3.3)
COST OF NET DEBT	**(124.8)**	**(111.4)**
Interest expense on lease liabilities	(9.2)	(8.2)
COST OF NET DEBT AFTER IFRS 16	**(134.0)**	**(119.6)**

(a) Including non-utilization fees and expenses on loans (€8.9 million), other amortization (€5.7 million), provisions (€3.3 million), and non-recurring financial expenses (€2.0 million).

5.12. Change in the fair value of financial instruments

As of December 31, 2023, the trading portfolio generated a €63.9 million loss versus €50.1 million gain as December 31,2022.

This amount was mainly offset by €56 million of interests received from hedging counterparties.

5.13. Gain (loss) on net monetary position

The loss on the net monetary position amounts to €28.6 million as of December 31, 2023, attributable to Turkey whose economy has been hyperinflationary since March, 2022 (see note 2.5 for details on the first-time application of IAS 29 in 2022).

NOTE 6 Taxes

Accounting policies

Income tax and deferred tax

The corporate income tax charge is calculated in accordance with the rules and rates adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

Income taxes are offset by losses where such offsetting is legally permissible and where they originate within the same tax consolidation group and are subject to the same tax authority. The same principle is also applicable for deferred taxes.

Deferred taxes are recognized where there are timing differences between the carrying amounts of assets and liabilities and their tax bases, and taxable income is likely in future periods.

A deferred tax asset is recognized where tax losses are carried forward on the assumption that the entity concerned is likely to generate future taxable income against which those losses can be offset.

Deferred tax assets and liabilities are measured using the balance sheet liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date.

All current and deferred tax is recognized as tax income or expense in the income statement, except for deferred tax recognized or settled at the time of acquiring or disposing of a subsidiary or investment and unrealized capital gains and losses on assets held for sale. In these cases, the associated deferred tax is recognized as equity.

Deferred tax is calculated at the local rate prevailing at the reporting date. The rates applied are: France 25.83%, Spain 25%, Italy 27.9%, Belgium 25%, Greece 22%, Portugal 21% plus a surtax where applicable, Poland 19%, Czech Republic 21%, Sweden 20.6%, Norway 22%, Luxembourg 24.94%, Netherlands 25,8%, Turkey 25%, Denmark 22%, and Germany 15.83%.

Tax status of *Sociétés d'investissement immobilier cotée* (SIIC)

General features of SIIC tax status - France

All SIICs are entitled to an income tax exemption provided that their stock is listed on a regulated French market, that they have share capital of at least €15 million and that their corporate purpose is either the purchase or construction of properties for rent or the direct or indirect investment in entities with that corporate purpose. The option to adopt SIIC status is irrevocable. French subsidiaries subject to corporate income tax and at least 95%- owned by the Group may also claim SIIC status.

In return for the tax exemption, SIICs have to pay out 95% of rental income and 70% of the capital gains made on property disposals. In addition, they must pay out 100% of any dividends received from SIIC or SIIC equivalent subsidiaries.

New entities claiming SIIC status are immediately subject to a 19% exit tax on unrealized gains on properties and on shares in partnerships not subject to income tax. The exit tax is payable over a four-year period, commencing at the point when the entity concerned adopts SIIC status.

Income tax on companies not eligible for SIIC equivalent

Since adopting SIIC status in 2003, Klépierre SA has made a distinction between SIICs that are exempt from rental income and capital gains taxes, and other companies that are subject to those taxes.

Income tax on non-SIIC French entities is calculated in accordance with French tax regulations.

Tax regime of Spanish SOCIMI entities

SOCIMIs are listed Spanish companies, or subsidiaries of listed companies subject to SOCIMI equivalent regulation, whose principal activity is the acquisition, promotion and rehabilitation of urban real estate assets for the purpose of leasing them, either directly or through equity investments in other real estate investment companies.

Real estate income for SOCIMIs is taxed at a 0% corporate tax (CIT) rate (instead of the general rate of 25%), provided that the requirements of the SOCIMI regime are met.

SOCIMIs may be subject to a special corporate income tax rate of 15% on the amount of the profits obtained in the year that is not distributed, in respect of the part of the income that has not been taxed at the general Corporate Income Tax rate.

Capital gains prior to the entry into the SOCIMI regime are frozen and subject to current income tax when the asset is disposed of. However, incremental capital gains realized after election for the SOCIMI regime are exempt from capital gain tax and are subject to a distribution requirement.

Furthermore, SOCIMIs have to meet minimum profit-sharing requirements, as follows:

- 100% of the dividends received from participating entities;
- 80% of the profit resulting from the leasing of real estate and ancillary activities;
- 50% of the profits resulting from the transfer of properties and shares linked to the Company's business provided that the remaining profits are reinvested in other real estate properties or equity investments within a maximum period of three years from the date of the transfer or, failing this, 100% of the profits must be distributed as dividends once such period has elapsed.

Spanish SOCIMIs may be subject to a special 19% withholding tax on dividend distributions unless it can be proven that shareholders with an ownership interest of 5% or more are subject to tax at a minimum rate of 10%. When a direct shareholder is a SOCIMI or subject to SOCIMI-equivalent regulations (such as Klépierre SA), this requirement is assessed at the level of the parent-company shareholders.

The corporate income tax charge is calculated in accordance with the rules and rates adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

Deferred tax assets and liabilities are measured using the balance sheet liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date.

In millions of euros	12/31/2023	12/31/2022
Current tax	(53.1)	(33.7)
Deferred tax	(47.7)	(37.1)
TOTAL	**(100.8)**	**(70.8)**

For the year ended December 31, 2023, the current tax charge amounted to €53.1 million, versus €33.7 million in 2022.

The deferred tax charge amounted to €47.7 million for the year ended December 31, 2023, versus €37.1 million one year earlier.

Deferred tax recognized during the period mainly comprises a negative amount of €53.5 million in deferred tax expense resulting from temporary differences arising on changes in the fair market value and tax value of investment properties.

A breakdown of tax expense is shown in the tax proof below:

In millions of euros	12/31/2023	12/31/2022
Pre-tax earnings and earnings from equity-accounted companies	230.7	447.3
Theoretical tax expense at 25.83%	**(59.6)**	**(115.5)**
Tax-exempt earnings under the SIIC and SOCIMI tax regimes	**31.6**	**99.1**
Taxable sectors		
Impact of permanent differences	(58.3)	(44.1)
Untaxed consolidation adjustments	22.3	(6.6)
Impact of non-capitalized losses	(6.8)	(3.1)
Assignment of non-capitalized losses	0.6	6.3
Change of tax regime		
Change in tax rates and other taxes	(21.3)	(6.7)
Differences in tax rates between France and other countries	(9.2)	(0.2)
EFFECTIVE TAX EXPENSE	**(100.8)**	**(70.8)**

Breakdown of deferred taxes

In millions of euros	12/31/2022	Change in scope	Change in net income	Cash flow hedging reserves	Asset, liability reclassifications	Other changes	12/31/2023
Investment properties	(1,084.6)		(56.3)		(3.2)	17.4	(1,126.7)
Derivatives	(4.0)		0.6	2.1		0.2	(1.1)
Tax loss carryforwards	12.5		(1.1)		(3.9)	(0.1)	7.5
Other items	2.0		9.4		(0.9)	(0.7)	9.9
Total for entities in a net liability position	**(1,074.1)**		**(47.3)**	**2.1**	**(8.0)**	**16.8**	**(1,110.4)**
Investment properties	9.7		2.8		3.2		15.7
Derivatives	0.0						0.0
Tax loss carryforwards	3.0		(4.3)		3.0		1.8
Other items	4.6		1.1		1.8		7.5
Total for entities in a net asset position	**17.3**		**(0.4)**		**8.0**		**24.9**
NET POSITIONS	**(1,056.8)**		**(47.7)**	**2.1**		**16.8**	**(1,085.5)**

The net deferred tax position represents a liability of €1,085.5 million as of December 31, 2023, versus a net liability position of €1,056.8 million as of December 31, 2022. Changes over the period are attributable to:

- The above-mentioned €47.7 million expense recognized through net income;
- The positive €16.8 million effect on deferred tax presented in "Other changes", mainly in connection with foreign exchange impacts in Scandinavia, Turkey and the Czech Republic.

Tax losses carried forward

Ordinary tax loss carryforwards are capitalized when their utilization is deemed probable. The expected time scale for recovering tax loss carryforwards capitalized for all entities within the Group is three to nine years on average.

The inventory of tax losses carried forward is set out below:

In millions of euros	Inventory of ordinary tax losses			Deferred tax on ordinary losses			
Country	**12/31/2022**	**Change in 2023**	**12/31/2023**	**Capitalized at 12/31/2022**	**Change in capitalized amounts**	**Capitalized at 12/31/2023**	**Not capitalized at 12/31/2023**
TOTAL GROUP	**(1,208.6)**	**50.3**	**(1,158.3)**	**15.7**	**(6.3)**	**9.3**	**177.0**
Germany (a)	(70.6)	8.4	(62.2)				20.8
Belgium	(18.3)	4.2	(14.2)	0.9	(0.9)		3.5
Spain - non SOCIMI	(12.2)	1.9	(10.3)				2.6
France - non SIIC	(423.1)	(16.2)	(439.3)				113.5
Italy	(4.2)	1.0	(3.2)	0.2	(0.2)		0.8
Luxembourg	(126.8)	(0.8)	(127.6)				31.8
Netherlands	(19.7)	12.7	(7.0)	3.4	(1.7)	1.7	0.1
Poland	(3.0)	(4.5)	(7.4)				1.4
Portugal							
Sweden	(54.2)	17.4	(36.8)	11.2	(3.6)	7.6	
Turkey	(15.9)	6.7	(9.2)				2.3
Other countries	(0.8)	0.1	(0.7)				0.2
Total taxable regime	**(748.7)**	**30.7**	**(718.0)**	**15.7**	**(6.3)**	**9.3**	**177.0**
France - SIIC	(357.6)	18.5	(339.1)				
Spain - SOCIMI	(102.3)	1.1	(101.2)				
Total non-taxable regime	**(459.9)**	**19.6**	**(440.3)**				

(a) Starting 2023, the data presented for Germany only take into account CIT losses carried forward

Ordinary tax losses recognized in the investment countries of Klépierre can in principle be carried forward without time limit, except for some countries such as Poland, Czech Republic, Greece, Portugal or Turkey where tax losses may be carried forward only for 5 years. In addition, in most countries tax losses can be used only under certain quantitative limits.

Non-capitalized deferred taxes on tax loss carryforwards amounted to €177.0 million as of December 31, 2023 versus €153.6 million as of December 31, 2022.

Interest carried forward:

The inventory of interest carried forward is set out below:

In millions of euros	Inventory of interest carried forward	Deferred tax on interest carried forward	
Country	12/31/2023	Capitalized at 12/31/2023	Not capitalized at 12/31/2023
TOTAL GROUP	(196.0)	10.0	15.3
Germany	(46.9)		7.4
Belgium	(1.6)		0.4
Spain	(3.4)		0.8
France - SIIC	(67.2)		
Italy	(9.3)		2.2
Norway	(41.4)	9.1	
Netherlands	(3.5)	0.9	
Poland	(19.5)		3.7
Portugal	(0.5)		0.1
Sweden	(2.9)		0.6

SIIC distribution obligation carry forward:

The Group, within the framework of the tax regime of *Sociétés d'investissement immobilier cotées* (SIIC), must satisfy tax distribution obligations by distributing 95% of its rental income, 70% of its real estate capital gains and 100% of its dividends stemming from subsidiaries having elected for the SIIC regime or an equivalent regime. However, this tax distribution obligation is capped at the amount of statutory distributable income, with the surplus to be distributed in the first subsequent profitable year and in subsequent years as necessary.

Statutory distributable capacity for 2023 stands at €487.2 million (statutory net income of €485.8 million and retained earnings of € 1.4 million) and SIIC distribution obligations for the year at €257.3 million.

By distributing the entire amount of distributable capacity, the total tax distribution obligations carried forward therefore decreased by €229.9 million, to €78.9 million as of December 31, 2023.

NOTE 7 Risk exposure and hedging strategy

Klépierre identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, market risk, etc.), and sets applicable management policies as required. The Group carefully manages the inherent financial risks in its business activity and the financial instruments it uses.

7.1. Interest-rate risk

7.1.1.Hedging strategy

The hedging rate is calculated as the ratio of fixed-rate debt (after hedging) to net borrowings, expressed as a percentage. Most of the fixed-rate position is made of fixed-rate debt and swaps but interest rates options can also be used to raise the hedging ratio.

To achieve its target hedging rate, Klépierre may use:

- Payer swaps in order to convert debt from floating rate to fixed rate;
- Receiver swaps in order to convert fixed-rate debt to floating rate;
- Caps in order to limit possible fluctuations in short-term rates.

Klépierre's hedging strategy covers both the long-term and short-term portions of its borrowings.

The bulk of Klépierre's fixed-rate borrowings comprises bonds (denominated in euros and Norwegian kronor) and loans. As of December 31, 2023, the Group's fixed-rate debt stood at €5,459.7 million before hedging.

As of December 31, 2023, the hedging ratio reached 97%, comprising 81% of fixed-rate debts or payer swaps and 16% of caps.

As Klépierre intends to achieve a high level of hedge effectiveness as defined by IFRS 9, the terms of fair value hedging instruments never exceed the maturity of the underlying debt.

7.1.2.Exposure to floating-rate debt

Recurrence of floating-rate financing requirement

Floating-rate debt represented 29% of the Group's borrowings as of December 31, 2023 (before hedging) comprising bank loans and commercial paper.

Identified risk

An increase in interests rates against which floating-rate borrowings are indexed (Euribor, Nibor, Stibor and Cibor) could result in an increase in future interest rate expenses.

Measurement of risk exposure

A 0.5% increase in interest rates in the next twelve months would lower financial expenses by €1.3 million and increase equity by €4.5 million.

Breakdown of borrowings after interest rate hedging:

In millions of euros	Fixed-rate borrowings or borrowings converted to fixed-rate			Floating-rate borrowings			Total borrowings		Average all-in cost of debt at closing date[a]
	Amount	Rate	Fixed portion	Amount	Rate	Floating portion	Amount	Rate	
12/31/2022	6,970	1.25%	94%	444	3.43%	6%	7,415	1.38%	1.41%
12/31/2023	7,101	1.51%	97%	222	4.79%	3%	7,323	1.61%	1.66%

[a] *Including the deferral of issue cost/premiums.*

The average cost of debt calculated as of December 31, 2023 does not constitute a forecast over the coming period.

7.1.3.Exposure to fixed-rate debt

Description of fixed-rate borrowings

The bulk of Klépierre's fixed-rate borrowing comprises bonds (denominated in euros and Norwegian kronor) and loans.

Identified risk

Klépierre's fixed-rate debt exposes the Group to changes in risk-free interest rates, as the fair value of fixed-rate debt increases when rates fall, and vice versa.

At any given time, Klépierre may also need to increase its future fixed-rate debt (e.g., for a future acquisition). It would then be exposed to the risk of a change in interest rates prior to arrangement of the loan. Klépierre may then consider hedging this risk, which may be treated as a cash flow hedge risk under IFRS.

Measurement of risk exposure and hedging strategy

As of December 31, 2023, the Group's fixed-rate debt stood at €5,459 million before hedging.

The fair value hedge strategy is calibrated to meet the overall hedging target. It is also based on the use of interest-rate instruments swapping fixed-rate payments for floating-rate payments. The credit margin component is not hedged.

As Klépierre intends to achieve a high level of hedge effectiveness as defined by IFRS 9, the terms of fair value hedging instruments never exceed the maturity of the underlying debt.

7.1.4.Derivatives portfolio

Fair value of the interest rate derivatives portfolio:

In millions of euros	Fair value net of accrued interest as of 12/31/2023[a]	Change in fair value during 2023	Matching entry
Cash flow hedge	25.1	(22.9)	Shareholders' equity
Fair value hedge	(75.6)	40.5	Financial liabilities\Net income
Trading	77.5	(63.1)	Net income
TOTAL	**27.0**	**(45.4)**	

[a] The fair value of the interest rate hedging portfolio is categorized as level 2.

With regard to the reform of European benchmarks, Klépierre has not identified any material impact on the way that it applies hedge accounting, considering that the aggregate notional amount of derivatives concerned is limited to €765.1 million as of December 31, 2023, of which:

- One receiver swap maturing in 2027 (notional amount of €75.0 million) and four receiver swaps maturing in 2030 (notional amount of €600.0 million), which are qualified as fair value hedges; and
- Two payer swaps maturing in 2026 (notional amount of €90.1 million), which are qualified as cash flow hedges.

7.1.5.Fair value of financial liabilities

The Group recognizes borrowings in the statement of financial position at amortized cost.

The following table compares the fair values of borrowings with their corresponding nominal values. Fair values are established on the basis of the following principles:

- Fair value of floating-rate loans is equal to the nominal value (assuming stable credit spreads);
- Fair value of fixed-rate bank debt: fair value is calculated solely on the basis of rate fluctuations; and
- Bonds: use of prices quoted on an active market where these are available.

In millions of euros	12/31/2023 Par value	12/31/2023 Fair value	12/31/2023 Impact of a 1% increase in interest rates on fair value[(a)]	12/31/2022 Par value	12/31/2022 Fair value	12/31/2022 Impact of a 1% increase in interest rates on fair value[(a)]
Fixed-rate bonds	5,333.9	4,801.7	(219.8)	5,656.7	4,734.1	(217.6)
Fixed-rate bank loans	125.7	126.9	(3.0)	126.7	124.1	(4.0)
Other floating-rate loans	2,221.3	2,221.3		1,912.3	2,236.9	
TOTAL	**7,681.0**	**7,149.9**	**(222.8)**	**7,695.6**	**7,095.1**	**(221.6)**

(a) Change in the fair value of the debt as a result of a parallel shift in the rate curve.

Derivatives are recognized in the statement of financial position at their fair value. As of December 31, 2023, a 100-basis-point increase in interest would have resulted in a €222.8 million decrease in the value of the Group's euro-denominated interest rate derivatives.

7.2. Liquidity risk

Klépierre's long-term refinancing policy consists in diversifying maturity dates and sources of financing in such a way as to facilitate renewals.

The average maturity of drawn debt as of December 31, 2023 was 6.3 years, with borrowings spread between different markets (bonds, commercial paper and bank loans). Within the banking market, Klépierre uses a range of different loan types (syndicated loans, bilateral loans, mortgage loans, etc.) and counterparties. Commercial paper, which represents the bulk of short-term financing, never exceeds the backup credit lines. This means that the Group can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

As of December 31, 2023, the maturity schedule of contractual flows was as follows:

Repayment year *In millions of euros*	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032 and beyond**	**TOTAL**
Principal	1,538	274	605	795	649	736	728	1,228	1,128	7,681
Interest (loans and derivatives)	179	90	78	64	53	34	32	30	72	633
GROUP TOTAL (PRINCIPAL + INTEREST)	**1,716**	**364**	**684**	**859**	**702**	**771**	**760**	**1,258**	**1,200**	**8,314**

A €557.0 million bond matures in November 2024. The €880.5 million in outstanding commercial paper matures in less than one year, of which €195.0 million in the second half of 2024. Commercial paper issues are generally rolled over.

As of December 31, 2023, Klépierre had undrawn credit lines totaling €2,620.0 million (including bank overdrafts).

Some of Klépierre's sources of funding (bilateral loans, bonds, etc.) contain covenants. Failure to comply with these covenants may trigger early repayment. These covenants are based on the standard ratios applicable to real estate companies. All applicable covenants are respected as of December 31, 2023.

Some Klépierre SA bonds include a bearer put option, entitling the holder to request early repayment in the event of a change of control giving rise to a downgrade in Klépierre's credit rating to below investment grade.

The main covenants are described in note 4.6.4.

7.3. Currency risk

The bulk of Klépierre's business is currently conducted within the eurozone, with the exception of Norway, Sweden, Denmark, Poland, the Czech Republic and Turkey.

Given the potential cost of long term hedging to cover the exposure to currencies outside the euro zone, the Group has decided to not cover these risks on top of the following items.

In Scandinavia, as leases are denominated in local currency, funding is also raised in the country's local currency. The Klépierre Group's main source of exposure to Scandinavian currency risk is therefore limited essentially to equity funds invested in the company (Steen & Strøm) and financed in euros.

During the first half of the year, Klépierre contracted two bank loans in JPY for JPY 28.4 billion and JPY 10.0 billion. Therefore, the Group entered into two JPY/EUR cross currency swaps (JPY 28.4 billion and JPY 10.0 billion or respectively €192.0 million and €69.9 million). The economic effect of these swaps is to convert JPY bilateral term loans into a EUR liability. Their carrying amount will fluctuate in line with the EUR/JPY exchange rate and the EUR/JPY cross currency basis swap.

Fair value of the foreign exchange rate derivatives portfolio

In millions of euros	Fair value net of accrued interest as of 12/31/2023[(a)]	Change in fair value during 2023	Matching entry
Trading Cross Currency Swap	(17.1)	(0.9)	Net income
TOTAL	**(17.1)**	**(0.9)**	

[(a)] The fair value of the interest rate hedging portfolio is categorized as level 2.

7.4. Counterparty risk in connection with financing activities

Counterparty risk is limited by the fact that Klépierre is structurally a borrower. This risk is therefore essentially restricted to investments made by the Group and its derivative transaction counterparties. As part of its risk-management policy, Klépierre aims at diversifying its lending counterparties and pays attention to their financial strength.

7.4.1.Counterparty risk on marketable securities

The counterparty risk on investments is limited by the type of products used:

- Monetary UCITS managed by recognized institutions, and therefore carrying a range of signatures;
- Government debt (loans or borrowings) of countries in which Klépierre operates; and
- Occasionally, certificates of deposit issued by leading banks.

7.4.2.Counterparty risk on hedging instruments

Klépierre conducts derivative instrument transactions only with financial institutions recognized as financially sound. It also aims at diversifying its exposure among different counterparties.

NOTE 8 Finance and guarantee commitments

8.1. Commitments given

8.1.1.Commitments related to the Group's leasing activities

Rental periods vary by country. The terms for setting and indexing rents are set out in the agreement. Indexation is used to revise the minimum guaranteed rent. The indices applied vary from country to country, notably for the two main countries:

- In France, leases are indexed to the French commercial rents index (ILC) or cost of construction index (ICC). The ILC is a compound index derived from the French consumer price index (CPI), retail trade sales value index (ICAV) and cost of construction index (ICC). Leases are modified in line with the last known index at January 1 of each year. Most leases are indexed to the ILC for the second quarter, which is published in October and applicable from January 1 of the following year.
- In Italy, the system is based on the consumer price indices (excluding tobacco) for working class and junior management (ISTAT), but is more complex in its implementation. Depending on the lease, either 75% (locazione regulated leases) or 100% of the ISTAT is applied.

The variable portion of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.

The conditional rent is the portion of rental payments that is not fixed, but determined based on a factor other than time (e.g., percentage of revenues, degree of use, price indices, market interest rates, etc.).

As of December 31, 2023, future minimum rents receivable under non-cancelable operating leases were as follows:

In millions of euros	12/31/2023
Less than one year	898.9
Between one and five years	1,658.3
More than five years	345.7
TOTAL	**2,902.8**

8.1.2.Commitments related to the financing activities

- Banking guarantees: As part of its real-estate, leasing and property management activities, banking guarantees have been delivered to Klépierre Management in connection with management activities (*loi Hoguet*) for an amount capped at €190.0 million as of December 31, 2023.
- Disposals commitments: As of December 31, 2023, disposals commitments relate mainly to certain assets in France, Sweden and Denmark.

8.1.3.Other main commitments given

- Commitments related to development activities: They amounted to €7.5m at December 2023 and were mainly related to project in France.
- Saint-Lazare temporary occupation license: The construction of the Saint-Lazare shopping center was authorized as part of the temporary occupation license of the public estate. The license agreement was signed in July 2008 between SOAVAL (Klépierre Group) and SNCF (National French Rail Network) for a 40-year period. Within this period, SNCF has several options at predetermined intervals and in return for compensation. SNCF owns a call option on the SOAVAL shares, and SNCF owns an option to terminate the temporary occupation license.
- Klépierre in partnership with Sofidy, has signed an asset purchase agreement (APA) for the acquisition of O'Parinor, a shopping center located to the north-east of Paris. Klépierre and Sofidy have agreed on a capital partnership (of 25% and 75% respectively) to take over the asset.

8.2. Mutual commitments

Commitments related to development projects amounted to €6.0 million as of December 31, 2023 versus €10.0 million as of December 31, 2022. These commitments concern development work engaged (but not paid) by the Group with contractors where financial completion warranties have been received, in connection with Hoog Catharijne in the Netherlands.

8.3. Commitments received

In millions of euros	12/31/2023	12/31/2022
Commitments related to the Group's financing activities	**2,298.5**	**2,115.7**
Financing agreements obtained and not used[(a)]	2,298.5	2,115.7
Commitments related to the Group's operating activities	**501.4**	**433.9**
Sale commitments	106.8	64.1
Financial guarantees received in connection with management activities (*Loi Hoguet*)	190.0	180.0
Financial guarantees received from tenants and suppliers	204.6	189.8
Other		
TOTAL	**2,799.9**	**2,549.6**

[(a)] *Net of drawings on the commercial paper program.*

Financing agreements obtained and not used. As of December 31, 2023, Klépierre had €2,298.5 million in undrawn committed credit facilities, net of commercial paper.

Financial guarantees received from tenants and suppliers: The Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed mainly by tenants.

8.4. Shareholders' agreements

Shareholders' agreements are signed with co-owners of various companies, with no significant financial impact to report over the period.

NOTE 9 Additional information

9.1. Transactions with related parties

9.1.1. Transactions with Simon Property Group and APG Group

To the best of the Company's knowledge and including treasury shares, Simon Property Group held a 22.28% stake in Klépierre SA as of December 31, 2023, and APG Group held a 5.20% stake.

As of the date this document was prepared, there were no transactions between Klépierre and these two companies.

9.1.2. Relationships between Klépierre Group companies

Transactions between related parties are carried out at arm's length conditions.

Period-end asset and liability positions and transactions conducted during the period between fully consolidated companies are eliminated in full in consolidation.

Transactions with equity-accounted companies (over which the Group has significant influence or joint control) are not eliminated in consolidation and their amounts are presented below:

Asset and liability positions with related parties at period-end:

In millions of euros	12/31/2023 Equity-accounted companies	12/31/2022 Equity-accounted companies
Loans and advances to equity-accounted companies	232.2	245.3
Non-current assets	**232.2**	**245.3**
Trade and other receivables	1.8	2.0
Other	5.0	5.8
Current assets	**6.8**	**7.8**
TOTAL ASSETS	**239.0**	**253.1**
Loans and advances from equity-accounted companies	2.5	1.4
Non-current liabilities	**2.5**	**1.4**
Trade payables	1.5	1.4
Other liabilities		
Current liabilities	**1.5**	**1.4**
TOTAL LIABILITIES	**4.0**	**2.8**

Income statement items related to transactions with related parties:

In millions of euros	12/31/2023 Equity-accounted companies	12/31/2022 Equity-accounted companies
Management, administrative and related income	11.0	11.8
Operating income	**11.0**	**11.8**
Cost of net debt	10.1	9.5
Profit before tax	**21.1**	**21.3**
CONSOLIDATED NET INCOME	**21.1**	**21.3**

Most of these items relate to management and administration fees and income on financing provided mainly to equity-accounted investees.

9.2. Compensation of Supervisory Board and Executive Board members

Klépierre SA, the parent company of the Klépierre Group, is a French joint-stock corporation (*société anonyme*) with a dual governance structure comprising an Executive Board and a Supervisory Board.

Compensation allocated to members of the Supervisory Board for fiscal year 2023 totaled €666,771, including €94,065 payable to the Chairman of the Supervisory Board.

Compensation for the Executive Board and Corporate Management Team members breaks down as follows:

In thousands of euros	**12/31/2023**
Short-term benefits excluding employer's contribution	2,696.1
Short-term benefits: employer's contribution	2,804.0
Post-employment benefits	203.1
Other long-term benefits	125.8
Share-based payment[(a)]	1,439.0

(a) Expense posted in the statement of comprehensive income related to free share plans.

9.3. Subsequent events

On January 2, 2024, Klépierre completed the disposal of a shopping center in Sweden that was classified as held for sale in the consolidated financial statements for the year ended December 31, 2023.

9.4. Statutory Auditors' fees

The fees paid to Statutory Auditors, including members of their networks, for the fiscal years 2023 and 2022 are as follows :

	Deloitte				**EY**			
In millions of euros	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Audit and review of individual and consolidated financial statements	**1.1**	**1.2**	**90%**	**93%**	**1.1**	**1.0**	**90%**	**95%**
Non-audit services (*)	**0.1**	**0.1**	**10%**	**7%**	**0.1**	**0.1**	**10%**	**5%**
– Related audit services	0.0	0.0			0.0			
– Other services provided	0.1	0.1			0.1	0.1		
TOTAL	**1.3**	**1.3**	**100%**	**100%**	**1.3**	**1.1**	**100%**	**100%**

(*) Relates to the non-audit services in accordance with legal and regulatory requirements and to the non-audit services provided at the request of the Company. The amounts correspond to :

- Comfort letter on the Euro Medium Term Note program – Update;
- Report on the verification of the non-financial performance statement;
- EU Taxonomy support;
- Audit of service charges for a Group subsidiary;
- Report on funds managed by a Group subsidiary;
- Specific reports on capital increase / decrease by several Group subsidiaries;
- Certification of the balance of a shareholder's current account;
- General attestation for subsidiaries;
- Master tax service agreement.

9.5. List of consolidated entities

List of consolidated companies		% interest			% control		
Fully consolidated companies	**Country**	**12/31/2023**	**12/31/2022**	**Change**	**12/31/2023**	**12/31/2022**	**Change**
Holding company - Head of the Group							
Klépierre SA	France	100.00%	100.00%		100.00%	100.00%	
Shopping centers - France							
KLE 1 SAS	France	100.00%	100.00%		100.00%	100.00%	
SCOO SC	France	53.64%	53.64%		53.64%	53.64%	
Klécar France SNC	France	83.00%	83.00%		83.00%	83.00%	
KC3 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC4 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC5 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC9 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC10 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC12 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC20 SNC	France	83.00%	83.00%		100.00%	100.00%	
Solorec SC	France	80.00%	80.00%		80.00%	80.00%	
Centre Bourse SNC	France	100.00%	100.00%		100.00%	100.00%	
Bègles Arcins SCS	France	52.00%	52.00%		52.00%	52.00%	
Sécovalde SCI	France	55.00%	55.00%		55.00%	55.00%	
Cécoville SAS	France	100.00%	100.00%		100.00%	100.00%	
Soaval SCS	France	100.00%	100.00%		100.00%	100.00%	
Klémurs SASU	France	100.00%	100.00%		100.00%	100.00%	
Nancy Bonsecours SCI	France	100.00%	100.00%		100.00%	100.00%	
Odysseum Place de France SNC	France	100.00%	100.00%		100.00%	100.00%	
Klécar Participations Italie SAS	France	83.00%	83.00%		83.00%	83.00%	
Pasteur SNC	France	100.00%	100.00%		100.00%	100.00%	
Holding Gondomar 1 SAS	France	100.00%	100.00%		100.00%	100.00%	
Beau Sevran Invest SCI	France	83.00%	83.00%		100.00%	100.00%	
Valdebac SCI	France	55.00%	55.00%		55.00%	55.00%	
Progest SAS	France	100.00%	100.00%		100.00%	100.00%	
Belvedere Invest SARL	France	55.00%	55.00%		55.00%	55.00%	
Haies Haute Pommeraie SCI	France	53.00%	53.00%		53.00%	53.00%	
Forving SARL	France	95.33%	95.33%		95.33%	95.33%	
Saint-Maximin Construction SCI	France	55.00%	55.00%		55.00%	55.00%	
Pommeraie Parc SCI	France	60.00%	60.00%		60.00%	60.00%	
Champs des Haies SCI	France	60.00%	60.00%		60.00%	60.00%	
La Rive SCI	France	85.00%	85.00%		85.00%	85.00%	
Rebecca SCI	France	70.00%	70.00%		70.00%	70.00%	
Le Maïs SCI	France	80.00%	80.00%		80.00%	80.00%	
Le Grand Pré SCI	France	60.00%	60.00%		60.00%	60.00%	
LC SCI	France	88.00%	88.00%		100.00%	100.00%	
Kle Projet 1 SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Créteil SCI	France	100.00%	100.00%		100.00%	100.00%	
Albert 31 SCI	France	83.00%	83.00%		100.00%	100.00%	
Galeries Drancéennes SNC	France	100.00%	100.00%		100.00%	100.00%	
Portes de Claye SCI	France	55.00%	55.00%		55.00%	55.00%	
Klecab SCI	France	100.00%	100.00%		100.00%	100.00%	
Klé Arcades SCI	France	53.69%	53.69%		100.00%	100.00%	
Le Havre Colbert SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Massalia SAS	France	100.00%	100.00%		100.00%	100.00%	
Massalia Shopping Mall SCI	France	60.00%	60.00%		100.00%	100.00%	
Massalia Invest SCI	France	60.00%	60.00%		60.00%	60.00%	
Klépierre & Cie SNC	France	100.00%	100.00%		100.00%	100.00%	
Sanoux SCI	France	75.00%	75.00%		75.00%	75.00%	
Centre Deux SNC	France	100.00%	100.00%		100.00%	100.00%	
Mob SC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Alpes SAS	France	100.00%	100.00%		100.00%	100.00%	
Galerie du Livre SAS	France	100.00%	100.00%		100.00%	100.00%	
Caetoile SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Echirolles SNC	France	100.00%	100.00%		100.00%	100.00%	
Maya SNC	France	100.00%	100.00%		100.00%	100.00%	
Ayam SNC	France	100.00%	100.00%		100.00%	100.00%	
Dense SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Grand Littoral SASU	France	100.00%	100.00%		100.00%	100.00%	
Service providers - France							
Klépierre Management SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Conseil SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Brand Ventures SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Finance SAS	France	100.00%	100.00%		100.00%	100.00%	
Kle Start SAS	France	100.00%	100.00%		100.00%	100.00%	
Kle Dir SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Procurement International SNC	France	100.00%	100.00%		100.00%	100.00%	

List of consolidated companies Fully consolidated companies	Country	% interest 12/31/2023	12/31/2022	Change	% control 12/31/2023	12/31/2022	Change
Shopping centers - International							
Klépierre Duisburg GmbH	Germany	94.99%	94.99%		94.99%	94.99%	
Klépierre Duisburg Leasing GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Duisburg Leasing II GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Dresden Leasing GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Duisburg II GmbH	Germany	94.99%	94.99%		94.99%	94.99%	
Klépierre Dresden GmnH	Germany	94.99%	94.99%		94.99%	94.99%	
Klépierre Köln Holding GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Unter Goldschmied Köln GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Hildesheim Holding GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Projekt A GmbH & CoKG	Germany	94.90%	94.90%		94.90%	94.90%	
Projekt A Vermietung GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Les Cinémas de l'Esplanade SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Foncière de Louvain-la-Neuve SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Bryggen, Vejle A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Bruun's Galleri ApS	Denmark	56.10%	56.10%		100.00%	100.00%	
Field's Copenhagen A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Viva, Odense A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm CenterUdvikling VI A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Klecar Foncier Iberica SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klecar Foncier España SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Vallecas SA	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Molina SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Plenilunio Socimi SA	Spain	100.00%	100.00%		100.00%	100.00%	
Principe Pio Gestion SA	Spain	100.00%	100.00%		100.00%	100.00%	
Klepierre Real Estate España SL	Spain	100.00%	100.00%		100.00%	100.00%	
SC Nueva Condo Murcia SLU	Spain	100.00%	100.00%		100.00%	100.00%	
Maremagnum food market SL	Spain	100.00%	100.00%		100.00%	100.00%	
Los Prados Real Estate España SLU	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Nea Efkarpia AE	Greece	100.00%	100.00%		100.00%	100.00%	
Klépierre Foncier Makedonia AE	Greece	100.00%	100.00%		100.00%	100.00%	
Klépierre Peribola Patras AE	Greece	100.00%	100.00%		100.00%	100.00%	
Immobiliare Gallerie Commerciali S.p.A	Italy	100.00%	100.00%		100.00%	100.00%	
Klecar Italia S.p.A	Italy	83.00%	83.00%		100.00%	100.00%	
Galleria Commerciale Di Collegno S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Serravalle S.p.A	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Assago S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Klépierre S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Cavallino S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Solbiate S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Matera S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Shopville Le Gru S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Grandemilia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Shopville Gran Reno S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Il Maestrale S.p.A.	Italy	100.00%	100.00%		100.00%	100.00%	
Comes - Commercio e Sviluppo S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Globodue S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Globotre S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Generalcostruzioni S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
B.L.O S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Gruliasco S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Italia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Acquario S.r.l	Italy	95.06%	95.06%		95.06%	95.06%	
Reluxco International SA	Luxembourg	100.00%	100.00%		100.00%	100.00%	
Storm Holding Norway AS	Norway	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm AS	Norway	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm Mediapartner Norge AS	Norway	56.10%	56.10%		100.00%	100.00%	
Oslo City Kjopesenter AS	Norway	56.10%	56.10%		100.00%	100.00%	
Oslo City Parkering AS	Norway	56.10%	56.10%		100.00%	100.00%	
Capucine BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Nordica BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Nederland BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Hoog Catharijne BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Nederland BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
CCA German Retail I BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
CCA German Retail II BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Green Gen Energy Sp. z o.o	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Polska Sp. z o.o. Rybnik SKA	Poland	100.00%	100.00%		100.00%	100.00%	
Sosnowiec Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%		100.00%	100.00%	
Sadyba Best Mall Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Poznań Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Ruda Śląska Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Investment Poland Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Rybnik Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Lublin Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Polska Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Klelou Imobiliaria Spa SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Galeria Parque Nascente SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Gondobrico SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Klenord Imobiliaria SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Kleminho Imobiliaria SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Klépierre Espaço Guimarães Imobiliária S.A.	Portugal	100.00%	100.00%		100.00%	100.00%	
Klépierre Cz S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Klépierre Plzen AS	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Nový Smíchov First Floor S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	

List of consolidated companies		% interest			% control		
Fully consolidated companies	**Country**	**12/31/2023**	**12/31/2022**	**Change**	**12/31/2023**	**12/31/2022**	**Change**
Shopping centers - International							
Nordica Holdco AB	Sweden	56.10%	56.10%		56.10%	56.10%	
Steen & Strøm Holding AB	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB CentrumInvest	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Emporia	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Borlänge Köpcentrum	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Marieberg Galleria	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Allum	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB P Brodalen	Sweden	56.10%	56.10%		100.00%	100.00%	
Partille Lexby AB	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB P Åkanten	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB P Porthälla	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Centrum Västerort	Sweden	56.10%	56.10%		100.00%	100.00%	
Klépierre Gayrimenkul Yönetimi ve Yatirim Ticaret AS	Turkey	100.00%	100.00%		100.00%	100.00%	
Tan Gayrimenkul Yatirim Insaat Turizm Pazarlama ve Ticaret AS	Turkey	51.00%	51.00%		51.00%	51.00%	

List of consolidated companies		% interest			% control		
Fully consolidated companies	**Country**	**12/31/2023**	**12/31/2022**	**Change**	**12/31/2023**	**12/31/2022**	**Change**
Service providers - International							
Projekt Arnekenstrasse Verwaltung GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Deutschland GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Belgique SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Klépierre Finance Belgique SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Steen & Strøm CenterService A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm Danemark A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Klépierre Management Espana SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Hellas AE	Greece	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Italia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Finance Italia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Grand Mall Media S.r.l	Italy	100.00%		100.00%	100.00%		100.00%
Steen & Strøm Senterservice AS	Norway	56.10%	56.10%		100.00%	100.00%	
Klépierre Vastgoed Ontwikkeling B.V.	Netherlands	100.00%	100.00%		100.00%	100.00%	
New ManCo	Netherlands	100.00%		100.00%	100.00%		100.00%
Klépierre Management Polska Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Portugal SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Ceska Republika S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Klépierre Energy CZ S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Steen & Strøm Sverige AB	Sweden	56.10%	56.10%		100.00%	100.00%	

List of consolidated companies		% interest			% control		
Equity-accounted companies: joint control	**Country**	**12/31/2023**	**12/31/2022**	**Change**	**12/31/2023**	**12/31/2022**	**Change**
Cécobil SCS	France	50.00%	50.00%		50.00%	50.00%	
Du Bassin Nord SCI	France	50.00%	50.00%		50.00%	50.00%	
Le Havre Vauban SNC	France	50.00%	50.00%		50.00%	50.00%	
Le Havre Lafayette SNC	France	50.00%	50.00%		50.00%	50.00%	
Girardin 2 SCI	France	33.40%	33.40%		33.40%	33.40%	
Société Immobilière de la Pommeraie SC	France	50.00%	50.00%		50.00%	50.00%	
Kleprim's SCI	France	50.00%	50.00%		50.00%	50.00%	
Celsius Le Murier SNC	France	40.00%	40.00%		40.00%	40.00%	
Celsius Haven SNC	France	40.00%	40.00%		40.00%	40.00%	
Lobsta & K SAS	France	50.00%	50.00%		50.00%	50.00%	
Lobsta & K Serris SAS	France	50.00%	50.00%		50.00%	50.00%	
Lobsta & K Boulogne SAS	France	50.00%	50.00%		50.00%	50.00%	
Clivia S.p.A	Italy	50.00%	50.00%		50.00%	50.00%	
CCDF S.p.A	Italy	49.00%	49.00%		49.00%	49.00%	
Galleria Commerciale Porta di Roma S.p.A	Italy	50.00%	50.00%		50.00%	50.00%	
Galleria Commerciale 9 S.r.l	Italy	50.00%	50.00%		50.00%	50.00%	
Italian Shopping Centre Investment S.r.l	Italy	50.00%	50.00%		50.00%	50.00%	
Holding Klege S.r.l	Luxembourg	50.00%	50.00%		50.00%	50.00%	
Metro Senter ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Økern Sentrum ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Økern Eiendom ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Metro Shopping AS	Norway	28.05%	28.05%		50.00%	50.00%	
Økern Sentrum AS	Norway	28.05%	28.05%		50.00%	50.00%	
Nordal ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Klege Portugal SA	Portugal	50.00%	50.00%		50.00%	50.00%	

List of consolidated companies		% interest			% control		
Equity-accounted companies: significant influence	**Country**	**12/31/2023**	**12/31/2022**	**Change**	**12/31/2023**	**12/31/2022**	**Change**
La Rocade SCI	France	38.00%	38.00%		38.00%	38.00%	
La Rocade Ouest SCI	France	36.73%	36.73%		36.73%	36.73%	
Du Plateau SCI	France	19.65%	19.65%		30.00%	30.00%	
Achères 2000 SCI	France	30.00%	30.00%		30.00%	30.00%	
Le Champ de Maïs SC	France	40.00%	40.00%		40.00%	40.00%	
Secar SC	France	10.00%	10.00%		10.00%	10.00%	
Antigaspi & K SAS	France	30.00%	30.00%		30.00%	30.00%	
NEAG Boulogne SAS	France	30.00%	30.00%		30.00%	30.00%	
Akmerkez Gayrimenkul Yatirim Ortakligi AS	Turkey	44.85%	44.85%		44.85%	44.85%	

List of deconsolidated companies at 12/31/2022		% interest		% control		
	Country	**12/31/2023**	**12/31/2022**	**12/31/2023**	**12/31/2022**	**Comments**
Financière Corio SAS	France		100.00%		100.00%	Merged
Sodevac SNC	France		100.00%		100.00%	Merged
Sagep SAS	France		100.00%		100.00%	Merged
Société du bois des fenêtres SARL	France		20.00%		20.00%	Liquidated
Les Portes de Chevreuse SNC	France		100.00%		100.00%	Liquidated
Ventura SAS	France		50.00%		50.00%	Liquidated
Klépierre Caserta S.r.l	Italy		83.00%		100.00%	Liquidated