INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

KLEPIERRE

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In millions of euros	Notes	06/30/2024	06/30/2023
Gross rental income	4.1	597.4	568.6
Land expenses (real estate)		(4.1)	(3.8)
Service charge income		133.4	133.5
Service charge expenses		(189.9)	(187.9)
Building expenses (owner)		(13.9)	(6.5)
Net rental income		**522.9**	**504.0**
Management, administrative and related income and other operating income		39.4	36.3
Payroll expenses	4.2	(57.6)	(55.1)
Other general expenses		(23.0)	(13.3)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		(8.0)	(8.2)
Provisions		9.8	1.0
Change in value of investment properties	4.3	258.2	(321.7)
Income (loss) from disposals and legal liquidations		(9.2)	0.5
Goodwill impairment	3.1	(0.6)	(0.1)
Operating income		**731.9**	**143.2**
Financial income		66.7	48.9
Financial expenses		(138.5)	(106.4)
Interest expense on leases liabilities		(4.8)	(4.1)
Cost of net debt	**4.4**	**(76.6)**	**(61.6)**
Net dividends and provisions on non-consolidated investments		0.0	0.2
Change in the fair value of financial instruments		(22.3)	(8.6)
Gain (loss) on net monetary position	4.5	(10.5)	(10.1)
Share in earnings of equity-accounted companies		66.5	14.7
Profit before tax		**689.0**	**77.8**
Income tax expense	5	(86.6)	(51.3)
Consolidated net income		**602.4**	**26.5**
Of which			
- Attributable to owners of the parent		535.7	51.1
- Attributable to non-controlling interests		66.7	(24.6)
Average number of shares - undiluted		**285,582,947**	**285,442,363**
Undiluted earnings per share (in €) **- Attributable to owners of the parent**		**1.88**	**0.18**
Average number of shares - diluted		**286,757,193**	**286,363,431**
Diluted earnings per share (in €) **- Attributable to owners of the parent**		**1.87**	**0.18**

In millions of euros	06/30/2024	06/30/2023
Consolidated net income	**602.4**	**26.5**
Other items of comprehensive income (loss) recognized directly in equity	**(18.0)**	**(128.9)**
- Effective portion of gains and losses on cash flow hedging instruments	(0.7)	(7.3)
- Translation gains and losses	(20.0)	(121.8)
- Tax on other items of comprehensive income	0.6	1.6
Items that will be reclassified subsequently to profit or loss	**(20.1)**	**(127.4)**
- Gains and losses on sales on treasury shares	2.2	(1.3)
- Actuarial gains and losses	(0.1)	(0.1)
Items that will not be reclassified subsequently to profit or loss	**2.1**	**(1.5)**
Share of other items of comprehensive income attributable to equity-accounted companies		
Total comprehensive income (loss)	**584.4**	**(102.4)**
Of which		
- Attributable to owners of the parent	532.8	(46.4)
- Attributable to non-controlling interests	51.5	(56.0)
Undiluted comprehensive earnings per share (in €) **- Attributable to owners of the parent**	**1.87**	**(0.16)**
Diluted comprehensive earnings per share (in €) **- Attributable to owners of the parent**	**1.86**	**(0.16)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In millions of euros	Notes	06/30/2024	12/31/2023
Goodwill	3.1	467.3	467.0
Intangible assets		23.7	23.2
Property, plant and equipment		34.3	37.0
Investment properties at fair value	3.2	17,817.8	17,298.5
Investment properties at cost		72.8	74.5
Investments in equity-accounted companies		1,030.5	971.6
Other non-current assets	3.5	263.5	260.5
Long-term derivative instruments		29.9	29.4
Non-current deferred tax assets		18.0	19.4
Non-current assets		**19,757.8**	**19,181.1**
Investment properties held for sale		0.3	65.4
Trade and other receivables	3.3	104.1	126.7
Other receivables		285.1	266.2
- Tax receivables		57.9	68.3
- Other		227.2	197.9
Short-term derivative instruments		72.0	89.1
Current deferred tax assets		3.3	5.6
Cash and cash equivalents	3.4	960.5	358.7
Current assets		**1,425.3**	**911.7**
TOTAL ASSETS		**21,183.1**	**20,092.8**
Share capital		401.6	401.6
Additional paid-in capital		3,315.9	3,344.9
Legal reserves		44.0	44.0
Consolidated reserves		3,746.1	4,033.5
- Treasury shares		(29.3)	(25.7)
- Hedging reserves		12.8	13.2
- Other consolidated reserves		3,762.6	4,046.0
Consolidated net income		535.7	192.7
Equity attributable to owners of the parent		**8,043.3**	**8,016.7**
Equity attributable to non-controlling interests		1,972.7	2,002.9
Total equity		**10,016.0**	**10,019.6**
Non-current financial liabilities	3.5	6,671.3	6,065.9
Non-current lease liabilities		296.0	299.0
Long-term provisions		15.3	25.4
Pension obligations		8.1	7.9
Long-term derivative instruments		115.1	100.8
Deposits		154.1	151.0
Deferred tax liabilities		1,170.4	1,110.4
Non-current liabilities		**8,430.3**	**7,760.4**
Current financial liabilities	3.5	1,720.2	1,590.1
Current lease liabilities		11.8	12.4
Bank overdrafts		0.7	0.3
Trade payables		146.0	161.6
Due to suppliers of fixed assets		56.3	52.3
Other liabilities		610.6	328.5
Short-term derivative instruments		7.1	0.8
Payroll and tax liabilities		184.1	166.8
Current liabilities		**2,736.8**	**2,312.8**
TOTAL EQUITY AND LIABILITIES		**21,183.1**	**20,092.8**

CONSOLIDATED STATEMENTS OF CASH FLOWS

In millions of euros	06/30/2024	06/30/2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	602.4	26.5
Elimination of expenditure and income with no cash effect or not related to operating activities		
– Depreciation, amortization and provisions	*(4.4)*	*(11.8)*
– Change in value of investment properties	*(258.2)*	*321.7*
– Goodwill impairment	*0.6*	*0.1*
– Income (loss) from disposals and legal liquidations	*9.2*	*(0.5)*
– Current and deferred income taxes	*86.6*	*51.3*
– Share in earnings of equity-accounted companies	*(66.5)*	*(14.7)*
– Reclassification of interest and other items	*130.7*	*101.1*
Gross cash flow from consolidated companies	**500.4**	**473.8**
Income tax (received) paid	(16.5)	(19.6)
Change in operating working capital	17.0	12.6
Net cash flow from operating activities	**500.9**	**466.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	64.6	31.5
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repaid)		0.1
Acquisitions of investment properties	(2.6)	(3.9)
Payments in respect of construction work in progress	(72.4)	(98.6)
Acquisitions of other fixed assets	(4.2)	(1.5)
Acquisitions of subsidiaries (net of cash acquired)	(237.7)	(0.7)
Cash received from joint ventures and associates (including dividends received and loan repayment)[a]	30.7	31.1
Loans and advances repayments	(16.8)	(8.9)
Net cash flow from investing activities	**(238.5)**	**(50.9)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	(257.0)	(248.2)
Dividends paid to non-controlling interests	(35.1)	(22.1)
Change in capital of subsidiaries with non-controlling interests	(18.5)	
Acquisitions/disposals of treasury shares	(3.7)	0.1
New loans, borrowings and hedging instruments	1,604.5	1,732.9
Repayment of loans, borrowings and hedging instruments	(870.5)	(1,752.1)
Net repayment of lease liabilities	(6.7)	(7.1)
Interest paid	(69.3)	(57.8)
Interest paid on lease liabilities	(4.8)	(4.1)
Net cash flow from (used in) financing activities	**338.9**	**(358.4)**
Effect of foreign exchange rate changes on cash and cash equivalents	**0.0**	**(1.4)**
CHANGE IN CASH AND CASH EQUIVALENTS	**601.3**	**56.1**
Cash and cash equivalents at beginning of period	**358.5**	**281.5**
Cash and cash equivalents at end of period	**959.8**	**337.6**

(a) From 2024, the new advances and loans is presented in line “Cash received from joint venture and associates (including dividends received and loan repayment)”.

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 12/31/2022	**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			2.3				2.3		2.3
Allocation of net income (loss)					415.2	(415.2)			
Dividends		(499.5)					(499.5)	(35.0)	(534.6)
Net income for the period						**51.1**	**51.1**	**(24.6)**	**26.5**
Gains and losses recognized directly in equity									
Proceeds from sales of treasury shares					(1.3)		(1.3)		(1.3)
Gains and losses from cash flow hedging				(4.1)			(4.1)	(3.2)	(7.3)
Translation gains and losses					(92.8)		(92.8)	(29.0)	(121.8)
Actuarial gains and losses					(0.1)		(0.1)		(0.1)
Tax on other comprehensive income				0.8	0.1		0.9	0.7	1.6
Other comprehensive income				**(3.3)**	**(94.2)**		**(97.5)**	**(31.4)**	**(128.9)**
Changes in the scope of consolidation									
Other movements					10.0		10.0	1.8	11.8
Equity at 06/30/2023	**401.6**	**3,130.3**	**(26.3)**	**21.6**	**4,252.3**	**51.1**	**7,830.5**	**2,005.6**	**9,836.1**
Share capital transactions									
Share-based payments									
Treasury share transactions			0.6				0.6		0.6
Allocation of net income (loss)					0.0		0.0		0.0
Dividends		258.5			(258.5)		0.0	(1.9)	(1.9)
Net income for the period						**141.6**	**141.6**	**6.1**	**147.7**
Gains and losses recognized directly in equity									
Proceeds from sales of treasury shares					1.9		1.9		1.9
Gains and losses from cash flow hedging				(8.8)			(8.8)	(6.6)	(15.4)
Translation gains and losses					30.9		30.9	20.2	51.1
Actuarial gains and losses					0.4		0.4		0.4
Tax on other comprehensive income				0.4	0.9		1.3	1.1	2.4
Other comprehensive income				**(8.4)**	**34.2**		**25.8**	**14.6**	**40.5**
Changes in the scope of consolidation								(24.8)	(24.8)
Other movements					18.0		18.0	3.2	21.2
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**
Share capital transactions								(23.0)	(23.0)
Share-based payments									
Treasury share transactions			(3.6)				(3.6)		(3.6)
Allocation of net income (loss)					192.7	(192.7)			
Dividends		(514.0)					(514.0)	(60.3)	(574.3)
Net income for the period						**535.7**	**535.7**	**66.7**	**602.4**
Gains and losses recognized directly in equity									
Proceeds from sales of treasury shares					2.2		2.2		2.2
Gains and losses from cash flow hedging				(0.4)			(0.4)	(0.3)	(0.7)
Translation gains and losses[a]					(4.9)		(4.9)	(15.1)	(20.0)
Actuarial gains and losses					(0.1)		(0.1)		(0.1)
Tax on other comprehensive income					0.3		0.3	0.2	0.5
Other comprehensive income				**(0.4)**	**(2.5)**		**(2.9)**	**(15.2)**	**(18.1)**
Changes in the scope of consolidation									
Other movements[b]					11.4		11.4	1.6	13.0
Equity at 06/30/2024	**401.6**	**2,874.9**	**(29.3)**	**12.8**	**4,247.6**	**535.7**	**8,043.3**	**1,972.7**	**10,016.0**

(a) The €4.9 million negative impact in translation gains and losses mainly concerns Turkey (negative €13.6 million), Poland (positive €9.9 million), Sweden (negative €7.5 million), Denmark (positive €3.5 million), Norway (positive €2.2 million), and the Czech Republic (positive €1.0 million).

(b) The positive amount of €11.4 million in "Other movements" relates to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to Turkey.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2024

NOTE 1 Significant events of the period

1.1. Debt and financing

As of June 30, 2024, consolidated net debt increased to €7,479.1 million compared to €7,348.8 million at the end of 2023.

The Group raised €700.0 million in new financing, on the bond market. These funds secured the redemption of the €557.6 million bond maturing on November 6, 2024, and the early refinancing of a term loan.

Over the first half, Klépierre successfully renewed €500.0 million in revolving credit facilities and €75.0 million in mortgage-backed loans in Scandinavia.

1.2. Distribution

On May 3, 2024, the General Meeting of Shareholders approved the payment of a €1.80 per share cash distribution in respect of the 2023 fiscal year. The total distribution amounted to €514.0 million (excluding treasury shares), and was deducted from share premiums, profit of the year and retained earnings:

- On March 26, 2024, Klépierre paid a €0.90 per share interim dividend, for a total amount of €257.0 million excluding taxes and fees,
- A further €0.90 per share (€257.0 million) distribution was paid on July 11, 2024.

1.3. Investments and divestments

On February 27, 2024, Klépierre in partnership with Sofidy, signed a purchase agreement for the acquisition of O'Parinor, a shopping center located in the north-east of Paris. Klépierre and Sofidy have agreed on a capital partnership (of 25% and 75% respectively) to take over the asset. This acquisition resulted in the consolidation of three new companies, each 25% owned and accounted for under the equity method.

On May 24, 2024, Klépierre acquired RomaEst, one of the largest malls in Rome. With a footfall of 10 million, it is the sixth most visited center in Italy. Strategically located in a catchment area of 2.2 million consumers, this 97,000 sq.m. mall is one of the leading retail and entertainment destinations in Italy with 214 national and international banners. The Group, took the control of RomaEst by purchasing 100 % of the company shares throught its subsidiary Klépierre Italia. RomaEst is fully consolidated in the Group's interim condensed consolidated financial statements.

Overall, capital expenditure over the period in investment properties at fair value and at cost held by fully consolidated companies, amounted to €77.8 million (of which €71.1 million on investment property at fair value).

Regarding developments, Klépierre focused on its main committed projects to strengthen the leadership of its shopping centers in their catchment areas, notably the Odysseum extension in Montpellier (France), the refurbishment of the Créteil Soleil shopping center in France, Shopville LeGru in Turin and Campania in Napoli (Italy), as well as the rooftop restructuring at Maremagnum in Barcelona (Spain).

Since January 1, 2024, the Group has completed disposals totaling €65.8 million comprising the Champ de Mars shopping center in Angoulême (France), the Königsgalerie mall in Duisburg (Germany) and the Galleria Boulevard mall in Kristiandstad (Sweden).

1.4. Subsequent events

On July 11, 2024, Klépierre paid out the balance of the €0.90 per share distribution, for a total amount of €257.0 million excluding taxes and fees (excluding treasury shares).

NOTE 2 Accounting basis and scope of consolidation

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 July 26, 2024, the Executive Board approved the interim condensed consolidated financial statements of Klépierre SA for the six months ended June 30, 2024 and authorized their publication.

Klépierre is listed on Euronext Paris (compartment A).

2.2. Application of IFRS

The interim condensed consolidated financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in a complete set of annual consolidated financial statements and should be read in conjunction with the published consolidated financial statements (or the Universal Registration Document) for 2023.

2.2.1. Standards, amendments and interpretations whose application was mandatory as of January 1, 2024

With the exception of the change in segment reporting (see Note 2.7), the accounting policies applied by the Group are unchanged from those used in the Group's consolidated financial statements for the year ended December 31, 2023. The standards, amendments, and interpretations which entered into mandatory effect on January 1, 2024 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, 2024

The Group did not early adopt any new standards, amendments or interpretations not yet in effective as of January 1, 2024.

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

The Organization for Economic Co-operation and Development (OECD) reform setting a 15% country-by-country minimum taxation for large groups with revenue 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.

Klépierre SA and the vast majority of its subsidiaries included in the Group's interim condensed consolidated financial statements are not impacted by this reform. Consequently, no additional tax provision was recognized in the Group's interim condensed consolidated financial statements.

It should be noted that the OECD is expected to issue additional application guidelines in the second half of 2024. Klépierre will review its position in light of this further publication at year-end, if necessary.

2.3. Use of material judgments and estimates

In preparing these interim condensed 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:

- 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 3.2 of the 2023 Universal Registration Document. The appraisers make assumptions concerning future cash flows and rates that have a direct impact on the value of the properties;

- Deferred taxes: see note 5;

- 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 3.1). Recoverable values are determined by an independent expert;

- Credit risk assessment: credit risk is assessed in accordance with IFRS 9;

- Financial instruments: the Group measures the fair value of the financial instruments it uses in accordance with standard market models and IFRS 13.

2.4. 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 for 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, studies on the net-zero strategy, etc.).

For the valuation campaign that led to setting the values of investment properties as of June 30, 2024, 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, all bank loans renewed or raised in 2024 incorporate environmental performance criteria for the Group's assets.

As of June 30, 2024, €2,972 million of the Group's financing is subject to sustainability criteria, typically 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, €260 million green mortgage loan was signed in 2023.

2.5. Consolidation methods and changes in scope of consolidation

As of June 30, 2024, the Group's scope of consolidation included 215 companies, of which 183 fully consolidated companies and 32 companies accounted for using the equity method.

On February 27, 2024, Klépierre acquired 25% of the shares in each of the three legal entities RC1, RC2 and RC3, which owned the O'Parinor shopping mall in France. These three new companies are consolidated using the equity method.

On May 24, 2024, Klépierre proceeded with the 100% acquisition of Gemma S.r.l, the legal entity that owned the RomaEst shopping center in Italy (as described in note 1.3.) and is fully consolidated.

Over the period, three companies were sold, and four companies were liquidated which generated a recycling of their accumulated currency translation reserves in the net income of the period.

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

2.6. Net debt

Net Financial debt means, on the basis of the interim condensed consolidated financial statements of the borrower, financial liabilities (adjusted of fair value hedge and cross currency swaps) plus bank overdrafts, less cash and cash equivalents (including marketable securities), and the funds managed by the Group on behalf of its principals. Net debt as of June 30, 2024 is presented in note 3.5.2 "Change in debt".

2.7. Segment Information

IFRS 8 requires segment information to be reported based on the internal management data used by management for the purposes of allocating resources to segments and assessing their performance.

The Group's asset portfolio consists entirely in shopping centers in Europe and the strengthening of the centralization have led to changes in the presentation by segment.
This centralization is consistent with the fact that the Group's main performance indicator was (and remains) the Net Current Cash Flow, which has no geographical specificity, either in its composition or in its management and monitoring methods.
As a consequence, these past months, Klépierre has centralized the methods of monitoring operational and financial performance and indicators without distinction by geographical area, further strengthening the Group's already existing centralization in several areas: leasing, investments, valuation of investment properties, internal control, internal audit and risk management.
As a result, there is only one operating segment in Klépierre: shopping centers in Europe.

Net Rental Income

In accordance with IFRS 8.33, the net rental income by geographical area is presented below:

In millions of euros	Net Rental Income 06/30/2024	Net Rental Income 06/30/2023
France	191.7	197.2
Italy	119.5	104.6
Scandinavia	58.3	59.1
Iberia	67.3	64.1
Other countries	86.1	79.0
TOTAL	**522.9**	**504.0**

Investment property

The value of investment properties by geographic area, 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 06/30/2024[(a)]	Value of investment properties at 12/31/2023[(a)]
France	6,845.9	6,803.5
Italy	3,777.0	3,448.0
Scandinavia	2,262.4	2,287.5
Iberia	2,221.3	2,133.9
Other countries	2,784.0	2,700.1
TOTAL	**17,890.6**	**17,373.1**

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

NOTE 3 Notes to the statement of financial position

3.1. Goodwill

As of June 30, 2024, goodwill totaled €467.3 million, versus €467.0 million as of December 31, 2023, breaking down as follows:

Goodwill of management companies

As of June 30, 2024, goodwill of management companies totaled €218.1 million, stable compared to December 31, 2023. In accordance with IAS 36, an impairment test is performed when there is an indication that goodwill may be impaired and at least once a year. At June 30, 2024, in the absence of such indication, no impairment tests were performed.

Goodwill corresponding to the optimized value of deferred taxes

As of June 30, 2024, goodwill corresponding to the optimized value of deferred taxes totaled €249.2 million, versus €249.0 million as of December 31, 2023.

In millions of euros	12/31/2023	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	06/30/2024
Italian Corio assets	172.8			(0.6)		172.2
Spanish Corio assets	23.1					23.1
IGC	18.7					18.7
Oslo City	31.0				(0.4)	30.6
Other	3.3	1.3				4.6
Goodwill arising on deferred tax liabilities	**249.0**	**1.3**		**(0.6)**	**(0.4)**	**249.2**

The change in scope for €1.3 million corresponds to the preliminary goodwill calculated on the RomaEst acquisition.

3.2. Investment properties

3.2.1.Investment properties at fair value

In millions of euros	
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2023	**17,298.5**
Additions to the scope of consolidation	215.0
Capital expenditure	71.1
Capitalized interest	0.7
New right-of-use assets and indexation	2.1
Disposals and removals from the scope of consolidation	
Other movements, reclassifications	(0.9)
Currency movements	(34.7)
Fair value adjustments	266.0
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 06/30/2024	**17,817.8**

Investment properties at fair value amounted to €17,817.8 million as of June 30, 2024, versus €17,298.5 million as of December 31, 2023.

Additions to the scope of consolidation relates to the May 2024 acquisition of the RomaEst mall in Italy.

Investments for €71.1 million reflect the Group's focus on renovations, extensions and restructuring operations (as described in note 1.3.)

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

Shopping centers	06/30/2024			12/31/2023		
	Discount rate[(a)]	Exit rate[(b)]	CAGR of NRI[(c)]	Discount rate[(a)]	Exit rate[(b)]	CAGR of NRI[(c)]
France	7.3%	5.8%	2.9%	7.3%	5.7%	3.3%
Italy	8.2%	6.6%	2.1%	8.2%	6.6%	1.9%
Scandinavia	7.7%	5.6%	2.7%	7.8%	5.6%	3.0%
Iberia	8.1%	6.5%	3.0%	8.1%	6.4%	2.7%
Other countries	9.1%	6.4%	4.3%	8.8%	6.5%	4.0%
TOTAL GROUP	**7.9%**	**6.1%**	**2.8%**	**7.8%**	**6.0%**	**2.8%**

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 June 30, 2024, the average EPRA Net Initial Yield (NIY) of the portfolio stood at 5.9% (including transfer taxes). The breakdown by geographic area is disclosed below:

Shopping centers	06/30/2024	12/31/2023
	EPRA NIY	EPRA NIY
France	5.4%	5.3%
Italy	6.3%	6.5%
Scandinavia	5.1%	5.1%
Iberia	5.8%	5.8%
Other countries	6.7%	6.5%
TOTAL GROUP	**5.9%**	**5.9%**

A 10-basis-point increase in yields would result in a €281 million decrease in the portfolio valuation (attributable to owners of the parent company).

3.2.2. 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:

	06/30/2024				
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	17,513.3	1,253.8	933.6		**19,700.7**
Right-of-use asset relating to ground leases	304.5			(281.6)	**22.9**
Incl. upfront payments on ground leases	*22.9*				***22.9***
Investment properties at fair value	**17,817.8**	**1,253.8**	**933.6**	**(281.6)**	**19,723.6**
Investment properties at cost	72.8	46.8			**119.6**
Investment properties held for sale	0.3				**0.3**
Operating lease incentives	30.7				**30.7**
TOTAL	**17,921.6**	**1,300.7**	**933.6**	**(281.6)**	**19,874.2**

(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.

In millions of euros	12/31/2023 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**

3.3. Trade receivables

In millions of euros	06/30/2024	12/31/2023
Trade receivables	202.2	222.2
Allowances for bad debts	(143.3)	(137.8)
Net value of trade receivables	**58.9**	**84.3**
Step-up rents and rent-free periods	45.2	42.4
TRADE AND OTHER RECEIVABLES	**104.1**	**126.7**

3.4. Cash and cash equivalents

In millions of euros	06/30/2024	12/31/2023
Cash equivalents	598.9	85.5
- Deposit account	*590.0*	*75.0*
- Money-market investments	*8.9*	*10.5*
Cash	361.6	273.2
Gross cash and cash equivalents	**960.5**	**358.7**
Bank overdrafts	**(0.7)**	**(0.3)**
NET CASH AND CASH EQUIVALENTS	**959.8**	**358.5**

3.5. Current and non-current financial assets and liabilities

3.5.1. Non-current assets

Movements in other non-current assets during 2024 are as follows:

In millions of euros	12/31/2023	Change in scope	Increases	Decreases	Other (including currency movements)	06/30/2024
Advances to equity-accounted companies and other	242.3		15.2	(6.5)	(5.1)	245.9
Loans						
Deposits	16.8	0.1	1.5	(2.2)	(0.0)	16.2
Other long-term financial investments	1.4					1.4
TOTAL	**260.5**	**0.1**	**16.7**	**(8.7)**	**(5.1)**	**263.5**

3.5.2. Change in debt

Changes in debt presented below do not include lease liabilities under IFRS 16.

Current and non-current financial liabilities amounted to €8,391.5 million as of June 30, 2024, versus €7,656.0 million as of December 31, 2023.

In millions of euros	06/30/2024	12/31/2023
Non-current		
Bonds net of costs/premiums	**5,272.5**	**4,602.7**
– Of which fair value hedge adjustments	(85.2)	(77.9)
Bank loans and borrowings – long term	**1,279.9**	**1,358.6**
– Of which fair value hedge adjustments	0.7	2.3
Other loans and borrowings	**118.9**	**104.6**
– Advance payments to associates	118.9	104.6
– Other		
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6,671.3**	**6,065.9**
Current		
Bonds net of costs/premiums	**591.8**	**592.3**
– Of which fair value hedge adjustments		
Bank loans and borrowings – short term	**18.3**	**66.3**
– Of which other borrowing issue costs	3.2	3.2
Accrued interest	**51.0**	**47.2**
– On bonds	45.9	37.4
– On bank loans	1.8	3.4
– On advance payments to associates	3.2	6.3
Commercial paper	**1,050.0**	**880.5**
Other loans and borrowings	**9.1**	**3.8**
– Advance payments to associates	9.1	3.8
TOTAL CURRENT FINANCIAL LIABILITIES	**1,720.2**	**1,590.1**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**8,391.5**	**7,656.0**

Net debt totaled €7,479.1 million as of June 30, 2024, versus €7,348.8 million as of December 31, 2023 i.e., an increase of €130.3 million. Net debt is the difference between financial liabilities (adjusted of fair value hedge and cross currency swaps) plus bank overdrafts less available cash and marketable securities.

In millions of euros	06/30/2024	12/31/2023
Non-current and current financial liabilities	8,391.5	7,656.0
Bank overdrafts	0.7	0.3
Revaluation due to fair value hedge and cross-currency swaps	108.9	91.8
Cash and cash equivalents[a]	(1,022.1)	(399.3)
Net debt	**7,479.1**	**7,348.8**

(a) Includes cash managed for principals for €61.5 million as of June 30, 2024 and for €40.6 million as of December 31, 2023.

3.6. Contingent liabilities

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 or the Group.

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.), was declared invalid by the administrative authorities due to non-compliance with the local development plan. Field's Copenhagen AS brought an action in the Copenhagen City Court but, during the first half of 2024, the Court rejected the claim. Klépierre therefore filed an appeal that has suspensive effect and is exploring other options to work towards administrative legalization. The appeal is likely to last several years.

As a result, no provisions related to this case have been recognized in the Group's interim condensed consolidated financial statements as of June 30, 2024.

NOTE 4 Notes to the statement of comprehensive income

4.1. Gross rental income

Gross rental income breaks down as follows:

In millions of euros	06/30/2024	06/30/2023
Minimum guaranteed rents	536.6	523.9
Other rents [(a)]	48.0	31.4
Gross rents	**584.6**	**555.3**
Other rental income [(b)]	12.8	13.3
GROSS RENTAL INCOME	**597.4**	**568.6**

(a) Other rents mainly include variable rents paid by our tenants, parking rents, specialty leasing and the impact on the income statement of rent abatements and concessions granted;

(b) Other rental income mainly includes entrance fees, termination indemnities, and other penalties charged to tenants.

4.2. Payroll expenses and headcount

4.2.1.Payroll expenses

Total payroll expenses amounted to €57.6 million as of June 30, 2024, and included fixed and variable salaries plus mandatory and discretionary profit sharing for €41.0 million, pension-related expenses, retirement expenses and payroll costs for €15.1 million, and taxes and similar compensation-related payments for €1.5 million.

4.2.2.Headcount

As of June 30, 2024, the Group had an average of 1,036 employees, breaking down as 436 employees in France and 600 employees in the other geographic areas, including 106 employees at the Scandinavian real estate company Steen & Strøm.

4.3. Change in value of investment properties

As of June 30, 2024, changes in the value of investment properties amounted to a positive €258.2 million, versus a negative €321.7 million as of June 30, 2023.

In millions of euros	06/30/2024	06/30/2023
Change in value of investment properties at fair value[(a)]	266.0	(321.7)
Change in value of investment properties at cost	(7.8)	
TOTAL	**258.2**	**(321.7)**

(a) The change in value of right-of-use relating to ground leases amounts to a negative 2.9 € million

4.4. Cost of net debt

The cost of net debt totaled €76.6 million as of June 30, 2024, versus €61.6 million in first-half 2023. Excluding IFRS 16 interest expense on lease liabilities, the cost of net debt increased by €14.3 million compared to first-half 2023. Against a backdrop of rising interest rates, this increase was mainly attributable to the rollover of hedging instruments at higher rates as well as the full impact in 2024 of higher spreads on refinancing closed in 2023.

In millions of euros	06/30/2024	06/30/2023
Financial income	**66.7**	**48.9**
Interest income on swaps	58.3	37.2
Interest on advances to associates	5.0	5.1
Other revenue and financial income	0.8	6.1
Currency translation gains	2.7	0.6
Financial expenses	**(138.5)**	**(106.4)**
Interest on bonds	(37.1)	(42.8)
Interest on bank loans	(46.9)	(33.5)
Interest expense on swaps	(32.1)	(15.8)
Other financial expenses[(a)]	(14.9)	(12.9)
Currency translation losses	(7.5)	(1.3)
COST OF NET DEBT	**(71.8)**	**(57.5)**
Interest expense on lease liabilities	(4.8)	(4.1)
COST OF NET DEBT AFTER IFRS 16	**(76.6)**	**(61.6)**

(a) Including non-utilization fees and expenses on loans (€-4.7 million), other amortization (€-3.6 million), provisions (€-4.8 million), and non-recurring financial expenses (€1.9 million).

4.5. Gain (loss) on net monetary position

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

As of June 30, 2024, Turkey continued to meet the criteria of a hyperinflationary economy.

The criteria set out in IAS 29 are therefore met Turkey is 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.

The loss on the net monetary position amounts to €10.5 million as of June 30, 2024, attributable to Turkey whose economy has been hyperinflationary since March, 2022.

NOTE 5 Taxes

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.

To calculate the deferred taxes, the Group uses the rate expected to apply when the asset is realized, or the liability settled, on the basis of the tax laws enacted or substantively enacted by the reporting date.

In millions of euros	06/30/2024	06/30/2023
Current tax	(19.0)	(26.0)
Deferred tax	(67.6)	(25.3)
TOTAL	**(86.6)**	**(51.3)**

Deferred tax recognized during the period mainly comprised a negative amount of €67.5 million in deferred tax expense resulting from temporary differences arising on changes in the fair market value and tax value of investment properties.

SIIC distribution obligations carried forward

Klépierre SA, 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 if necessary.

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

As disclosed in note 2.2.3, no additional tax provision is recorded in the Group's consolidated statement of comprehensive income.

NOTE 6 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.

6.1. Interest-rate risk

6.1.1.Hedging strategy

The hedging rate is calculated as the ratio of fixed-rate debt (after hedging) to net debt, expressed as a percentage. Most of the fixed-rate position consists of fixed-rate debt and derivative instruments that convert variable-rate debt into fixed-rate debt. Klépierre's fixed-rate borrowings comprise bonds (denominated in euros and Norwegian kronor) and loans (denominated in euros and Danish Kronor).

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.

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

At June 30, 2024, the hedging rate was 96% (79% of which was fixed-rate debt or payer swaps and 17% caps).

An increase in the interest rates to which unhedged floating rate borrowings are indexed (Euribor, Nibor, Stibor and Cibor) could result in an increase in future interest expense.

At the end of June 2024, the Group's remaining floating exposure consists of outstanding commercial papers maturing in 2024 (€563 million) and bank loans (€81 million). This combined position is partly offset by €350 million of cash, whose remuneration is positively exposed to short-term interest rate fluctuations. As a result, floating interest rates changes will have no material impact on the Group's financial expenses over the next six months.

In addition, a 0.5% increase in interest rates would moderately increase the fair value of the derivatives portfolio and therefore have a positive impact on equity of € 4.3 million.

6.1.2.Derivatives portfolio

Interest rate derivatives are recognized in the statement of financial position at fair value :

In millions of euros	Fair value net of accrued interest as of 06/30/2024[a]	Change in fair value during 2024	Matching entry
Cash flow hedge	24.3	(0.8)	Shareholders' equity
Fair value hedge	(84.5)	(8.9)	Financial liabilities/Net income
Trading	56.0	(21.4)	Net income
TOTAL	**(4.2)**	**(31.1)**	

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

6.1.3.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	06/30/2024			12/31/2023		
	Par value	Fair value	Impact of a 1% increase in interest rates on fair value[a]	Par value	Fair value	Impact of a 1% increase in interest rates on fair value[a]
Fixed-rate bonds	6,033.6	5,440.7	(243.8)	5,333.9	4,801.7	(219.8)
Fixed-rate bank loans	150.0	163.3	(3.2)	125.7	126.9	(3.0)
Other floating-rate loans	2,250.4	2,250.4		2,221.3	2,221.3	
TOTAL	**8,434.0**	**7,854.4**	**(247.0)**	**7,681.0**	**7,149.9**	**(222.8)**

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

As of June 30, 2024, a 100-basis-point increase in interest would have resulted in a €247.0 million decrease in the fair value of the Group’s fixed rate debt.

6.2. Liquidity risk

Klépierre’s long-term financing policy is to diversify maturities and funding sources to facilitate renewals.

As of June 30,2024, the average maturity of debt outstanding was 6.2 years. Funding sources are spread across different markets: corporate bonds, commercial paper and bank loans. In the bank market, Klépierre uses a range of different type of loans (bilateral, syndicated, secured and unsecured loans) and counterparties. Outstanding commercial papers, which represent the bulk of short-term financing, are generally rolled-over and never exceed the amount of backup credit lines. This means that the Group can refinance its maturing commercial papers immediately if it encounters difficulties in renewing them.

As of June 30, 2024, 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	1,162	759	602	741	494	833	725	1,326	1,792	8,434
Interest (loans and derivatives)	112	153	110	95	88	64	61	58	133	873
GROUP TOTAL (PRINCIPAL + INTEREST)	**1,274**	**913**	**712**	**836**	**581**	**897**	**786**	**1,383**	**1,925**	**9,307**

In the next six months, €1,162 million of financing matures including €563 million of commercial papers and one €557 million bond on November 6, 2024. The refinancing of this transaction has already been secured by the issuance of a new € 600 million long-term bond, maturing in September 2033. In addition, Klépierre had undrawn credit lines totaling €2,458 million (including bank overdraft and excluding outstanding commercial papers back-up lines).

Some of Klépierre’s sources of fundings (bank loans, revolving credit facilities and bonds) contain financial covenants, which are based on the standard ratios applicable to real estate companies. Failure to comply with these covenants may trigger early repayment. As of June 30, 2024, Klépierre complies with all applicable financial covenants.

Certain bonds issued by Klépierre SA include a bearer put option, entitling the holder to demand early redemption in the event of a change of control resulting in a downgrade of Klépierre’s credit rating below investment grade.

6.3. Currency risk

Klépierre generally operates in countries that use the euro, except for Norway, Sweden, Denmark, Poland, the Czech Republic and Turkey. The Group does not hedge its currency exposure in these countries.

Klépierre contracted two bank loans in JPY for JPY 28.4 billion and JPY 10.0 billion. Accordingly, 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).

Following the partial early repayment of its JPY debt, Klépierre has reduced the amount of one of its cross-currency swaps from JPY 28.4 billion to JPY 13.4 billion.

Fair value of the foreign exchange derivatives portfolio

In millions of euros	**Fair value net of accrued interest as of 06/30/2024[a]**	**Fair value net of accrued interest as of 12/31/2023[a]**	**Change in fair value during 2024[b]**	**Matching entry**
Trading cross-currency swap	(26.2)	(17.1)	(9.0)	Net income
TOTAL	**(26.2)**	**(17.1)**	**(9.0)**	

[a] The fair value of the interest rate hedging portfolio is categorized as level 2.
[b] Of which €(8.1)millions offsetting the FX impact on the related debt over the period

6.4. 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.

6.5. Equity risk

As of June 30, 2024, Klépierre held 1,327,946 treasury shares, which are recognized at their acquisition cost as a deduction from equity.

NOTE 7 Finance and guarantee commitments

7.1. Commitments given

7.1.1.. Commitments related to the Group's leasing activities

Main clauses contained in the lessor's lease agreement are described below:

- Indexation specific to each country;

- Minimum guaranteed rent and variable rent;

- Total amount of conditional rents recognized in income.

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.

7.1.2.Other main commitments given

- Commitments related to development activities: these amounted to €25 million at June 2024 and were mainly related to projects in France.
- Rental guarantees and deposits: these mainly comprise deposits related to local headquarters.
- 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.

7.2. Commitments received

In millions of euros	06/30/2024	12/31/2023
Commitments related to the Group's financing activities	**2,126.7**	**2,298.5**
Undrawn committed credit facilities, net of commercial paper	2,126.7	2,298.5
Commitments related to the Group's operating activities	**430.3**	**501.4**
Sale commitments [(a)]	40.3	106.8
Financial guarantees received in connection with management activities (*loi Hoguet*) [(b)]	180.0	190.0
Financial guarantees received from tenants [(c)]	209.9	204.6
TOTAL	**2,557.0**	**2,799.9**

(a) As of June 30, 2024, disposals commitments relate mainly to certain assets in Denmark and France.

(b) As part of its real-estate, leasing and property management activities, banking guarantees have been delivered to Klépierre Management for an amount capped at €180.0 million as of June 30, 2024.

(c) The Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed by tenants.