SUPPLEMENTAL INFORMATION TO THE EARNINGS RELEASE

FULL-YEAR 2021

KLEPIERRE

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The audit procedures on the full-year financial statements are in progress.
The Statutory Auditors' audit report is in the process of being issued.

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CONSOLIDATED FINANCIAL STATEMENTS

1.1 Consolidated statements of comprehensive income

In millions of euros	12/31/2021	12/31/2020
Gross rental income	1,006.4	1,062.4
Land expenses (real estate)	(7.1)	(8.0)
Service charge income	244.0	241.9
Service charge expenses	(322.4)	(310.6)
Building expenses (owner)	(41.4)	(139.5)
Net rental income	**879.5**	**846.2**
Management, administrative and related income	65.1	68.4
Other operating income	9.4	20.7
Survey and research costs	(0.2)	(1.6)
Payroll expenses	(107.6)	(95.2)
Other general expenses	(39.5)	(41.4)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	(18.1)	(20.0)
Provisions	0.3	0.3
Change in value of investment properties	(402.5)	(1,575.9)
Income from the disposal of investment properties and equity investments	8.8	3.5
> Proceeds from disposals of investment properties and equity investments	534.0	157.6
> Carrying amount of investment properties and equity investments sold	(525.2)	(154.0)
Goodwill impairment	(104.8)	(16.8)
Operating income (loss)	**290.4**	**(811.6)**
Net dividends and provisions on non-consolidated investments	0.0	(0.0)
Financial income	32.3	71.4
Financial expenses	(139.3)	(171.8)
Interest expense on leases liabilities	(8.3)	(8.2)
Cost of net debt	**(115.3)**	**(108.6)**
Change in the fair value of financial instruments	(0.4)	(30.0)
Share in earnings (losses) of equity-accounted companies	84.3	(52.3)
Profit (loss) before tax	**258.9**	**(1,002.5)**
Income tax benefit (expense)	313.1	71.3
Consolidated net income (loss)	**572.0**	**(931.2)**
Of which		
> Attributable to owners of the parent	544.7	(785.7)
> Attributable to non-controlling interests	27.3	(145.5)
Average number of shares - undiluted	**285,312,972**	**285,827,741**
UNDILUTED EARNINGS (LOSS) PER SHARE *(in euros)* **- ATTRIBUTABLE TO OWNERS OF THE PARENT**	**1.91**	**(2.75)**
Average number of shares - diluted	**285,860,024**	**286,072,515**
DILUTED EARNINGS (LOSS) PER SHARE *(in euros)* **- ATTRIBUTABLE TO OWNERS OF THE PARENT**	**1.91**	**(2.75)**

In millions of euros	12/31/2021	12/31/2020
Consolidated net income (loss)	**572.0**	**(931.2)**
Other items of comprehensive income recognized directly in equity	**(24.9)**	**(88.5)**
> Effective portion of gains and losses on cash flow hedging instruments	17.9	1.2
> Translation gains and losses	(37.0)	(88.2)
> Tax on other items of comprehensive income	(3.3)	(0.2)
Items that will be reclassified subsequently to profit or loss	**(22.4)**	**(87.3)**
> Gains and losses on sales on treasury shares	(3.7)	(1.2)
> Actuarial gains and losses	1.2	(0.0)
Items that will not be reclassified subsequently to profit or loss	**(2.5)**	**(1.2)**
Share of other items of comprehensive income attributable to equity-accounted companies	-	-
Total comprehensive income (loss)	**547.1**	**(1,019.6)**
Of which		
> Attributable to owners of the parent	500.1	(864.0)
> Attributable to non-controlling interests	47.1	(155.7)
Undiluted comprehensive earnings (loss) per share *(in euros)* **- Attributable to owners of the parent**	**1.75**	**(3.02)**
Diluted comprehensive earnings (loss) per share *(in euros)* **- Attributable to owners of the parent**	**1.75**	**(3.02)**

1.2 Consolidated statements of financial position

In millions of euros	12/31/2021	12/31/2020
Goodwill	480.5	583.5
Intangible assets	21.9	22.9
Property, plant and equipment	18.7	27.3
Investment properties at fair value	18,728.6	19,756.8
Investment properties at cost	77.7	132.9
Investments in equity-accounted companies	978.9	988.4
Other non-current assets	280.7	299.9
Long-term derivative instruments	8.7	31.7
Non-current deferred tax assets	11.8	15.6
Non-current assets	**20,607.5**	**21,859.0**
Investment properties held for sale	15.8	28.3
Trade and other receivables	159.9	156.2
Other receivables	333.1	332.3
> Tax receivables	74.8	63.7
> Other	258.3	268.5
Short-term derivative instruments	12.2	30.6
Current deferred tax ssets	14.4	16.3
Cash and cash equivalents	640.0	462.1
Current assets	**1,175.4**	**1,025.8**
TOTAL ASSETS	**21,782.9**	**22,884.7**
Share capital	401.6	419.9
Additional paid-in capital	4,071.2	4,737.5
Legal reserves	44.0	44.0
Consolidated reserves	3,343.2	3,766.6
> Treasury shares	(33.5)	(441.3)
> Hedging reserves	0.1	(8.7)
> Other consolidated reserves	3,376.6	4,216.6
Consolidated retained earnings	544.7	(785.7)
Equity attributable to owners of the parent	**8,404.7**	**8,182.3**
Equity attributable to non-controlling interests	2,188.7	2,252.1
Total equity	**10,593.4**	**10,434.4**
Non-current financial liabilities	6,815.1	7,244.1
Non-current lease liabilities	353.4	357.0
Long-term provisions	23.9	16.9
Pension obligations	10.0	11.8
Long-term derivative instruments	2.9	13.7
Deposits	142.3	143.3
Deferred tax liabilities	1,082.6	1,508.3
Non-current liabilities	**8,430.2**	**9,295.2**
Current financial liabilities	1,893.1	2,381.9
Current lease liabilities	13.5	14.2
Bank overdrafts	15.5	9.4
Trade payables	219.1	201.1
Due to suppliers of property	49.1	54.0
Other liabilities	377.1	322.3
Short-term derivative instruments	1.5	5.2
Payroll and tax liabilities	190.4	166.9
Current liabilities	**2,759.3**	**3,155.1**
TOTAL EQUITY AND LIABILITIES	**21,782.9**	**22,884.7**

1.3 Segment earnings

In millions of euros	France (a) 12/31/2021	France (a) 12/31/2020	Italy 12/31/2021	Italy 12/31/2020	Scandinavia 12/31/2021	Scandinavia 12/31/2020	Iberia 12/31/2021	Iberia 12/31/2020	Netherlands & Germany 12/31/2021	Netherlands & Germany 12/31/2020
Gross rents	**358.8**	**379.1**	**171.1**	**168.4**	**156.7**	**166.1**	**114.1**	**111.9**	**102.9**	**120.4**
Other rental income	20.8	30.1	3.0	5.3	2.0	1.3	3.3	3.8	0.0	0.0
Gross rental income	**379.6**	**409.2**	**174.1**	**173.7**	**158.7**	**167.3**	**117.4**	**115.7**	**102.9**	**120.4**
Rental and building expenses	(64.8)	(88.6)	3.7	(45.4)	(19.3)	(18.8)	(11.3)	(20.1)	(23.4)	(30.5)
Net rental income	**314.8**	**320.6**	**177.8**	**128.3**	**139.4**	**148.5**	**106.1**	**95.5**	**79.5**	**89.9**
Management and other income	38.0	34.2	13.0	24.0	8.1	10.7	6.0	6.6	6.2	10.1
Payroll and other general expenses	(47.9)	(54.6)	(23.0)	(19.2)	(16.2)	(15.9)	(11.9)	(12.1)	(17.2)	(16.3)
EBITDA	**304.9**	**300.3**	**167.8**	**133.1**	**131.4**	**143.2**	**100.2**	**90.1**	**68.5**	**83.7**
Depreciation, amortization and impairment	(11.1)	(8.3)	(2.1)	(1.8)	(3.1)	(3.0)	(0.5)	(5.8)	3.3	(0.6)
Change in value of investment properties	(226.2)	(799.2)	(38.2)	(157.5)	(81.9)	(191.4)	(2.8)	(129.0)	(64.3)	(208.3)
Net proceeds on disposals of investment properties and equity investments	0.1	(0.5)	-	-	(3.4)	2.5	-	0.3	9.7	0.4
Share in earnings of equity-accounted companies	(8.8)	(32.3)	79.0	(16.3)	4.5	(0.5)	(0.3)	(5.7)	-	-
SEGMENT INCOME (LOSS)	**58.8**	**(540.0)**	**206.5**	**(42.5)**	**47.4**	**(49.2)**	**96.7**	**(50.0)**	**17.3**	**(124.9)**
Goodwill impairment										
Cost of net debt										
Change in the fair value of financial instruments										
PROFIT (LOSS) BEFORE TAX										
Income tax										
NET INCOME (LOSS)										

(a) Shopping centers and Other retail properties, including Belgium

In millions of euros	Central Europe 12/31/2021	Central Europe 12/31/2020	Other countries 12/31/2021	Other countries 12/31/2020	Not allocated 12/31/2021	Not allocated 12/31/2020	Klépierre Group 12/31/2021	Klépierre Group 12/31/2020
Gross rents	**57.4**	**60.3**	**14.3**	**14.3**		**-**	**975.4**	**1,020.5**
Other rental income	1.6	1.4	0.3	-		-	31.0	41.9
Gross rental income	**59.0**	**61.7**	**14.6**	**14.3**	**-**	**-**	**1,006.4**	**1,062.4**
Rental and building expenses	(7.9)	(7.5)	(3.9)	(5.2)		-	(126.9)	(216.2)
Net rental income	**51.1**	**54.2**	**10.8**	**9.1**	**-**	**-**	**879.5**	**846.2**
Management and other income	1.6	1.5	1.5	2.1		-	74.5	89.2
Payroll and other general expenses	(5.2)	(4.6)	(3.9)	(3.1)	(22.0)	(12.4)	(147.2)	(138.2)
EBITDA	**47.6**	**51.1**	**8.4**	**8.2**	**(22.0)**	**(12.4)**	**806.8**	**797.2**
Depreciation, amortization and impairment	(0.7)	4.2	(0.5)	(0.5)	(3.0)	(3.8)	(17.8)	(19.7)
Change in value of investment properties	(7.5)	(81.0)	18.4	(9.5)		-	(402.5)	(1,575.9)
Net proceeds on disposals of investment properties and equity investments	(0.0)	0.5	2.4	0.2		-	8.8	3.5
Share in earnings of equity-accounted companies	-	-	9.8	2.5		-	84.3	(52.3)
SEGMENT INCOME (LOSS)	**39.3**	**(25.1)**	**38.5**	**0.8**	**(25.0)**	**(16.3)**	**479.5**	**(847.2)**
Goodwill impairment							(104.8)	(16.8)
Cost of net debt							(115.3)	(108.6)
Change in the fair value of financial instruments							(0.4)	(30.0)
PROFIT (LOSS) BEFORE TAX							**258.9**	**(1,002.5)**
Income tax							313.1	71.3
NET INCOME (LOSS)							**572.0**	**(931.2)**

1.4 Consolidated statements of cash flows

In millions of euros	12/31/2021	12/31/2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	572.0	(931.2)
Elimination of expenditure and income with no cash effect or not related to operating activities		
> Depreciation, amortization and provisions	27.0	135.9
> Change in value of investment properties	402.5	1,575.9
> Goodwill impairment	104.8	16.8
> Capital gains and losses on asset disposals	(8.8)	(3.4)
> Current and deferred income taxes	(313.1)	(71.3)
> Share in earnings/losses of equity-accounted companies	(84.2)	52.3
> Reclassification of interest and other items	160.7	161.2
Gross cash flow from consolidated companies	**860.9**	**936.1**
Income tax (received) paid	(30.3)	(8.8)
Change in operating working capital	35.2	(132.3)
Net cash flow from operating activities	**865.8**	**795.0**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	161.7	155.6
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repayed)	680.6	(2.3)
Acquisitions of investment properties	(0.3)	-
Payments in respect of construction work in progress	(161.7)	(202.8)
Acquisitions of other fixed assets	(6.6)	(4.9)
Acquisitions of subsidiaries (net of cash acquired)	(0.4)	(7.0)
Dividends received (including dividends received from joint ventures and associates)	21.8	15.1
Movements in loans and advance payments granted and other investments	(22.1)	(15.9)
Net cash flow from (used in) investing activities	**673.0**	**(62.2)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	-	(628.1)
Dividends paid to non-controlling interests	(87.5)	(53.0)
Change in capital of subsidiaries with non-controlling interests	-	(1.7)
Repayment of share premiums	(285.3)	-
Acquisitions/disposals of treasury shares	1.1	(100.0)
New loans, borrowings and hedging instruments	1,529.2	2,867.5
Repayment of loans, borrowings and hedging instruments	(2,387.5)	(2,669.1)
Net repayment of lease liabilities	(14.9)	(15.2)
Interest paid	(109.1)	(126.9)
Interest paid on lease liabilities	(8.3)	(8.2)
Other cash flows related to financing activities	-	-
Net cash flow used in financing activities	**(1,362.3)**	**(734.6)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(4.7)**	**(3.4)**
CHANGE IN CASH AND CASH EQUIVALENTS	**171.8**	**(5.3)**
Cash and cash equivalents at beginning of period	**452.7**	**458.0**
Cash and cash equivalents at end of period	**624.5**	**452.7**

2

BUSINESS OVERVIEW

2.1 Economic environment

2021 was characterized by additional pandemic waves with the reimposition of severe and lengthy restrictions across various countries at different periods, predominantly during the first half of the year. Nonetheless, the easing of restrictions following the vaccine rollout spurred a solid rebound with **eurozone** GDP growth projected at 5.2% in 2021 and 4.3% in 2022. Growth was supported by strong consumption, with households using excess savings and higher investments supported by national and European recovery plans. As a result, unemployment is expected to decrease to 7.7% in 2021 and to sink at pre-pandemic levels by 2022 before falling even further in 2023. In parallel, the rapid business resumption gave rise to supply chain bottlenecks and higher energy prices, pushing inflation up to 2.4% in 2021 and 2.7% in 2022. This sharp increase in inflation is expected to translate into wage increases, which will ultimately lead to an increase in private consumption.

The ECB's favorable financing conditions for public and private borrowers coupled with exceptional fiscal measures in most countries served as shock absorbers during the crisis. On top of these schemes, many European countries provided companies with **financial support and subsidies**. Germany, for example, is providing assistance to small and medium-sized companies in the *Mittelstand*, the backbone of its economy, while France has introduced a "fixed costs" support plan to backstop the *Fonds de solidarité*, and Denmark has expanded its business support budget.

Furthermore, continental Europe faced multiple new waves of the Covid-19 pandemic during the year. Significant increases in case numbers and hospitalizations prompted governments to reintroduce lockdowns and restrictions principally in the first half of 2021, which hampered Klépierre's activities, disrupted retail operations and inconvenienced shoppers. However, the vaccination rollout is progressing well and more than 70% of the European population had received at least one shot by the year end. A booster got underway in late summer and is in the process of being rolled out across entire population of Europe. In addition, as the latest variants, – especially Omicron – are perceived by the European health authorities as being less severe than their predecessors, restrictions have been eased across Europe. After 2 years of significant disruption caused by the pandemic, **Klépierre's operations proved to be extremely resilient**.

Exhibit 1 2021 and 2022 macroeconomic forecasts by geography

	Real GDP growth rate			Unemployment rate			Inflation rate		
Geography	**2020**	**2021E**	**2022E**	**2020**	**2021E**	**2022E**	**2020**	**2021E**	**2022E**
EUROZONE	**−6.5%**	**5.2%**	**4.3%**	**7.9%**	**7.7%**	**7.2%**	**0.3%**	**2.4%**	**2.7%**
France	**−8.0%**	**6.8%**	**4.2%**	**8.1%**	**7.8%**	**7.6%**	**0.5%**	**2.1%**	**2.3%**
Italy	**−9.0%**	**6.3%**	**4.6%**	**9.3%**	**9.6%**	**8.9%**	**−0.1%**	**1.8%**	**2.2%**
Scandinavia									
Norway	−0.7%	4.1%	4.6%	4.4%	4.9%	3.9%	1.3%	3.4%	2.0%
Sweden	−2.9%	4.3%	3.4%	8.3%	8.8%	7.6%	0.5%	2.0%	2.6%
Denmark	−2.7%	4.7%	2.4%	5.6%	4.9%	4.2%	0.4%	1.8%	2.6%
Iberia									
Spain	−10.8%	4.5%	5.5%	15.5%	15.0%	14.2%	−0.3%	2.9%	3.2%
Portugal	−8.4%	4.8%	5.8%	7.0%	6.9%	6.7%	−0.1%	0.8%	1.7%
Netherlands & Germany									
Netherlands	−3.8%	4.3%	3.2%	3.8%	3.4%	3.5%	1.1%	2.4%	3.1%
Germany	−4.9%	2.9%	4.1%	3.9%	3.6%	3.2%	0.4%	3.1%	2.8%
Central Europe									
Czech Republic	−5.8%	2.5%	3.0%	2.5%	2.9%	2.6%	3.2%	3.8%	6.1%
Poland	−2.5%	5.3%	5.2%	3.2%	2.6%	3.4%	3.4%	4.8%	6.2%

Source: OECD Economic Outlook, December 2021.

2.2 Operating context

Over 2021, continental Europe faced multiple waves of Covid-19, translating into 2.5 months of full closure of the Group's portfolio versus 2.1 months in 2020.

2021 has been a tale of two halves:

- **Over the first half of the year**, Europe faced several fresh pandemic waves as the number of cases surged, prompting governments to reintroduce restrictions. Klépierre's activities were impacted and the Group experienced the equivalent of 2.5 months of full closure for the portfolio – longer than last year when malls were closed for 1.6 months on average during the first half of 2020. Depending on the intensity of the wave, governments opted for full or partial lockdowns with varying restrictions.
- **Over the second half of the year**, with the resurgence in new cases due to the spread of the delta variant in the summer, additional though less restrictive measures enforced. Klépierre did not face any store closures across the board except in the Netherlands from December 19, 2021 to January 14, 2022. Nevertheless, many other restrictions were introduced that had a measurable impact on footfall and retailer sales. In some countries, including France, governments restricted access to shopping malls larger than 20,000 sq.m to vaccination certificate holders (from August 9 until the end of September). This measure was gradually lifted as the incidence rate declined below 200 cases per 100,000 inhabitants. In mid-December, new measures were implemented in some countries such as the Netherlands, Germany (with the "2G" and "3G" strategy governing entry to stores), and the Czech Republic with working from home encouraged and non-essential stores closing earlier than usual at 5 p.m. Vaccination certificate checks at restaurants, leisure activities and public events were reintroduced in some European countries (Norway, Denmark, Germany, Italy). By way of comparison, over the second half of 2020, Klépierre experienced 0.5 months of closure.

Exhibit 2 Closure period duration in months *(weighted by rents and charges)*

In months	Average closure period in 2021	Average closure period in 2020
France	2.9	2.5
Italy	2.5	2.6
Scandinavia	1.5	0.5
Iberia	0.7	2.1
Netherlands & Germany	4.4	1.1
Central Europe	2.1	2.3
Other countries	0.0	0.7
TOTAL	**2.5**	**2.1**

As of February 15, 2022, there were no current store closure mandates, although some restrictions remained in force in many countries in which Klépierre operates, such as work-from-home recommendations and health certificate checks on entry to certain venues including restaurants, leisure venues, and movie theaters.

2.3 Retailer sales and footfall

In 2021, **retailer sales** were up 10% compared to 2020. However, as operations were significantly affected by store closures, the following comments on retailer sales only focus on the open periods in 2021 (i.e., June to December) compared to 2019, i.e., the last 7-month undisturbed period.

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

Exhibit 3 **Change in retailer sales** *(by region)*

Country	Change in retailer sales[a] Full-year 2021 vs. Full-year 2020	June-December 2021 vs. June-December 2019	Share (in total reported retailer sales)
France	+2%	–5%	36%
Italy	+23%	–6%	26%
Scandinavia	+1%	–2%	15%
Iberia	+28%	–13%	10%
Netherlands & Germany	–3%	-9%[b]	6%
Central Europe	+15%	–7%	4%
Other countries	n.s.	n.s.	3%
TOTAL	**+10%**	**–5%**	**100%**

(a) Change is on a same-store basis, excluding the impact of asset sales and acquisitions.
(b) Restated for restricted trading in the Netherlands in December.

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

Exhibit 4 **Change in retailer sales** *(by segment)*

	Change in retailer sales[a] Full-year 2021 vs. Full-year 2020	June-December 2021 vs. June-December 2019	Share (in total reported retailer sales)
Fashion	+16%	-5%	38%
Culture, Gifts & Leisure	+7%	-1%	20%
Health & Beauty	+5%	-5%	14%
Food & Beverage	+11%	-16%	9%
Household Equipment	+9%	+3%	13%
Other	+1%	-15%	7%
TOTAL	**+10%**	**-5%**	**100%**

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

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

2.4 Rent collection

As during the government-mandated lockdowns in 2020, Klépierre's teams worked closely with tenants during the year to provide them with the necessary flexibility, notably by adapting payment deadlines and granting partial rent waivers to ease their cash positions. While Klépierre's management is of the view that rents remain contractually due during closure periods, it engaged negotiations with retailers to offer rent abatements, where appropriate, in exchange for lease extensions.

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

By way of comparison, the ultimate collection rate for rents and service charges invoiced in 2020 (as of December 31, 2021) was 86.7%. The balance of uncollected amounts (13.3%) broke down as rent abatements (10.0% – i.e., the equivalent of 1.2 months for 2.1 months of closure) and provisions for credit losses (3.3%).

2.5 Net rental income

Net rental income amounted to €879.5 million in 2021, up 3.9% compared to 2020 and 6.9% on a like-for-like basis after the impacts of asset disposals and foreign exchange. The change in net rental income stemmed mainly from the decrease in abatements and in provisions for credit losses.

Exhibit 5 Reconciliation between invoiced rents and charges and net rental income

(on a total share basis)

In millions of euros	12/31/2021	12/31/2020
Invoiced rents and charges	**1 354.6**	**1 381.8**
Charges	(244.0)	(241.9)
Rent abatements (cash)[a]	(104.8)	(116.0)
Straight line-amortization of rent abatements[a]	10.1	24.3
Other	(9.5)	14.2
GROSS RENTAL INCOME	**1 006.4**	**1 062.4**
Rental and building expenses	(126.9)	(216.2)
NET RENTAL INCOME	**879.5**	**846.2**

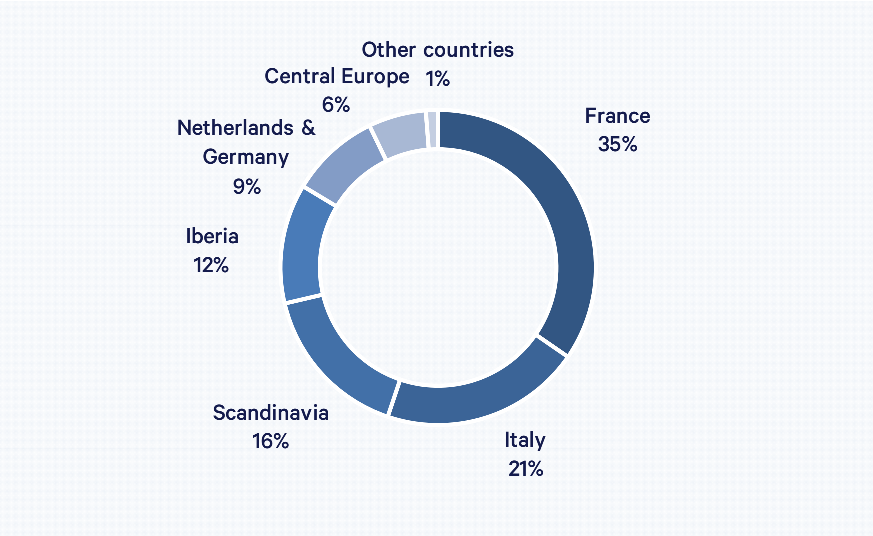
(a) In connection with Covid-19.

Exhibit 6 Net rental income

(on a total share basis)

In millions of euros	2021	2020	Reported change	Change excl. disposals and forex
France	298.7	308.7	−3.2%	+0.6%
Italy	177.8	128.3	+38.5%	+38.5%
Scandinavia	139.4	148.5	−6.1%	−1.4%
Iberia	106.1	95.5	+11.1%	+11.2%
Netherlands & Germany	79.5	89.9	−11.6%	−11.5%
Central Europe	51.1	54.2	−5.7%	−5.7%
Other countries	10.8	9.1	+17.7%	+42.1%
TOTAL SHOPPING CENTERS	**863.4**	**834.3**	**+3.5%**	**+6.3%**
Other retail properties	16.1	11.9	+35.3%	+58.0%
TOTAL	**879.5**	**846.2**	**+3.9%**	**+6.9%**

Chart 1 Breakdown of shopping center NRI by region for the year ended December 31, 2021
(on a total share basis)



2.6 Leasing update

Leasing activity bounced back in 2021, with 1,570 leases signed, up 65% compared to 2020 and in line with pre-Covid levels in absolute terms. In what remains a challenging environment, reversion on the 1,240 renewals and re-lettings was positive at 0.9%, demonstrating the attractiveness of Klépierre's malls and its sustainable rents and charges. One of the main objectives of the year was to optimize occupancy, with Klépierre capitalizing on the upturn in retailer demand, supported by its strong relationship with emblematic retailers and local players. The Group's relentless leasing efforts led to occupancy remaining high at 94.7% (marginally below the pre-Covid level of 97%), which represents an improvement of 50 basis points compared to June 30, 2021.

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

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

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

Exhibit 7 Key performance indicators

Geography	Renewed and re-let leases (in millions of euros)	Reversion (in %)	Reversion (in millions of euros)	OCR[a]	Occupancy rate
France	59.0	+4.4%	1.9	12.6%	94.3%
Italy	47.9	+0.1%	0.0	10.9%	96.7%
Scandinavia	18.7	−3.2%	(0.5)	12.3%	92.9%
Iberia	11.7	+9.7%	0.9	14.2%	93.8%
Netherlands[b] & Germany	9.3	−12.3%	(1.1)	14.9%	94.9%
Central Europe	12.0	+2.6%	0.3	15.8%	96.3%
Other countries	2.7	−13.1%	(0.3)	16.3%	92.1%
TOTAL	**161.3**	**+0.9%**	**1.3**	**12.6%**	**94.7%**

All assets (including equity-accounted companies) are presented on a 100% share basis.
(a) Occupancy cost ratio. Due to the unprecedented situation, OCR represent the ratio of collected rents to retailer sales (including closure periods).
(b) Occupancy cost ratio is only calculated for Germany as only a few Dutch retailers report their sales to Klépierre.

2.7 Lease expiration schedule

Exhibit 8 Shopping center lease expiration schedule
(as a percentage of minimum guaranteed rents)

Geography	≤ 2021	2022	2023	2024	2025	2026	2027	2028	2029+	TOTAL	WALT[b]
France	14.5%	7.2%	10.4%	6.9%	6.7%	8.5%	9.0%	10.0%	26.7%	100.0%	4.8
Italy	11.0%	9.8%	13.3%	11.3%	11.6%	11.3%	6.5%	7.7%	17.4%	100.0%	4.3
Scandinavia[a]	13.6%	18.0%	17.2%	16.7%	15.2%	8.1%	1.7%	1.8%	7.6%	100.0%	3.0
Iberia	0.8%	7.5%	11.0%	13.1%	7.2%	11.0%	9.5%	7.4%	32.5%	100.0%	5.6
Netherlands & Germany	2.5%	6.4%	6.9%	6.3%	2.8%	4.9%	7.0%	13.7%	49.5%	100.0%	6.7
Central Europe	3.9%	18.2%	17.8%	12.7%	9.5%	17.2%	6.3%	4.4%	10.1%	100.0%	3.8
Other countries	1.7%	26.4%	14.3%	7.2%	20.2%	14.9%	4.8%	0.9%	9.6%	100.0%	3.5
TOTAL	**10.5%**	**9.5%**	**11.9%**	**9.7%**	**8.6%**	**9.6%**	**7.5%**	**8.4%**	**24.3%**	**100.0%**	**4.7**

(a) Under Danish law, lease contracts are open-ended.
(b) Weighted average lease term (in number of years).

3

BUSINESS ACTIVITY BY REGION

3.1 France (34.6% of net rental income)

Exhibit 9 NRI and occupancy rate in France

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
FRANCE	78.6%	298.7	308.7	94.3%	94.9%

After the macroeconomic destabilization during 2020, from mid-March to mid-May in 2021, the Group was once again affected by restrictions including curfews and regional and national lockdowns. Following the high take-up of the vaccination campaign – in part thanks to Klépierre's active contribution through various initiatives in its malls – and the decrease in Covid-19 cases over the spring, the authorities eased health restrictions over the summer, and **French** GDP is projected to rebound by 6.8% in 2021. Given this context, domestic demand increased strongly, with inflation expected to reach 2.1%, and unemployment decreased to 7.8% in 2021. Since the start of the Covid-19 outbreak, the authorities have taken extensive measures – from support for small firms to substantial recovery plans. These support packages are likely to shrink as the recovery gains traction. Provided that the spread of further variants remains under control, GDP growth is projected to remain high in 2022 at 4.2%, and at 2.1% in 2023.

The French government implemented a support package for retailers to cover rents and charges of shops ordered to close between February and May 2021, not covered by other financial aid measures, to lessen the burden of the fixed-cost structure of their businesses. This subsidy is expected to be disbursed to retailers in 2022.

Restrictions were lifted from May 19, 2021 and all Klépierre's malls reopened. Notwithstanding the enforcement of visitor limits in some centers and the health pass over the summer, France has experienced a rapid recovery. From June to December 2021, **retailer sales** reached 95% of their 2019 level, slightly higher than the Group average, supporting the improvement in collection rates over the year. By **segment**[1], household equipment outpaced 2019 by 1% while culture, gifts & leisure was in line with pre-Covid levels. Fashion and health & beauty also performed well at 96% of their 2019 levels. Conversely, food & beverage, still held back by health restrictions, registered lower sales.

Over 2021, **net rental income** came out at €298.7 million, a €10.0 million decrease mainly explained by an increase in vacancy (up 60 basis points), with higher rent abatements offset by stronger collection rates for 2020 rents (at 83%, higher than the 80% initially expected collection rate) leading to a reversal of provisions for credit losses. As of February 7, 2022, rent collection rate stood at 78.6%.

Leasing activity was strong in 2021, with 511 leases signed in France, outpacing pre-Covid levels (up 13% compared to 2019) and translating into a 4.4% positive reversion. Over the period, the Group consolidated its long-standing partnerships with key accounts such as Inditex which unveiled its full offering at Jaude (Clermont-Ferrand) with new Zara, Pull & Bear and Stradivarius new stores in their latest format. Sport retailers continued to expand as demonstrated by four deals with FootKorner and three each with Foot Locker and Snipes. Klépierre also continued to ride the wave of innovative banners' success with the opening of stores with Danish retailer Normal and value retailer Action. Lastly, in the vein of the renovation initiated in 2019, the transformation of Blagnac, the leading retail destination in the Toulouse area, continued with the signing of more than 24 deals during the year, including with banners such as Calzedonia and Lego. Its positioning will be further strengthened with the extension of Zara over more than 3,200 sq.m slated to open in 2022 and offering an entirely novel experience for shoppers.

(1) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

3.2 Italy (20.6% of net rental income)

Exhibit 10 NRI and occupancy rate in Italy

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
ITALY	91.4%	177.8	128.3	96.7%	97.6%

In 2021, the **Italian** government opted for more targeted measures to contain the pandemic. These included the closure of malls and other comparable spaces at weekends and bank holidays (including the day before), coupled with the closure of malls during the week in regions considered at high risk, especially during the first half of the year. However, after a massive vaccination campaign and a sharp decline in Covid cases, these restrictions eased from mid-May, enabling a gradual return to normal. Tourism also rebounded, although tourist levels remained below those recorded in 2019. Against this backdrop, fiscal policy remained supportive and GDP is set to rebound by 6.3% in 2021, while inflation is expected to reach 1.8%, fueled mainly by energy price increases. The recovery of the job market is likely to take more time, and unemployment is forecast to remain high at 9.6% in 2021. Despite this encouraging recovery, the omicron outbreak led authorities to introduce a vaccination pass that came into effect in early December and that could weigh on business in 2022.

After the partial lockdown that hindered performance until mid-May, Klépierre's Italian malls posted a sharp recovery as restrictions were lifted. Over the last seven months of 2021, **retailer sales** reached 94% of their 2019 level and were up 23% year on year. By **segment**[(2)], household equipment and culture, gifts & leisure were back to pre-Covid levels, while fashion recovered steadily to hit 95% of 2019 levels. Conversely, food & beverage, cinemas, movie theaters and entertainment venues remained significantly impacted by health restrictions, recording sales representing 71% of 2019 levels and bringing down the overall performance.

Net rental income in Italy amounted to €177.8 million, a €49.5 million increase compared to 2020 largely explained by higher than expected rent collection in 2020 (at 86%, significantly higher than the 75% initially projected) leading to a reversal of provisions for credit losses relating to 2020 rents. As of February 7, 2022, rent collection rate stood at 91.4%.

In 2021, **401 leases** were signed in Italy, up 9% in volume terms compared to 2019 while occupancy remained high at 96.7%, demonstrating the attractiveness of Klépierre's Italian platform for retailers. The main leasing operations included the unveiling of two Snipes stores at Campania (Naples) and Romagna (Bologna), a Guess flagship at Nave de Vero (Venice), the opening of a new Calvin Klein store at Assago Milanofiori (Milan) and of a Levi's boutique at Il Leone di Lonato (Lonato). Over the period, the Group also leveraged its partnerships with emblematic banners, as illustrated by the opening of four United Colors of Benetton stores (Shopville Le Gru, Milanofiori, Globo and Grandemilia) and three deals with Tommy Hilfiger (Campania, Nave de Vero and Le Vele Millennium). Lastly, an 800 sq.m Bershka store opened at Porta di Roma in December, featuring a brand-new concept showcasing high technology and services for shoppers. The Group also continued to strengthen the tenant mix of this iconic Roman mall by wrapping up of deals with Adidas and Swatch.

3.3 Scandinavia (16.1% of net rental income)

Exhibit 11 NRI and occupancy rate in Scandinavia

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
SCANDINAVIA	94.9%	139.4	148.5	92.9%	93.1%

Overall, the impact of the Covid-19 pandemic was felt less keenly in **Scandinavia** than in other regions. After localized restrictions in Norway over the course of the first half of the year, especially in Oslo, social distancing recommendations in Sweden and a full lockdown in Denmark until mid-April 2021, the **Scandinavia** economies reopened and posted robust rebounds, supported by high vaccination rates, resilient household confidence and public support measures. Against this backdrop, GDP growth is expected to range between 4.1% to 4.7% in 2021 thanks to supportive monetary and fiscal policies, as well as higher oil prices, especially in Norway.

(2) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

The shorter closure periods compared to the rest of the portfolio and generally lighter-touch restrictions provided a platform for a sustained recovery over June to December 2021, with **retailer sales** bouncing back to 98% of 2019 levels. The performance was led by Norway, where sales were up 3%, while Denmark was in line with pre-Covid levels and Sweden lagged behind at 93% of 2019 levels. By **segment**(3), household equipment, culture, gifts & leisure and health & beauty were notable outperformers, with retailer sales up 4%, 2.3% and 2.1% over the period compared to 2019, respectively. Food & beverage remained impacted by health restrictions, except in Norway where it posted sales 12% higher than 2019 levels.

Notwithstanding high collection rates, **net rental income** was down €9.1 million year on year at €139.4 million, mainly due to the disposal of five Norwegian assets, tempered slightly by a positive forex impact. As of February 7, 2022, rent collection rate stood at 94.9%.

On the **leasing** front, the Group signed 205 renewals/re-leasings/re-lettings, ensuring a broadly stable occupancy rate at 92.9%. Additionally, Metro (Lørenskog, Norway) is set to welcome Gigaboks in the first quarter of 2022, a brand-new bulk discount concept launched by Norway's leading grocer, NorgesGruppen. In Denmark, Field's (Copenhagen) welcomed Danish retailer Hummel which will also be joining Brunn's Galleri (Aarhus) in July. Lastly, the Group finalized a deal with XXL in Kupolen (Borlänge, Sweden) for a store slated to open in the second half of 2022, while Emporia continued to attract innovative banners such as digital native optician Mister Spex, and iconic motoring brand MG, now focused on new energy vehicles, which has elected to open its first store in the foremost retail destination in Malmö.

3.4 Iberia (12.3% of net rental income)

Exhibit 12 NRI and occupancy rate in Iberia

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
IBERIA	90.8%	106.1	95.5	93.8%	94.1%

In **Spain**, GDP is expected to grow by 4.5% in 2021, accelerating to 5.5% in 2022. The recovery of private consumption is expected to be stronger in the coming months and become the main driver of growth in 2022, fueled by pent-up demand and boosted by the €70 billion in Next Generation EU funds earmarked for Spain. High vaccination coverage (80% of the total population was fully vaccinated by mid-November) and the fall in cases is set to drive consumer confidence. Spanish GDP is expected to recover to pre-Covid levels by the third quarter of 2023, slightly later than other European countries, mainly due to an only gradual return to normal for international tourism.

In **Portugal**, GDP rebounded more strongly than expected in the second and third quarters of 2021, mainly driven by private consumption, while most restrictive sanitary measures have been lifted progressively. Domestic demand, supported by favorable fiscal policy (including buffers regarding negative effects in rising energy prices), is set to enable GDP to overpass pre-Covid level mid-2022 thanks to a 5.8% growth in 2022 (after a 4.8% growth in 2021).

Retailer sales in Klépierre's Iberian malls remained at 87% of 2019 level, over the last seven months of 2021, showing a more gradual improvement than in other regions. This trend mainly stems from the high proportion of malls that rely on tourism and located close to transport hubs in Barcelona and Madrid, which continued to dampen overall footfall and sales performance. Nevertheless, by **segment**(3), Portugal recovered faster than Spain with culture, gifts & leisure on a par with 2019 levels. Food & beverage, household equipment, fashion and health & beauty remained below pre-Covid levels by double-digit margins.

Net rental income came to €106.1 million, and was positively impacted by higher collection rates for 2021 and 2020 rents (up 150 basis points versus the initially expected collection rate, giving rise to a reversal of provisions), partly offset by the negative impact of the increase in the vacancy rate (up 30 basis points), especially in Spain. As of February 7, 2022, rent collection rate stood at 90.8%.

On the **leasing** side, the Group signed 133 leases in Iberia, a comparable level to 2019 in absolute terms when restated for disposals made over the last two years. The vigorous leasing performance translated into the highest regional reversion rate, at a positive 10%. The sports segment continued its growing momentum, notably through new partnerships with Base and Decimas – two local Spanish sports retailers – which opened

(3) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

four new stores, while Sidestep, a Foot Locker brand, unveiled its new concept at Plenilunio (Madrid) and La Gavia (Madrid). Meanwhile, sneaker retailer Snipes rounded out the offering at Parque Nascente (Porto) where high-tech retailer Xiaomi inaugurated its first store in the Klépierre's Portuguese portfolio. Two deals were signed with fast-expanding banner Hubside to open its maiden stores in the Group's Iberian malls, while value retailers Pepco and Dealz continued to expand with forthcoming openings at Nueva Condomina (Murcia). In the health & beauty segment, Rituals opened a brand-new relocated store at La Gavia while Primor (one of Spain's leading cosmetics stores) completed its expansion initiated in 2020 in Klépierre's Portuguese portfolio with the opening of a store at Parque Nascente. Lastly, Poke House unveiled three new restaurants in Madrid at La Gavia, Plenilunio and Principe Pio, and Taco Bell opened restaurants at Principe Pio, Meridiano and Aqua Portimão as part of Klépierre's Destination Food® strategy.

3.5 Netherlands & Germany (9.2% of net rental income)

Exhibit 13 NRI and occupancy rate in the Netherlands and Germany

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
NETHERLANDS & GERMANY	85.5%	79.5	89.9	94.9%	95.2%

After the prolonged second wave and restrictions enforced until April 2021, the **Dutch** economy is projected to grow robustly in 2021 with GDP up 4.3% and 3.2% in 2022. As a result of strong domestic demand and a jump in energy prices, inflation is projected to remain high at 2.4% in 2021 and 3.1% in 2022. Nevertheless, on the back of rising cases and hospitalizations, stricter measures were reintroduced from mid-December 2021 to mid-January 2022, notably including the closure of non-essential stores, generating downside economic risks. **German** GDP is projected to expand by 2.9% in 2021 and 4.1% in 2022. During the first half, the authorities enforced stringent measures to combat the virus before beginning to ease restrictions from early June. A supportive monetary policy turbocharged the restart even though the relatively low vaccination rate forced the government to pass the "2G" law, limiting access from November to certain activities to people who were vaccinated or otherwise recovered from Covid-19. In parallel, supply bottlenecks are expected to translate into price increases with inflation projected at 3.1% in 2021 and 2.8% in 2022.

In 2021, **retailer sales** were squeezed by the 4.4-month closure period. The gradual reopening from June translated into a relatively softer recovery compared to the rest of the Group, with retailer sales coming out at 91%[4] of their 2019 level over the last seven months of the year. The overall performance was hampered by malls with significant exposure to the food & beverage offering and those located close to transport hubs, while the curfew and lockdown enforced in December also negatively impacted the Dutch performance. On a **segment** basis[4], culture, gifts & leisure and household equipment were back to pre-Covid levels while food & beverage, health & beauty and fashion were hardest hit by the health situation.

In 2021, **net rental income** amounted to €79.5 million, down 12% year on year, mainly due to longer closure periods in both countries (4.4 months in 2021 versus 1.1 months in 2020) as well as a higher vacancy rate (up 30 basis points). As of February 7, 2022, rent collection rate stood at 85.5%.

On the **leasing** side, Klépierre managed to finalize several significant deals in 2021. At Hoog Catharijne (Utrecht), the iconic shopping center's offering is set to be enhanced by the first Skechers store in the Group's Dutch portfolio in March, and by an entirely new H&M Home in the second half of 2022. These newcomers will complement the opening of the Asian supermarket Amazing Oriental (1,200 sq.m.), the unveiling of an Intertoys flagship and the 2021 upgrading of Rituals to a premium store format. Meanwhile, leasing was dynamic in Germany, especially at Centrum Galerie (Dresden), with the opening of a Scotch & Soda store and a deal with digital native optician Mister Spex. In July at Forum Duisburg, multi-brand fashion retailer Sinn Leffers joined the mall over a 3,000 sq.m. unit while home decoration specialist Depot strengthened the household equipment offering. Over the period, several deals were also signed across the region in the food & beverage segment with KFC, T.G.I. Fridays and fast-growing Dutch concept De Beren.

(4) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis. Restated for disturbed periods in the Netherlands in December.

3.6 Central Europe (5.9% of net rental income)

Exhibit 14 NRI and occupancy rate in Central Europe

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
CENTRAL EUROPE	87.8%	51.1	54.2	96.3%	96.6%

The **Central European** countries (Czech Republic and Poland) faced a tough beginning of 2021 with restrictions and low level of vaccination (less than 60% at year-end). Measures were progressively eased, however, and the economy restarted in both countries thanks to sustained recourse to savings and the disbursement of EU funds, mainly in **Poland** where GDP surpassed the pre-pandemic level with 5.3% growth slated for 2021. Nonetheless, in the **Czech Republic,** the end of supportive monetary policies in June 2021 put pressure on the national economy, with GDP expected to grow by 2.5% in 2021. Both economies are projected to bounce back during 2022, especially in the second half, on the back of widespread vaccination and boosted by excess household savings. The **Czech Republic** and **Poland** are expected to post GDP growth of 3.0% and 5.2%, respectively, in 2022.

Retailer sales(5) in Central Europe were slightly below the Group average over the last seven months of 2021 at 93% of their 2019 level, due in particular to the performance of malls located close to transport hubs or large business districts, and the restrictions enforced in the Czech Republic on the food & beverage segment towards the end of the year. On a **segment basis**(5), household equipment performed close to pre-Covid levels in the region, and was up 22% compared to 2020 in the Czech Republic. Culture, gifts & leisure also posted a fairly robust performance (97% of the 2019 level between June and December 2021) while food & beverage continued to suffer.

Against this backdrop, **net rental income** in the Central Europe region amounted to €51.1 million, down €3.1 million, mainly due to slightly higher vacancy rates (up 30 basis points). As of February 7, 2022, rent collection rate stood at 87.8%.

In 2021, **leasing** activity was strong in Central Europe, with 119 leases signed, outpacing pre-Covid levels and generating 3% positive reversion. Highlights for the period included enriching the fashion offering at Nový Smíchov (Prague) with the opening of Mango and Tezenis stores, as well as the unveiling of a brand new 2,000 sq.m. Reserved store. Electronic cigarette vendor IQOS also joined the mall while Rituals chose to enlarge its existing boutique in March 2022, shifting the retail mix at Prague's leading retail destination further upmarket. Lastly, the Group signed a deal for the enlargement of a Sephora store and the opening of the first Rituals boutique in Klépierre's Polish malls at Sadyba Best Mall (Warsaw).

3.7 Other countries (1.2% of net rental income)

Exhibit 15 NRI and occupancy rate in Other countries

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
OTHER COUNTRIES	77.3%	10.8	9.1	92.1%	91.9%

This segment mainly includes assets located in Turkey.

Retailer sales(5) largely exceeded pre-Covid levels, on the back of high inflation (18.7%), with double-digit growth over the last seven months of 2021 compared to the same period in 2019 in local currency. By **segment**(5), Household Equipment and Fashion were the best performers. Recovery in the Food & Beverage segment was more sluggish due to the progressive easing of health restrictions.

In light of the above, **net rental income** amounted to €10.8 million, impacted by lower rent abatements compared to 2020. As of February 7, 2022, rent collection rate stood at 77.3%.

(5) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

4

NET CURRENT CASH FLOW

Exhibit 16 Net current cash flow and EPRA Earnings

	12/31/2021	12/31/2020	Change
Total share *(in millions of euros)*			
Gross rental income	1,006.4	1,062.4	-5.3%
Rental and building expenses	(126.9)	(216.2)	−41.3%
Net rental income	**879.5**	**846.2**	**+3.9%**
Management and other income	74.5	89.2	−16.4%
General and administrative expenses	(147.2)	(138.2)	+6.5%
EBITDA	**806.8**	**797.2**	**+1.2%**
Adjustments to calculate operating cash flow:			
> Depreciation charge for right-of-use assets[(a)]	(8.4)	(8.5)	
> Employee benefits, stock option expense and non-current operating expenses/income	3.3	(7.2)	
> IFRIC 21 impact	-	-	
Operating cash flow	**801.7**	**781.5**	**+2.6%**
Cost of net debt	(115.3)	(108.6)	+6.2%
Adjustments to calculate net current cash flow before taxes:			
> Amortization of Corio debt mark-to-market	(2.8)	(16.9)	
> Financial instrument close-out costs	2.6	5.2	
Current cash flow before taxes	**686.1**	**661.3**	**+3.7%**
Share in earnings of equity-accounted companies	49.6	35.9	+37.9%
Current tax expense	(16.7)	(7.4)	+125.6%
Net current cash flow	**718.9**	**689.9**	**+4.2%**
Group share			
Net current cash flow	**622.3**	**586.9**	**+6.0%**
Add-back adjustments to calculate EPRA Earnings:			
> Employee benefits, stock option expense and non-recurring operating expenses /income	(3.3)	7.3	
> Depreciation, amortization and provisions for contingencies and losses	(8.5)	(10.5)	
EPRA Earnings	**610.4**	**583.7**	**+4.6%**
Average number of shares[(b)]	285,860,024	286,072,515	−0.1%
Per share *(in euros)*			
NET CURRENT CASH FLOW - IFRS	**2.18**	**2.05**	**+6.1%**
IFRS 16 straight-line amortization	0.00	(0.08)	
NET CURRENT CASH FLOW - ADJUSTED	**2.18**	**1.97**	**+10.6%**
EPRA EARNINGS	**2.14**	**2.04**	**+4.7%**

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

- **Net rental income** came out at €879.5 million in 2021, up 3.9% year on year, including €104.8 million in rent abatements and €22.1 million net provisions, vs. €116.0 million and €123.4 million in 2020, respectively. Factoring in the impact of the asset disposals, net rental income is up 6.9% on a like-for-like basis.
- **Operating cash flow** amounted to €801.7 million, up €20.2 million (up 2.6%) year on year. In 2021, management and other income decreased by €14.7 million (down 16.4%) mainly due to lower development fees. General and administrative expenses increased slightly by €9.0 million (up 6.5%) compared to 2020, although operating costs were still down a hefty 13% on 2019.
- **The cost of net debt** came out at €115.3 million on a total share basis, down 3.9%. The cost of debt was stable at 1.2% (see section 8.3 “Cost of debt”).
- **Current tax expense** amounted to €16.7 million on a total share basis, a €9.3 million increase compared to 2020. Excluding the positive one-off impact of the reversal of provisions in Germany in 2020, current tax expense was broadly stable (down €0.4 million).

In view of the above factors, net current cash flow per share reached €2.18 (up 10.6%) compared to €1.97 in 2020 excluding IFRS 16 straight-lining, or €2.05 including. Regarding IFRS 16 abatements straight-lining, the impact in 2021 is neutral: the straight-lining of abatements granted in 2020 is offset by the ones granted in 2021.

See section 9.1 for the reconciliation of net current cash flow to EPRA Earnings and net income.

4.1 Contribution of equity-accounted companies

The contribution of equity-accounted companies[6] to net current cash flow amounted to €49.6 million for the twelve months ended December 31, 2021. The Group's equity-accounted investments are listed below:

- **France:** Les Passages (Boulogne; 50% equity interest), Espace Coty (Le Havre; 50% equity interest), Mayol (Toulon; 40% equity interest), Le Millénaire (Paris region; 50% equity interest), and Belle Épine (Paris region; 10% equity interest);
- **Italy:** Porta di Roma (Rome; 50% equity interest), Il Leone (Lonato; 50% equity interest), Il Corti Venete (Verona; 50% equity interest), Il Destriero (Milan; 50% equity interest) and Città Fiera (Udine; 49% equity interest);
- **Norway:** Økernsenteret (Oslo; 50% equity interest), Metro Senter (Oslo; 50% equity interest) and Nordbyen (Larvik; 50% equity interest) sold on July 8, 2021;
- **Portugal:** Aqua Portimão (Portimão; 50% equity interest); and
- **Turkey:** Akmerkez (Istanbul; 45.9% equity interest).

The following tables present the contributions of these assets by country to gross and net rental income, EBITDA, net current cash flow, and net income.

Exhibit 17 Contribution of equity-accounted companies

GROSS RENTAL INCOME

In millions of euros	12/31/2021	12/31/2020
France	21.4	22.5
Italy	34.9	34.6
Norway[a]	6.4	7.0
Portugal	2.9	2.3
Turkey	5.1	4.8
TOTAL	**70.6**	**71.1**

NET CURRENT CASH FLOW

In millions of euros	12/31/2021	12/31/2020
France	13.0	11.6
Italy	27.5	15.3
Norway[a]	5.2	5.7
Portugal	(0.3)	(0.6)
Turkey	4.2	3.9
TOTAL	**49.6**	**35.9**

NET RENTAL INCOME

In millions of euros	12/31/2021	12/31/2020
France	15.8	14.4
Italy	33.3	22.4
Norway[a]	5.2	5.7
Portugal	2.4	2.0
Turkey	3.9	3.6
TOTAL	**60.6**	**48.1**

NET INCOME[b]

In millions of euros	12/31/2021	12/31/2020
France	(8.8)	(32.3)
Italy	79.0	(16.3)
Norway[a]	4.5	(0.5)
Portugal	(0.3)	(5.7)
Turkey	9.9	2.5
TOTAL	**84.3**	**(52.3)**

EBITDA

In millions of euros	12/31/2021	12/31/2020
France	15.7	14.2
Italy	33.1	22.2
Norway[a]	5.2	5.7
Portugal	2.4	2.0
Turkey	3.6	3.2
TOTAL	**59.9**	**47.2**

(a) To determine the Group's share for Norway, data must be multiplied by 56.1%.
(b) Net income includes non-cash and non-recurring items, including changes in the fair value of investment properties.

(6) Equity-accounted companies include investments in jointly controlled companies and companies in which the Group exercises significant influence.

5

INVESTMENTS, DEVELOPMENTS AND DISPOSALS

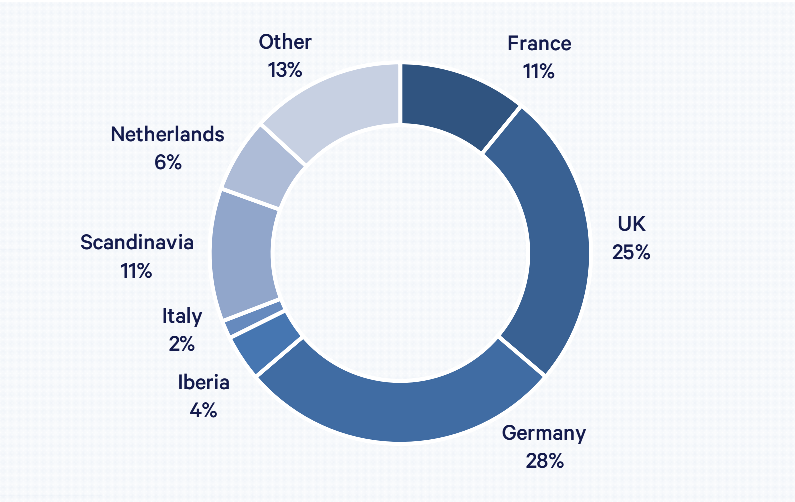
5.1 Investment market

Over the last twelve months ending September 2021, retail property investment volumes decreased by 8% to €30 billion compared to the same year-ago period. This slowdown is mostly explained by a sluggish first half of the year (down 16% versus first-half 2020), while transaction volumes picked up in the third quarter (up 12% versus third quarter 2020). By geographic area, Scandinavian investment volumes doubled thanks to renewed interest from institutional investors for retail assets, available bank financing and the lesser impact of the Covid crisis on retailers. German investment volumes were broadly stable, mostly thanks to transactions for retail parks and supermarkets. Lastly, France and Spain registered lower volumes year on year, against a high comparison basis that was boosted by large transactions.

Against this backdrop, European prime yields increased by 40 basis points, reflecting mostly risk-free rate expansion and recent UK transactions. Excluding the UK, the yield on European prime shopping centers increased by 15 basis points to 5.2%.[7]

After a strong third quarter, the recovery of the investment market appears sustained. While in late 2021 and early 2022, prime shopping center transactions only concerned Scandinavia, Germany and Poland, more prime assets are currently being marketed, suggesting a further recovery in the investment market supported by high spreads between retail and other real estate asset classes.

Chart 2 European retail transactions from third-quarter 2020 to third-quarter 2021



(7) *Weighted average of third-quarter 2020 – third-quarter 2021 transaction volumes with mall prime yields (Source: CBRE)*

5.2 Capital expenditure

Since the outbreak of the pandemic, the Group has maintained its conservative approach to **development** and focused on its main committed projects:

> The extension and refurbishment of Gran Reno in Bologna (Italy), slated to open in the second quarter of 2022;

> The refurbishment and extension of Grand Place in Grenoble (France), scheduled for completion at the end of 2023;

> The refurbishment of Créteil Soleil in the Paris region (France), scheduled for completion in the first half of 2022; and

> The completion of the redevelopment of Hoog Catharijne in Utrecht (Netherlands).

Overall, €101.3 million was allocated to the development pipeline.

On the **standing portfolio** (excluding investments in extensions), €65.3 million was expensed (compared to €81.5 million in 2020; see section 9.6).

Overall, total capital expenditure in 2021 amounted to €169.6 million (including €0.3 million in acquisitions and €2.6 million in capitalized interest), 6.5% below the 2020 level (€181.3 million), (see section 9.6 for more details).

5.3 Development pipeline

As of December 31, 2021, the Group's pipeline included the four main **committed development projects**[(8)] (Gran Reno, Grand Place, Créteil Soleil and Hoog Catharijne), representing €0.5 billion worth of investments, of which €290 million has already been cashed out, with an average expected yield of 6.7%. **Controlled development projects**[(9)] represented €1.0 billion worth of potential investments. Development projects also include **alternative mixed-use opportunities** representing €1.3 billion in potential investments (see Exhibit 19).

On a Group share basis, the total pipeline represented €1.2 billion, of which €0.4 billion committed and €0.8 billion controlled.

In 2021, the Group focused its development investments on its main geographies (France, Italy and the Netherlands). Accordingly, over the period, €101.3 million was spent on the pipeline.

(8) Projects that are under construction or for which the Klépierre Executive Board has taken the decision to start work.

(9) Projects under advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary clearance and permits).

Exhibit 18 Development pipeline as of December 31, 2021
(on a total share basis)

Development projects	Country	Location	Type	Floor area *(in sq.m.)*	Expected opening date	Klépierre equity interest	Estimated cost [(a)] *(in €m)*	Cost to date *(in €m)*	Targeted yield on cost [(b)]
Gran Reno	Italy	Bologna	Ext. - refurb.	24,876	2022	100.0%	143	97	
Grand Place	France	Grenoble	Ext. - refurb.	16,200	2021-2023	100.0%	70	20	
Créteil Soleil	France	Paris region	Ext. - refurb.	11,400	2019-2022	80.0%	139	135	
Hoog Catharijne Phase 3	Netherlands	Utrecht	Ext. - refurb.	7,512	2024	100.0%	27	5	
Other projects				34,875			72	33	
Total committed projects				**94,863**			**451**	**290**	**6.7%**
Le Gru[(c)]	Italy	Turin	Ext. - refurb.	24,316	2022-2024	100.0%	120	12	
Maremagnum	Spain	Barcelona	Ext. - refurb.	13,640	2023-2025	100.0%	60	1	
Odysseum[(c)]	France	Montpellier	Ext. - redev.	15,300	2023-2026	100.0%	52	8	
Porta di Roma[(d)]	Italy	Rome	Extension	4,880	2025	50.0%	14	0	
Val d'Europe	France	Paris region	Extension	9,000	2026	55.0%	61	1	
Blagnac	France	Toulouse region	Ext. - refurb.	3,520	2024	53.6%	12	1	
Grand Ouest	France	Écully	Ext. - refurb.	4,300	2024	83.0%	23	0	
L'Esplanade	Belgium	Brussels region	Extension	19,475	2026	100.0%	131	15	
Økernsenteret [(e)]	Norway	Oslo	Redevelopment	64,650	2026	56.1%	154	49	
Viva	Denmark	Odense	New dev.	28,200	2026	56.1%	117	29	
Alexandrium	Netherlands	Rotterdam	Extension	7,000	2027	100.0%	44	1	
La Gavia	Spain	Madrid region	Extension	15,000	2025	100.0%	39	3	
Rives d'Arcins	France	Bordeaux region	Extension	2,180	2024	52.0%	9	0	
Mondeville	France	Caen	Extension	4,000	2024	100.0%	9	0	
Le Vele & Millenium	Italy	Cagliari	Extension	7,500	2025	100.0%	50	0	
Parque Nascente	Portugal	Porto	Extension	16,000	2024	100.0%	41	0	
Other projects				15,600			69	1	
Total controlled projects				**254,561**			**1,005**	**123**	
TOTAL				**349,424**			**1,457**	**413**	

(a) Estimated cost as of December 31, 2021, including any fitting-out costs and excluding any step-up rents, internal development fees and finance costs.
(b) Targeted yield on cost as of December 31, 2021, based on targeted NRI with full occupancy and excluding any lease incentives, divided by the estimated cost price as defined above.
(c) Including restructured surfaces: Le Gru for 15,670 sq.m and Odysseum for 9,200 sq.m.
(d) Equity-accounted companies. Estimated costs and costs to date are reported proportionately for Klépierre's share of equity. Floor areas correspond to the total surface area of the projects.
(e) Including the foreign exchange impact on estimated costs and costs to date.

Extension and refurbishment of Gran Reno (Bologna, Italy)

The extension works of this major regional mall in Bologna started in April 2019 and are due to completion in the second quarter of 2022.

Besides the refurbishment works completed since September 2021, the 16,700 sq.m extension will offer visitors a completely new shopping experience. As of today, as a percentage of projected net rental income, 99% of the new extension is already let (77%) or under advanced negotiation (22%). Attractive new brands such as Zara, Bershka, Pull & Bear, Stradivarius, H&M, Tommy Hilfiger, Nike, New Balance, Napapijri, JD Sports, Snipes, Lush and Signor Vino will be added to the mix, together with Klépierre's Destination Food® concept directly linked to an indoor and outdoor events area on the mall's rooftop. Simultaneously, Klépierre is also continuing to transform of the first floor to host Primark, with the opening scheduled for July 2022.

Extension and refurbishment of Grand Place (Grenoble, France)

In the leading retail destination in Grenoble, the construction of the 16,200 sq.m extension started in July. This project will completely remodel the mall with best-in-class up-to-date design and customer-oriented standards. Pre-leasing is progressing well, with 82% of the projected net rental income signed (56%) or under advanced negotiations (27%). This new development will host the first Primark store in the region. As part of Klépierre's Destination Food® strategy, 14 new restaurants including KFC, Poke House and Black & White, will open with indoor and outdoor terraces offering customers a great dining experience.

In parallel, refurbishment works at the existing center are ongoing with a delivery scheduled in March 2022.

Extension and refurbishment of Créteil Soleil (Paris region, France)

The refurbishment works at Créteil Soleil, one of the Klépierre's major historical mall, are almost complete. On top of the 11,400-sq.m extension inaugurated in November 2019, the transformation work will provide the 21 million annual visitors with a completely overhauled shopping experience and will further strengthen this leading mall's dominant position in the South of Paris.

New Primark stores in Italy and France

In 2020, Klépierre launched restructuring operations for the purpose of hosting new Primark stores, notably in Italy at Le Gru (Turin) and Campania (Naples) for openings in the second half of 2022 and in Nave de Vero (Venice) in first-quarter 2023 and in France at Centre Deux (Saint-Étienne), slated to open in the second half of 2022.

Exhibit 19 Alternative mixed-use development opportunities as of December 31, 2021
(on a total share basis)

Development projects	Country	Location	Type	Floor area *(in sq.m.)*	Expected opening date	Klépierre equity interest	Estimated cost [a] *(in €m)*	Cost to date *(in €m)*
Økernsenteret [a]	Norway	Oslo	Mixed use	102 500	2025-2027	56.1%	385	48
Viva	Denmark	Odense	Mixed use	90 100	2024	56.1%	332	29
Blagnac	France	Toulouse region	Mixed use	111 987	2025-2030	53.6%	215	10
L'Esplanade	Belgium	Brussels region	Mixed use	22 000	2026	100.0%	75	15
Nancy	France	Nancy	Mixed use	30 800	2025-2028	35.0%	49	9
Fields	Denmark	Copenhagen	Mixed use	67 500	2026	56.1%	209	42
Val d'Europe	France	Paris region	Mixed use	15 000	2026	55.0%	54	0
TOTAL				**439 887**			**1 318**	**153**

(a) Including the foreign exchange impact on estimated costs and costs to date.

To capture the benefits of the urbanization megatrend and rising demand in new sectors, mainly residential, a selection of projects is under study to create mixed-use developments that would replace certain retail projects already listed in the "Controlled" section of the development pipeline. This alternative development plan aims at transforming the potential of building rights in Økernsenteret (Oslo, Norway), Viva (Odense, Denmark), Blagnac (Toulouse, France), L'Esplanade (Brussels, Belgium), Nancy (France), Field's (Copenhagen, Denmark) and Val d'Europe (France).

With a timespan of between 3 and 7 years, these projects may be developed with local partners or, alternatively, sold upon approval of the re-zoning plans.

5.4 Disposals

Exhibit 20 Disposals completed since January 1, 2021

Assets (City, Country)	Floor area *(in sq.m.)*	Sale price [a] *(in millions of euros)*	Date
Vinterbro Senter (Ås, Norway)	41,070		07/08/2021
Amanda (Haugesund, Norway)	14,590		07/08/2021
Nerstranda (Tromsø, Norway)	11,662		07/08/2021
Farmandstredet (Tønsberg, Norway)	37,881		07/08/2021
Nordbyen (Larvik, Norway)	15,916		07/08/2021
Bègles (Bordeaux, France)	43,671		12/16/2021
Boulevard Berlin (Berlin, Germany)	71,129		12/17/2021
Shopping centers	**235,919**	**779.7**	
Other retail properties	**N/A**	**93.9**	
TOTAL DISPOSALS	**N/A**	**873.6**	

(a) Excluding transfer taxes, total share.

Since January 1, 2021, the Group has completed disposals totaling €874 million[10], including the sale of:

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

(10) Total share, excluding transfer taxes.

In the context of the Group's portfolio streamlining, these transactions constitute positive signs of the rebound in the investment market and prove investors' appetite for the shopping center asset class. They also illustrate Klépierre's ability to leverage its pan-European presence to manage high value creation through capital recycling.

Overall, assets were sold in line with appraised values (-0.4%) for a blended EPRA Net Initial Yield of 5.4%. As of December 31, 2021, considering sales under promissory agreements, total Group disposals amounted to €891 million.

6

PARENT COMPANY EARNINGS AND DIVIDEND

6.1 Summary earnings statement for the parent company, Klépierre SA

Exhibit 21 Earnings statement for Klépierre SA

In millions of euros	2021	2020
Operating income	31.8	36.3
Operating expenses	(46.8)	(47.1)
Net operating income (expense)	**(15.0)**	**(10.8)**
Share of income from joint operations	76.0	68.4
Net financial expense	(11.5)	(221.1)
Net income (loss) from ordinary operations before tax	**49.5**	**(163.5)**
Net non-recurring income (expense)	9.0	(7.9)
Income tax benefit	1.6	1.2
NET INCOME (LOSS)	**60.2**	**(170.1)**

Klépierre SA recorded **net income** of €60.2 million in 2021, versus a net loss of €170.1 million in 2020. The €230.3 million increase was attributable to the combined effect of:

> A €209.6 million improvement in net financial expense, mainly due to lower impairments of equity investments compared to the prior year and an increase in dividends from equity investments and premium distributions received;

> A positive €16.9 million in change in non-recurring items, mainly reflecting gains on disposals of equity investments and losses on disposals of treasury shares.

6.2 Dividend

6.2.1 Distribution in respect of 2021

Exhibit 22 Klépierre SA net distributable income

In millions of euros	2021
Net income	60.2
Retained earnings (accumulated losses)	(147.1)
NET DISTRIBUTABLE INCOME	**(86.9)**

In 2021, Klépierre's net distributable income was a negative €86.9 million (2021 net profit of €60.2 million plus negative retained earnings of €147.1 million). Accordingly, from a legal standpoint, Klépierre is not able to pay a "dividend" *per se*, and the distribution in respect of 2021 will be deducted from available equity premiums.

The Supervisory Board will recommend that the shareholders, at the Annual General Meeting to be held on April 26, 2022, approve a distribution in respect of fiscal year 2021 of €1.70 per share, representing 78% of the net current cash flow on a Group share basis.

6.2.2 SIIC distribution obligations

Under the regulations applicable to French real estate investment trusts (*sociétés d'investissement immobilier cotées* – SIIC), Klépierre's mandatory distribution is determined based on annual net income for tax purposes, of which Klépierre must distribute 95% of earnings from SIIC sector rental properties, 100% of profits received from SIIC sector subsidiaries and 70% of real estate capital gains arising in France. However, the aggregate amount of these distribution obligations may not exceed the net distributable income of Klépierre SA, corresponding to annual net income for accounting purposes, as recorded in the statutory financial statements of the holding company under French GAAP, plus retained earnings.

As set out in section 6.2.1, in 2021 the net distributable income of Klépierre SA was negative, preventing Klépierre from fulfilling the distribution obligation.

In application of SIIC distribution requirements, the mandatory distribution for 2021 was €160.7 million. Therefore, this amount will be added to the obligation that was not satisfied in 2020 (€170.2 million) and deferred until the next year the Company records positive net distributable income.

7

PORTFOLIO VALUATION

7.1 Property portfolio valuation

7.1.1 Property portfolio valuation methodology

7.1.1.1 Scope of the portfolio as appraised by external appraisers

As of December 31, 2021, 99% of the value of Klépierre's property portfolio, or €20,508 million (including transfer taxes, on a total share basis)[11], was estimated by external appraisers in accordance with the methodology described below. The remainder of the portfolio was valued as follows:

- Projects under development, carried at cost;[12] and
- Other non-appraised assets consisting mainly of assets held for sale are valued at the agreed transaction price, land is valued at cost, and other development projects are measured internally at fair value.

Exhibit 23 Breakdown of the property portfolio by type of valuation
(on a total share basis)

Type of asset	Value *(in millions of euros)*
Externally-appraised assets	**20,508**
Acquisitions	0
Investment property at cost	78
Other internally-appraissed assets (land, assets held for sale, etc.)	127
TOTAL PORTFOLIO	**20,713**

7.1.1.2 Methodology used by external appraisers

At December 31 and June 30 of each year, Klépierre updates the fair market value of its properties using valuations provided by independent appraisers.

Further to a tender process, Klépierre selected BNP Paribas Real Estate, CBRE, Cushman & Wakefield and Jones Lang LaSalle as appraisers.

Exhibit 24 Breakdown by appraiser of the appraised property portfolio as of December 31, 2021

Appraiser	Countries covered	Share of total portfolio *(in %)*
Cushman & Wakefield	> France, Norway, Sweden, Denmark, Belgium and Poland	43%
CBRE	> France, Spain, Italy, Netherlands, Czech Republic and Portugal	37%
Jones Lang LaSalle	> Italy, Turkey and Greece	17%
BNP Paribas Real Estate	> Germany and France (other retail properties)	4%
TOTAL		**100%**

(11) Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group.
(12) Other projects (Viva, Økern and Louvain) are carried at cost.

All appraisers appointed by Klépierre comply with the professional standards applicable in France (*Charte de l'Expertise en Évaluation Immobilière*), the recommendations of the AMF dated February 8, 2010, and RICS (Royal Institution of Chartered Surveyors) standards.

To calculate the value of each asset, appraisers use the discounted cash flow (DCF) method over a 10-year period. Klépierre provides them with all relevant information pertaining to rents in place (detailed rent rolls, footfall, retailer sales, occupancy cost ratios, etc.), which they use to make their assessment of projected rental revenue in addition to their own leasing assumptions (estimated rental values, vacancy, incentives, etc.). They also make their own estimates of future capital expenditure and non-recoverable operating expenses, including management costs. The terminal value is calculated based on the net rental income for the tenth year (indexed one year), capitalized by an exit yield. Lastly, appraisers apply a discount rate to the future cash flows, combining the country risk-free rate, the liquidity premium related to the local investment market and an asset-specific risk premium reflecting the location, quality, size and technical specificities of the asset considered.

The value obtained by the DCF method is then benchmarked using metrics such as EPRA Net Initial Yield (NIY) for comparable property, value per square meter, and recent market transactions.

A detailed report on the property valuation campaign is examined by the Audit Committee.

As of December 31, 2021, experts removed the "material uncertainty clause" they had included in their reports since June 30, 2020 for all countries in which Klépierre has operations. The valuer's disclaimer now states that property markets are functioning properly. However, considering the still uncertain health environment, appraisers highlight "the importance of the valuation date".

7.1.2 Valuation

7.1.2.1 Change in appraisers' assumptions

Over the past six months, appraisers made the following changes to their assumptions:

> In an investment market that is both, reopening progressively but still exposed to an uncertain health crisis outcome, discount rates up by 10 basis points and exit rates were flat, translating into a 0.7% negative **market effect**.

> On the back of inflation, indexation was revised upwards while estimated rental values remained in line with the latest appraisal campaign, notably supported by numerous leasing transactions. Both metrics, combined with an improving health environment, ultimately resulted in a 1.3% **cash flow effect.**

Exhibit 25 Assumptions used by appraisers for determining the shopping center portfolio valuation as of December 31, 2021[(a)]

Geography	Discount rate[(b)]	Exit rate[(c)]	NRI CAGR[(d)]
France	6.2%	5.1%	2.5%
Italy	7.2%	6.0%	2.1%
Scandinavia	6.9%	4.9%	2.5%
Iberia	7.7%	6.1%	2.6%
Netherlands & Germany	5.9%	5.2%	2.3%
Central Europe	6.8%	6.7%	0.2%
Other countries	15.5%	8.8%	7.5%
TOTAL	**6.8%**	**5.5%**	**2.4%**

(a) Discount and exit rates weighted by shopping center appraised value (including transfer taxes, Group share).
(b) Rate used to calculate the net present value of future cash flows to be generated by the asset.
(c) Rate used to capitalize net rental income at the end of the DCF period and calculate the terminal value of the asset.
(d) Compound annual growth rate (CAGR) of net rental income as estimated by the appraiser over a 10-year period.

Exhibit 26 Like-for-like 6-month change in shopping center portfolio valuation: market and cash flow effects(a)

Geography	LFL change	Market effect	Cash flow effect
France	−0.2%	−0.9%	+0.7%
Italy	+0.9%	−1.4%	+2.2%
Scandinavia	+1.3%	−0.4%	+1.7%
Iberia	+1.6%	−0.2%	+1.8%
Netherlands & Germany	−0.5%	−0.2%	−0.4%
Central Europe	+1.1%	−0.2%	+1.3%
Other countries	+13.9%	+0.0%	+13.9%
TOTAL SHOPPING CENTERS	**+0.6%**	**−0.7%**	**+1.3%**

(a) *Figures may not add up due to rounding.*

Overall, the shopping center portfolio valuation was broadly flat on a like-for-like basis (up 0.6%) compared to the previous six months (down 1.8%).

7.1.2.2 Property portfolio valuation

Exhibit 27 12-month portfolio valuation reconciliation

(on a total share basis, including transfer taxes)

In millions of euros	
Portfolio at 12/31/2020	**21,859**
Disposals	(946)
Acquisitions/developments	117
Like-for-like change	(278)
Forex	(39)
PORTFOLIO AT 12/31/2021	**20,713**

Including transfer taxes, the value of the portfolio stood at €20,713 million on a total share basis as of December 31, 2021, down 5.2% or €1,146 million on a reported basis compared to December 31, 2020. This decrease reflects:

- A €946 million negative impact from disposals completed in France, in Scandinavia and in Germany;
- A €117 million positive impact from acquisitions and developments;
- A €278 million like-for-like valuation decrease (down 1.3%); and
- A €39 million negative foreign exchange impact in Turkey and Scandinavia.

Exhibit 28 Valuation of the property portfolio(a)

(on a total share basis, including transfer taxes)

		% of total	Change over 6 months			Change over 12 months		
In millions of euros	12/31/2021	portfolio	06/30/2021	Reported	LfL(b)	12/31/2020	Reported	LfL(b)
France	8,240	39.8%	8,345	−1.3%	−0.2%	8,535	−3.5%	−2.4%
Italy	4,003	19.3%	3,945	+1.5%	+0.9%	3,930	+1.8%	−0.7%
Scandinavia	3,132	15.1%	3,536	−11.4%	+1.3%	3,641	−14.0%	−0.9%
Iberia	2,133	10.3%	2,103	+1.4%	+1.6%	2,125	+0.4%	+0.5%
Netherlands & Germany	1,895	9.1%	2,179	−13.0%	−0.5%	2,199	−13.8%	−1.9%
Central Europe	960	4.6%	950	+1.1%	+1.1%	966	−0.6%	−0.6%
Other countries	156	0.8%	199	−21.9%	+13.9%	227	−31.5%	+13.2%
TOTAL SHOPPING CENTERS	**20,518**	**99.1%**	**21,257**	**-3.5%**	**+0.6%**	**21,623**	**-5.1%**	**-1.3%**
TOTAL OTHER RETAIL PROPERTIES	**195**	**0.9%**	**213**	**-8.8%**	**-3.2%**	**236**	**-17.5%**	**-4.5%**
TOTAL PORTFOLIO	**20,713**	**100.0%**	**21,471**	**-3.5%**	**+0.5%**	**21,859**	**-5.2%**	**-1.3%**

(a) *Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group (€1,284 million as of December 31, 2021; total share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,295 million.*

(b) *Like-for-like change. For Scandinavia and Turkey, change is indicated on a constant currency basis. Central European assets are valued in euros.*

Overall, as of December 31, 2021, the average EPRA NIY[13] for the shopping center portfolio[14] stood at 5.2%, down 10 basis points compared to December 31, 2020.

Exhibit 29 Change in EPRA Net Initial Yield of the shopping center portfolio[15]
(on a Group share basis, including transfer taxes)

Country	12/31/2021	06/30/2021	12/31/2020
France	4.6%	4.8%	4.8%
Italy	5.8%	5.8%	5.8%
Scandinavia	4.5%	5.1%	4.9%
Iberia	5.8%	6.0%	6.0%
Netherlands & Germany	4.8%	5.2%	5.2%
Central Europe	6.4%	6.5%	6.4%
Other countries	7.4%	10.2%	9.3%
TOTAL SHOPPING CENTERS	**5.2%**	**5.4%**	**5.3%**

7.1.2.3 Other information related to December 31, 2021 valuation

Exhibit 30 Valuation reconciliation with the statement of financial position
(on a total share basis)

In millions of euros	
Investment property at fair value as per statement of financial position	18,729
Right-of-use asset relating to ground leases	(353)
Investment property at cost[a]	78
Fair value of property held for sale	16
Leasehold and lease incentives	43
Transfer taxes	946
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,254
TOTAL PORTFOLIO	**20,713**

(a) Including IPUC (investment property under construction).

(13) EPRA Net Initial Yield is calculated as the annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the market value of the property (including transfer taxes).
(14) Group share for the shopping center portfolio appraised (i.e., excluding retail parks and movie theaters).
(15) Excluding offices, retail parks, and retail boxes attached to shopping centers.

Exhibit 31 Shopping center portfolio valuation: sensitivity to changes in the discount rate and exit rate *(on a total share basis, including transfer taxes)*

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.

	Discount rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+7.2%	+3.4%	+1.6%	−2.0%	−3.8%	−7.1%
Italy	+7.6%	+3.7%	+1.8%	−1.8%	−3.5%	−6.9%
Scandinavia	+7.6%	+3.8%	+1.9%	−1.7%	−3.5%	−6.8%
Iberia	+7.5%	+3.7%	+1.8%	−1.8%	−3.5%	−6.8%
Netherlands & Germany	+10.2%	+5.0%	+2.4%	−2.4%	−4.7%	−9.1%
Central Europe	+7.2%	+3.5%	+1.7%	−1.7%	−3.4%	−6.6%
Other countries	+6.2%	+3.0%	+1.5%	−1.5%	−3.0%	−5.7%
TOTAL SHOPPING CENTERS	**+7.7%**	**+3.7%**	**+1.8%**	**-1.9%**	**-3.7%**	**-7.2%**

	Exit rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+15.2%	+6.5%	+3.0%	−3.2%	−5.7%	−10.3%
Italy	+12.0%	+5.4%	+2.6%	−2.4%	−4.6%	−8.4%
Scandinavia	+16.5%	+7.3%	+3.4%	−3.1%	−5.9%	−10.7%
Iberia	+11.6%	+5.3%	+2.5%	−2.3%	−4.4%	−8.2%
Netherlands & Germany	+18.0%	+8.0%	+3.8%	−3.4%	−6.5%	−11.9%
Central Europe	+11.1%	+5.0%	+2.4%	−2.2%	−4.3%	−7.9%
Other countries	+5.5%	+2.6%	+1.3%	−1.2%	−2.3%	−4.4%
TOTAL SHOPPING CENTERS	**+14.4%**	**+6.3%**	**+3.0%**	**-2.9%**	**-5.4%**	**-9.8%**

Exhibit 32 Valuation of the property portfolio[a]

(on a Group share basis, including transfer taxes)

		% of total	Change over 6 months			Change over 12 months		
In millions of euros	12/31/2021	portfolio	06/30/2021	Reported	LfL[b]	12/31/2020	Reported	LfL[b]
France	6,640	37.6%	6,725	−1.3%	−0.4%	6,878	−3.5%	−2.6%
Italy	3,979	22.5%	3,920	+1.5%	+0.9%	3,905	+1.9%	−0.7%
Scandinavia	1,757	9.9%	1,984	−11.4%	+1.3%	2,043	−14.0%	−0.9%
Iberia	2,133	12.1%	2,103	+1.4%	+1.6%	2,125	+0.4%	+0.5%
Netherlands & Germany	1,865	10.6%	2,123	−12.1%	−0.5%	2,155	−13.5%	−1.9%
Central Europe	960	5.4%	950	+1.1%	+1.1%	966	−0.6%	−0.6%
Other countries	148	0.8%	188	−21.4%	+14.6%	215	−31.4%	+13.2%
TOTAL SHOPPING CENTERS	**17,481**	**98.9%**	**17,994**	**-2.8%**	**+0.5%**	**18,286**	**-4.4%**	**-1.3%**
TOTAL OTHER RETAIL PROPERTIES	**195**	**1.1%**	**213**	**-8.8%**	**-3.2%**	**236**	**-17.5%**	**-4.5%**
TOTAL PORTFOLIO	**17,676**	**100.0%**	**18,207**	**-2.9%**	**+0.4%**	**18,522**	**-4.6%**	**-1.4%**

(a) *Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group (€1,218 million as of December 31, 2021; Group share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,231 million.*

(b) *Like-for-like change. For Scandinavia and Turkey, change is indicated on a constant currency basis. Central European assets are valued in euros.*

7.2 Management service activities

Klépierre's real estate management service activities include leasing, property and facility management, asset management, development and investment advisory services provided to property companies, most of which are owned by the Group.

These activities are valued once a year by Accuracy (as of end-December), an independent external consultant, using a DCF method based on a sum-of-the-parts approach for each country in which Klépierre operates. The DCF approach is based on a business plan comprising projected future cash flows (fees charged to property companies, net of payroll costs and other general and administrative expenses), including a terminal value calculated with a normative expected cash flow. In all countries, future cash flows are discounted at a rate ranging from 6.9% to 7.9% (depending on the country) based on the weighted average cost of capital of comparable listed companies managing third-party real estate investments.

The fair market value of the Klépierre Group management service activities as of December 31, 2021 stood at €318.2 million on a total share basis (€316.8 million, Group share) compared to €331.2 million as of December 31, 2020 (€327.6 million, Group share), mainly reflecting the disposal of assets in Norway and Germany (see section 5.4 "Disposals").

8

FINANCING POLICY

Klépierre's financing policy aims to ensure balance sheet stability, continuous access to financial resources, a strong liquidity position and very competitive cost of capital. Thanks to a strong cash-flow generation, an active asset rotation policy and a selective approach of investments, Klépierre managed to reduce its net debt in 2021 by more than €1 billion, bringing it down below its pre pandemic level to €8 billion. The Group's liquidity position is strong and covers all refinancing needs until the end of 2024.

With a 7-year average debt maturity and a low cost of funding, the Group operates with one of the most solid balance sheets in the industry and remains committed to operating with conservative leverage metrics.

8.1 Financial resources

8.1.1 Change in net debt

As of December 31, 2021, consolidated net debt totaled €8,006 million compared to €9,054 million at the end of 2020, down €1,048 million versus year-earlier figure. The main movements during the year were as follows:

> Cash inflows from operations and other items (foreign exchange, changes in working capital), amounting to €758 million;

> Cash outflows in respect of distributions for €391 million, including the €1.00 per share 2020 distribution to shareholders (€285 million) and distributions to non-controlling interests (€106 million);

> Cash outflows in respect of capital expenditure for €166 million (see section 9.6 "EPRA capital expenditure"); and

> Cash inflows from disposals of €847 million.

8.1.2 Debt ratios

As of December 31, 2021, the Loan-to-Value (LTV) ratio stood at 38.7%, a 270 basis-point decrease compared to December 31, 2020.

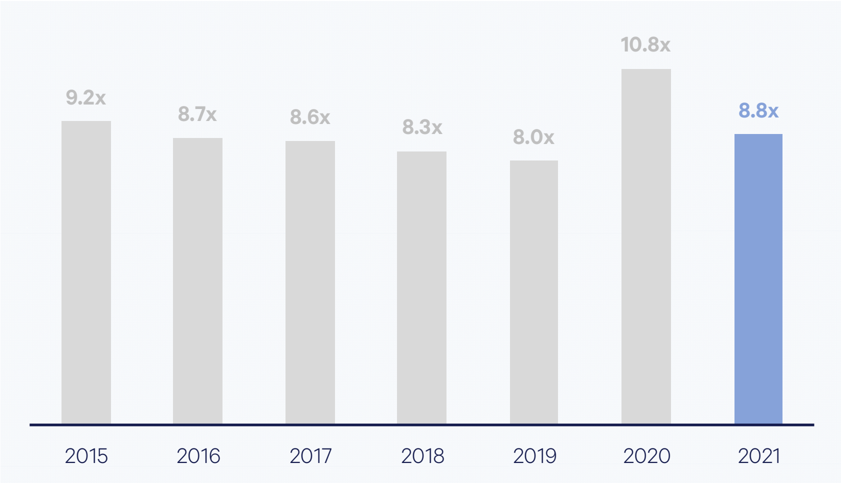
Exhibit 33 Loan-to-Value calculation as of December 31, 2021
(as per covenant definitions, on a total share basis)

In millions of euros	12/31/2021	12/31/2020
Current financial liabilities	1,893	2,382
Bank facilities	16	9
Non-current financial liabilities	6,815	7,244
Revaluation due to fair value hedge and cross currency swap	0	(31)
Fair value adjustment of debt[a]	(2)	(5)
Gross financial liabilities excluding fair value hedge	**8,722**	**9,600**
Cash and cash equivalents[b]	(716)	(546)
Net debt	**8,006**	**9,054**
Property portfolio value (incl. transfer taxes)	20,713	21,859
LOAN-TO-VALUE RATIO	38.7%	41.4%

(a) *Corresponds to the outstanding amount of the market value adjustment for Corio's debt recognized at the acquisition date.*
(b) *Including cash managed for principals.*

Due to the improved operating conditions over the second half of the year and lower debt, Klépierre was able to restore the net debt to EBITDA ratio, which stood at 8.8x as of December 31, 2021 compared to 10.8x at end 2020.

Chart 3 Net debt to EBITDA



8.1.3 Available resources

At the end of December 2021, Klépierre's liquidity position [16] stood at €2.8 billion. It mainly comprises €1.8 billion in unused committed revolving credit facilities (net of commercial paper), €0.4 billion in uncommitted credit facilities and €0.6 billion in cash and equivalents. The current liquidity position remains strong and covers all of the Group's refinancing needs for the next two years.

In January 2022, Klépierre launched a tender offer on two of its shortest public bonds maturing in April 2023 (€750 million bearing a 1% coupon) and November 2024 (€630 million bearing a 1.75% coupon). This transaction is aimed at reducing the excess cash position. At the end of the offer, €297 million worth of notes were tendered, €226 million on the April 2023 and €71 million on the November 2024. The notes were repurchased and canceled on January 18, 2022.

8.1.4 Debt structure

As of December 31, 2021, the share of financing sourced from capital markets in total debt stood at 92%, enabling Klépierre to benefit from excellent financing conditions. Secured debt accounted for 8% of total debt, the bulk of which concerned borrowing raised in Scandinavia. The Group's average debt maturity stood at 7.0 years at end December 2021.

Klépierre's debt exposure to foreign currencies is adjusted to mirror that of its assets – except for the Czech Republic, Poland and Turkey. Considering the limited exposure of the Group's portfolio to these countries[17] and the high cost of currency hedging, especially over long durations, the Group has decided not to hedge these positions.

(16) The liquidity position represents the total financial resources available to a company. This indicator is therefore equal to the sum of cash at hand at the end of the period, committed and unused revolving credit facilities (net of commercial paper) and uncommitted credit facilities.
(17) On a total-share basis, including transfer taxes, the Czech Republic represented 3.1% of the total Klépierre portfolio, Poland 1.5% and Turkey 0.7%.

Chart 4 Debt maturity schedule as of December 31, 2021 *(% of authorized debt)*

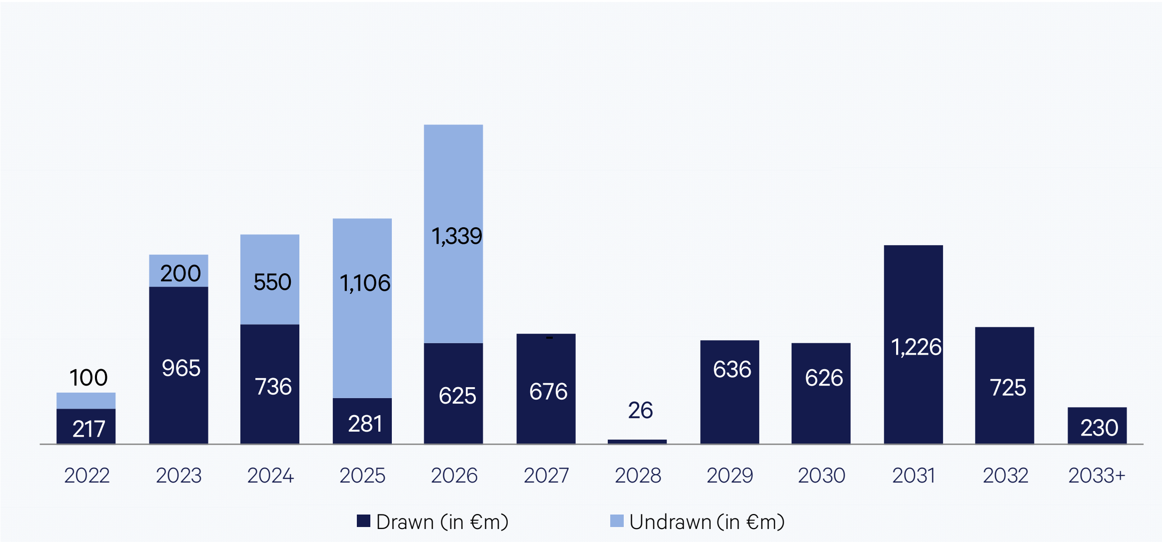


Chart 5 Financing breakdown by type of resource as of December 31, 2021
(utilizations, total share)

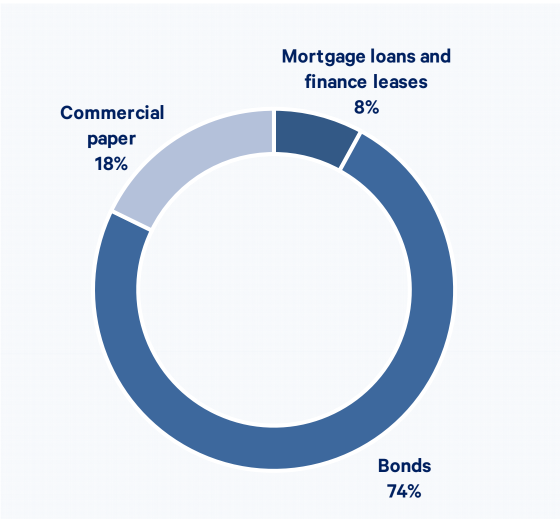
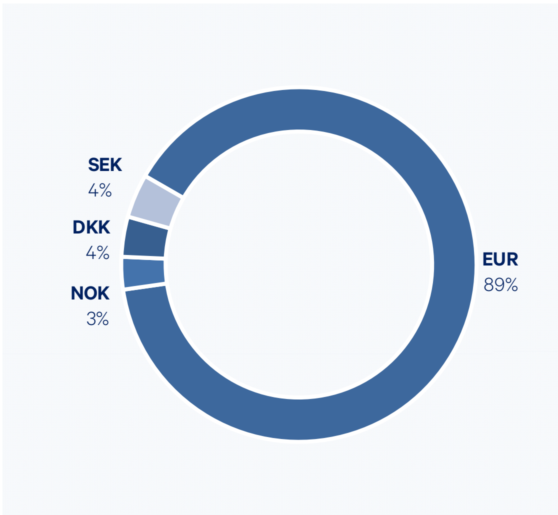


Chart 6 Financing breakdown by currency as of December 31, 2021
(utilizations, total share)



8.2 Interest rate hedging

In 2021, Klépierre strengthened its hedging profile by rolling over €400 million in maturing caps and switching €600 million of its short-term debt from fixed to variable but capped debt. The Group also lengthened its hedging duration by subscribing €247 million equivalent of payer forward-start swaps denominated in NOK, SEK & DKK. As of December 31, 2021, the proportion of fixed-rate debt (including hedging instruments) was 91%, while its average maturity remained close to five years (4.7 years).

Accordingly, taking into consideration the upcoming repayment schedule, the sensitivity of the Group's cost of debt to interest rate fluctuations should remain low in the coming years.

Based on the interest rate yield curve as of December 31, 2021, the Group's annual cash-cost-at-risk stood at €1.5 million on a Group share basis. In other words, the annual loss resulting from short-term interest rate movements would be less than €1.5 million 99% of the time. This calculation does not factor in any assumptions regarding changes in credit spreads.

8.3 Cost of debt

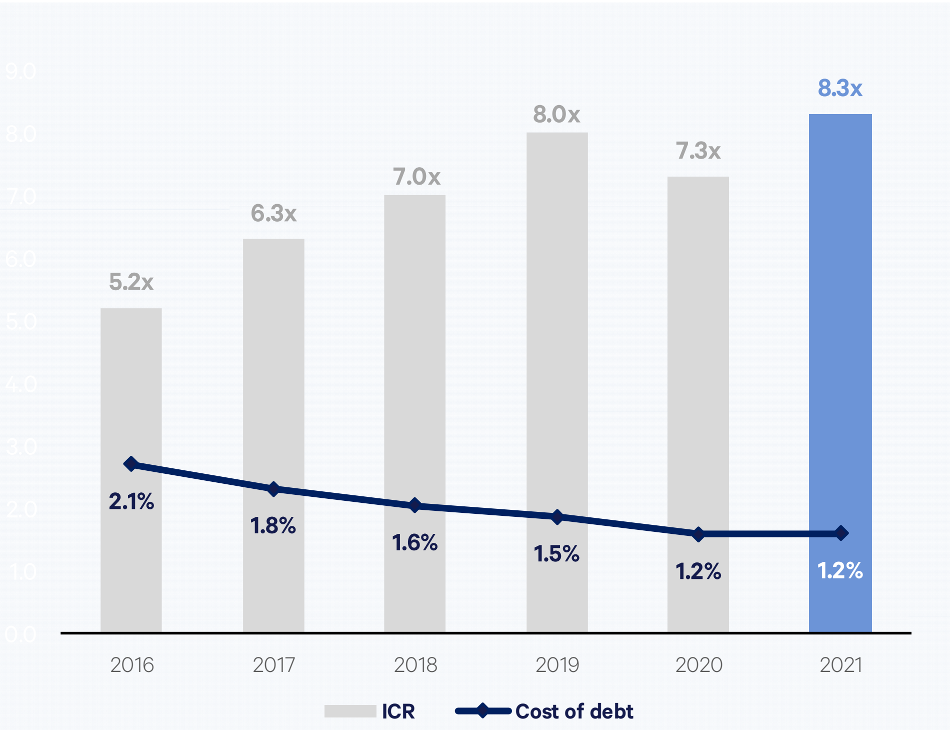
The Group's average cost of debt remained stable at 1.2% throughout 2021. The very low level of interest combined with the upswing in EBITDA during the second half of the year, brought the interest coverage ratio (ICR) back above the pre-pandemic level, peaking at 8.3x for full year 2021.

Exhibit 34 Breakdown of cost of debt

In millions of euros	12/31/2021	12/31/2020
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	**115.3**	**108.6**
Non-recurring items	1.8	(0.2)
Non-cash impact	3.7	13.3
Interest on advances to associates	9.8	10.3
Liquidity cost	(7.6)	(5.7)
Interest expense on lease liabilities[a]	(12.9)	(8.2)
Cost of debt (used for cost of debt calculations)	**110.1**	**118.2**
Average gross debt	**8,947.8**	**9,616.0**
COST OF DEBT *(in %)*	**1.2%**	**1.2%**

(a) As per IFRS 16.

Chart 7 Interest coverage ratio and cost of debt[a]



(a) The interest coverage ratio (as per banking covenant definition) represents the ratio of consolidated EBITDA presented in the statement of comprehensive income adjusted for the share in earnings of equity-accounted companies and the change in value of investment properties of equity-accounted companies (€910.7 million), to net interest expenses (€109.8 million) calculated as of cost of net debt less net deferral of upfront payments on swaps plus amortization of the fair value of debt less other non-recurring financial expenses.

8.4 Credit ratings and covenants

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

Exhibit 35 Covenants applicable to Klépierre SA financing

Financing	Ratios/covenants	Limit[a]	12/31/2021	06/30/2021	12/31/2020
Syndicated and bilateral loans	Net debt/Portfolio value (“Loan to Value”)	≤ 60%	38.7%	42.6%	41.4%
	EBITDA/Net interest expense[b]	≥ 2.0x	8.3x	6.5x	7.3x
	Secured debt/Portfolio value[c]	≤ 20%	0.6%	0.6%	0.6%
	Portfolio value[d]	≥ €10bn	€17.7bn	€18.2bn	€18.5bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.8%	0.9%	0.9%

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

9

EPRA PERFORMANCE INDICATORS

The following performance indicators have been prepared in accordance with the EPRA (European Public Real Estate Association) Best Practices Recommendations published in October 2019 and as set out in the guide available on its website (www.epra.com). These updated guidelines aim to reflect the significant shift in the listed real estate sector, from long-term passive asset owners into highly active asset managers and capital allocators.

Exhibit 36 EPRA summary table[(a)]

	12/31/2021	06/30/2021	12/31/2020	See section
EPRA Earnings *(in millions of euros)*	610.4	202.1	583.7	9.1
EPRA Earnings per share *(in euros)*	2.14	0.71	2.04	9.1
EPRA NRV *(in millions of euros)*	10,033	9,654	10,184	9.2.2
EPRA NRV per share *(in euros)*	35.10	33.80	35.70	9.2.2
EPRA NTA *(in millions of euros)*	8,912	8,489	8,957	9.2.2
EPRA NTA per share *(in euros)*	31.20	29.70	31.40	9.2.2
EPRA NDV *(in millions of euros)*	7,741	7,261	7,300	9.2.2
EPRA NDV per share *(in euros)*	27.10	25.40	25.60	9.2.2
EPRA Net Initial Yield Shopping centers	5.2%	5.4%	5.3%	9.3
EPRA "Topped-up" Net Initial Yield Shopping centers	5.4%	5.7%	5.6%	9.3
EPRA Vacancy Rate	5.3%	5.8%	4.8%	9.4
EPRA Cost Ratio (including direct vacancy costs)	19.9%	34.4%	26.1%	9.5
EPRA Cost Ratio (excluding direct vacancy costs)	17.5%	31.4%	24.3%	9.5

(a) Per-share figures rounded to the nearest 10 cents.

9.1 EPRA Earnings

EPRA Earnings is a measure of the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items considered as non-core activities for an investment property company.

Exhibit 37 EPRA Earnings

Group share *(in millions of euros)*	**12/31/2021**	**12/31/2020**
Net income as per IFRS consolidated statement of comprehensive income	**544.7**	**(785.7)**
Adjustments to calculate EPRA Earnings:		
(i) Changes in value of investment properties, development properties held for investment and other interests	402.5	1,575.9
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	(8.8)	(3.5)
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
(iv) Tax on profits or losses on disposals	-	-
(v) Negative goodwill/goodwill impairment	104.8	16.8
(vi) Changes in fair value of financial instruments and associated close-out costs	0.2	18.3
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments[a]	(329.8)	(78.7)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(34.7)	88.2
(x) Non-controlling interests in respect of the above	(68.5)	(247.5)
EPRA EARNINGS	**610.4**	**583.7**
Company-specific adjustments to calculate net current cash flow:		
> Employee benefits, stock option expense and non-current operating expenses	3.3	(7.3)
> Depreciation, amortization and provisions for contingencies and losses	8.5	10.5
NET CURRENT CASH FLOW	**622.3**	**586.9**
Average number of shares [b]	*285,860,024*	*286,072,515*
Per share *(in euros)*		
EPRA EARNINGS	**2.14**	**2.04**
NET CURRENT CASH FLOW	**2.18**	**2.05**

(a) In 2021, this item includes €361.3 million in deferred tax and -€31.5 million in non-current taxes.
(b) Excluding treasury shares.

9.2 EPRA Net Asset Value metrics

Net Asset Value metrics are key performance indicators designed to provide stakeholders with relevant information on the fair value of the assets and liabilities of real estate companies. Measures of net asset value include: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets Value (NTA) and EPRA Net Disposal Value (NDV). As recommended by EPRA, these new standards were applied with effect from the 2020 interim consolidated financial statements.

For more detailed explanations of EPRA adjustments and requirements, please refer to the EPRA Best Practices Recommendations.

9.2.1 Application by Klépierre

EPRA Net Reinstatement Value (NRV) aims to highlight the value of net assets on a long-term basis and to represent the value required to rebuild the entity, assuming that no selling of assets takes place. Consequently, deferred taxes as per IFRS and real estate transfer taxes (RETT) are added back. Intangible assets may be added if they are not already recognized in the IFRS statement of financial position and when their fair value can be reliably determined.

EPRA Net Tangible Assets value (NTA) reflects tangible assets only and assumes that companies buy and sell some of their assets, thereby crystallizing certain levels of unavoidable deferred tax liability and RETT. Based on the new EPRA methodology, the portfolio is broken down into three types:

(i) Assets that the Company does not plan to sell in the long run: 100% of deferred taxes as per IFRS are added back in addition to 50% of RETT optimization;

(ii) Assets that may be sold in share deals: 50% of deferred taxes as per IFRS and RETT optimization are added back; and

(iii) Assets that may be sold through asset deals: 50% of deferred taxes as per IFRS are added back, but there is no restatement for RETT.

Exhibit 38 Treatment of deferred taxes and RETT in EPRA Net Tangible Assets

	Fair value	As % of total portfolio	% of deferred tax excluded
Portfolio subject to deferred tax and intention is to hold and not to sell in the long run	11,518	65%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,969	22%	43%
Other portfolio	2,189	12%	50%
TOTAL PORTFOLIO	**17,676**		

By definition, EPRA NTA aims at valuing solely tangible assets and therefore, as regards Klépierre, does not incorporate the fair value of management services companies (unlike the former EPRA NAV and NNNAV indicators). This wholly integrated service management business collects fees not only from tenants and third parties but also from real estate companies, while the latter are deducted from rental income in the appraiser's discounted cash flow model. The fair value of these businesses is only included in the calculation of EPRA NRV.

Lastly, **EPRA Net Disposal Value** aims to represent the shareholders' value under an orderly sale of the business, where RETT, deferred taxes, financial instruments and certain other adjustments are calculated to the full extent of their liability, while discarding completely any RETT or tax optimization. Intangible assets are also excluded from this methodology.

9.2.2 Calculation of EPRA Net Asset Value

Exhibit 39 EPRA Net Asset Values as of December 31, 2021

Group share *(in millions of euros)*	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS Equity attributable to shareholders	**8,405**	**8,405**	**8,405**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,405	8,405	8,405
Include:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	0	0	0
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments	0	0	0
iii) Revaluation of tenant leases held as finance leases	0	0	0
iv) Revaluation of trading properties	0	0	0
Diluted NAV at fair value	8,405	8,405	8,405
Exclude:			
v) Deferred tax in relation to fair value gains of IP	990	807	0
vi) Fair value of financial instruments	(0)	(0)	0
vii) Goodwill as a result of deferred tax	(266)	(266)	(266)
viii) Goodwill as per IFRS statement of financial position	(222)	(222)	(222)
Include:			
ix) Fair value of fixed-rate debt	0	0	(175)
x) Revaluation of intangible assets to fair value	299	0	0
xi) Real estate transfer tax	828	190	0
NAV	**10,034**	**8,913**	**7,741**
Fully diluted number of shares	*285,930,803*	*285,930,803*	*285,930,803*
NAV per share *(in euros)*	**35.10**	**31.20**	**27.10**

Exhibit 40 EPRA Net Asset Values as of December 31, 2020

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,182**	**8,182**	**8,182**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,182	8,182	8,182
Include:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	0	0	0
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments	0	0	0
iii) Revaluation of tenant leases held as finance leases	0	0	0
iv) Revaluation of trading properties	0	0	0
Diluted NAV at fair value	8,182	8,182	8,182
Exclude:			
v) Deferred tax in relation to fair value gains of IP	1,438	1,216	0
vi) Fair value of financial instruments	9	9	0
vii) Goodwill as a result of deferred tax	(358)	(358)	(358)
viii) Goodwill as per IFRS statement of financial position	(233)	(233)	(233)
Include:			
ix) Fair value of fixed-rate debt	0	0	(291)
x) Revaluation of intangible assets to fair value	300	0	0
xi) Real estate transfer tax	847	141	0
NAV	**10,184**	**8,957**	**7,300**
Fully diluted number of shares	*285,469,856*	*285,469,856*	*285,469,856*
NAV per share *(in euros)*	**35.70**	**31.40**	**25.60**

Exhibit 41 EPRA NTA – 12-month reconciliation per share[(a)]

In euros per share	
EPRA NTA at 12/31/2020	**31.40**
Cash flow	2.18
Like-for-like asset revaluation	(0.84)
Dividend	(1.00)
Forex and other	(0.54)
EPRA NTA at 12/31/2021	**31.20**

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

EPRA NTA per share amounted to €31.20 at the end of December 2021, versus €31.40 one year earlier[(18)]. This slight decrease reflects the generation of net current cash flow (€2.18 per share), which was partly offset by a decrease in the value of the like-for-like portfolio (€0.84 per share) and the distribution payment (€1.00 per share). Foreign exchange and other items had a negative impact of €0.54 per share.

9.3 EPRA Net Initial Yield

EPRA Net Initial Yield (NIY) is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods

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

(or other unexpired lease incentives such as discounted rent-free periods and step-up rents). See section 7.1.2 "Valuation" for the geographical breakdown of EPRA NIY.

Exhibit 42 EPRA Net Initial Yields

In millions of euros	Shopping centers	Other retail properties	Total
Investment property - Wholly owned	16,263	195	16,457
Investment property - Share of joint ventures/funds	1,218	0	1,218
Total portfolio	**17,481**	**195**	**17,676**
Less: Developments, land and other	(147)	0	(147)
Completed property portfolio valuation (B)	**17,334**	**195**	**17,528**
Annualized cash passing rental income	1,006	16	1,022
Property outgoings	(110)	(1)	(111)
Annualized net rents (A)	**896**	**15**	**911**
Notional rent expiration of rent free periods or other lease incentives	39	0	39
Topped-up net annualized rent (C)	**935**	**15**	**950**
EPRA NET INITIAL YIELD (A/B)	**5.2%**	**7.5%**	**5.2%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**5.4%**	**7.7%**	**5.4%**

9.4 EPRA Vacancy Rate

The EPRA Vacancy Rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces), excluding properties that are under development and strategic vacancies.

Exhibit 43 EPRA Vacancy Rate[(a)]

In thousands of euros	Estimated rental value of vacant space (A)	Total estimated rental value (B)	EPRA Vacancy Rate (A/B)
France	28,788	504,902	5.7%
Italy	9,589	288,225	3.3%
Scandinavia	10,158	142,584	7.1%
Iberia	8,910	142,652	6.2%
Netherlands & Germany	4,907	95,890	5.1%
Central Europe	2,227	60,221	3.7%
Other countries	2,057	26,163	7.9%
TOTAL	**66,637**	**1,260,637**	**5.3%**

(a) *Scope: all shopping centers, including those accounted for under the equity method, which are included based on a 100% share. The estimated rental values of leased and vacant spaces as of December 31, 2021, are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: Økern (Oslo, Norway). Strategic vacancies are also excluded.*

9.5 EPRA Cost Ratio

The purpose of the EPRA Cost Ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administrative expenses as a percentage of gross rental income.

Exhibit 44 EPRA Cost Ratio

In millions of euros	12/31/2021	12/31/2020
Administrative and operating expenses[(a)]	(206.8)	(297.6)
Net service charge costs[(a)]	(78.4)	(68.7)
Net management fees[(a)]	65.1	68.4
Other net operating income intended to cover overhead expenses[(a)]	9.4	20.7
Share of joint venture expenses[(b)]	(10.1)	(23.1)
Exclude (if part of the above):		
Service charge costs recovered through rents but not separately invoiced	9.6	8.5
EPRA Costs (including vacancy costs) (A)	**(211.1)**	**(291.8)**
Direct vacancy costs	(26.2)	(20.7)
EPRA Costs (excluding vacancy costs) (B)	**(184.9)**	**(271.0)**
Gross rental income less ground rents[(a)]	999.3	1,054.4
Less: service fee/cost component of gross rental income	(9.6)	(8.5)
Add: share of joint ventures (gross rental income less ground rents)[(b)]	69.7	70.0
Gross rental income (C)	**1,059.3**	**1,115.9**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**19.9%**	**26.1%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**17.5%**	**24.3%**

(a) *As per the IFRS consolidated statements of comprehensive income.*
(b) *For more information, see section 4.1 "Contribution of equity-accounted investments."*

Due to the impact of the lockdowns (rent abatements and provisions for credit losses), the EPRA cost ratio was adversely affected compared to pre-pandemic years. Nevertheless, over one year, the decrease is mainly attributable to the reduction in provisions for credit losses.

9.6 EPRA Capital Expenditure

Investments in 2021 are presented in Section 5 "Investments, developments and disposals". This section presents Klépierre's capital expenditure based on EPRA financial reporting guidelines, taking into account the latest EPRA Best Practices Recommendations as updated in October 2019.

Exhibit 45 EPRA Capital Expenditure

	12/31/2021			12/31/2020
In millions of euros	**Group** (excl. Joint Ventures)	**Joint Ventures** (proportionate share)	**Total Group**	**Total Group**
Acquisitions	0.3	-	0.3	0.1
Development	99.3	2.0	101.3	96.3
Investment properties	63.7	1.6	65.3	81.5
Incremental lettable space	-	-	-	-
No incremental lettable space	49.4	1.5	50.9	63.3
Tenant incentives	8.6	0.1	8.7	11.9
Other material non-allocated types of expenditure	5.8	0.0	5.8	6.4
Capitalized interest	2.6	0.0	2.6	3.4
Total CAPEX	**165.9**	**3.6**	**169.6**	**181.3**
Conversion from accrual to cash basis	(4.0)	-	(4.0)	31.7
TOTAL CAPEX ON CASH BASIS	**162.0**	**3.6**	**165.6**	**213.0**

9.6.1 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. In 2021, these investments amounted to €101.3 million, mainly relating to the extension of Gran Reno (Bologna, Italy), the Hoog Catharijne redevelopment (Utrecht, Netherlands), and the Créteil Soleil (Paris region, France) and Grand Place (Grenoble, France) projects.

9.6.2 Investment properties

Capital expenditure on the operational investment property portfolio mainly comprises investments to maintain or enhance standing assets without creating additional leasing space and leasing incentives granted to tenants. In 2021, these investments totaled €65.3 million, breaking down as follows:

- €50.9 million: technical maintenance and refurbishment of common areas. Most of this expenditure is re-invoiced to tenants;
- €8.7 million: leasing incentives (including fit-out and eviction costs) paid to new tenants when releasing or to support store transformation by existing tenants when lease is renewed; and
- €5.8 million: hard and soft construction costs incurred in connection with leasing actions designed to split or merge stores and/or to comply with Group's technical standards.

9.6.3 Capitalized interest

Capitalized interest amounted to €2.6 million in 2021.

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OUTLOOK

Since June 2021, the operating environment has improved with footfall, retailer sales and collection rates rebounding close to pre-pandemic levels. Assuming that the business resumption is not impacted in 2022 by further Covid-related disruptions on our clients' operations, in 2022 the Group expects to generate net current cash flow per share[19] of between €2.30 and €2.35, representing growth of 9.5% to 11.9%, on the €2.10 per share recorded in 2021, restated for the impact of disposals in 2021 (-€0.08). The main drivers are:

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

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