SUPPLEMENTAL INFORMATION TO THE EARNINGS RELEASE

FULL-YEAR 2023

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.

1

TRADING UPDATE

1.1 Retailer sales

On a like-for-like basis, total **retailer sales** at Klépierre malls rose 6% in 2023 compared to 2022.

By **geographic area**, all countries contributed to the growth momentum and significantly exceeded 2022 retailer sales levels. Netherlands / Germany / Central Europe (up 9%) led the way. Similarly, Iberia and Scandinavia were up 8% and 7%, respectively, and France and Italy were up 4%.

Segment-wise, the upward trajectory in retailer sales was mainly fueled by Food & beverage while movie theaters, fitness centers and travel agencies ("Other" segment) also posted double-digit growth. Health & beauty was on the same outperforming trend while Culture, sports & leisure was up 5%, with a strong increase in the sports sub-segment, benefiting from the deepening interest in "athleisure apparel" and outdoor lifestyles. However, Household equipment was down by a slight 1%.

Exhibit 1 Retailer sales by geography compared to 2022[a]

Geography	Like-for-like change[a]	Share (in total reported retailer sales)
France	+4%	41%
Italy	+4%	24%
Scandinavia	+7%	11%
Iberia	+8%	11%
Netherlands / Germany / Central Europe	+9%	13%
TOTAL	**+6%**	**100%**

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

Exhibit 2 Retailer sales by segment compared to 2022[a]

Segment	Like-for-like change[a]	Share (in total reported retailer sales)
Fashion	+4%	36%
Culture, Sports & Leisure	+5%	20%
Health & Beauty	+10%	16%
Food & Beverage	+11%	11%
Household Equipment	-1%	11%
Other	+11%	6%
TOTAL	**+6%**	**100%**

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

1.2 Net rental income

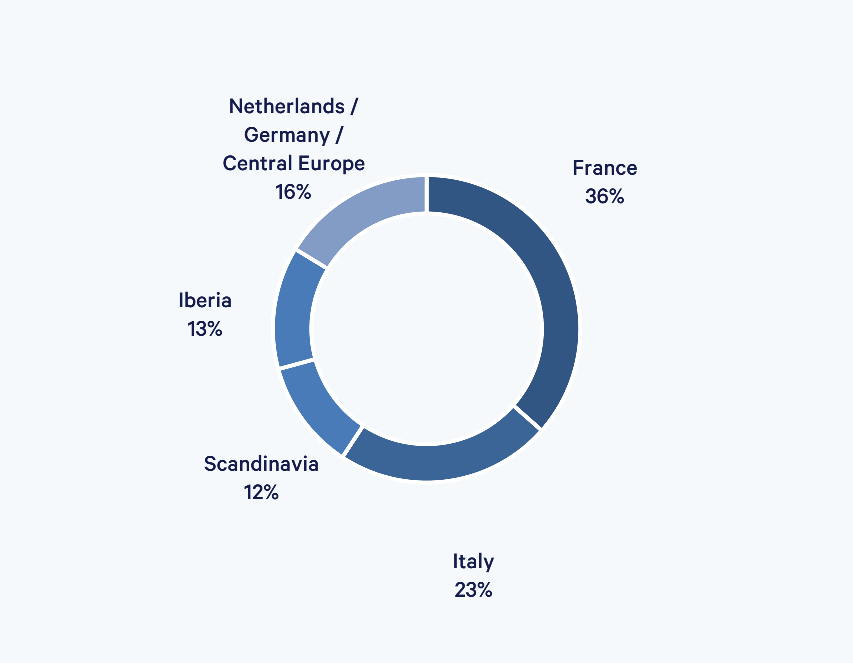
Exhibit 3 Net rental income *(on a total share basis)*

In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
France	431.6	361.8	367.0	
Italy	207.4	191.5	228.3	
Scandinavia	122.8	114.0	116.0	
Iberia	119.4	117.6	129.7	
Netherlands / Germany / Central Europe	154.0	141.5	164.0	
TOTAL	**1,035.3**	**926.6**	**1,005.0**	**+8.8%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€88.6 million) and the net rental income generated by disposed assets (€29.9 million) and adding back the negative impact of Covid-19 rent concessions amortization (IFRS 16; -€9.8 million).
(b) Excluding mainly the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€25.9 million) and other items (€2.7 million).

Net rental income amounted to €1,005 million in 2023, up 8.8% on a like-for-like[(1)] basis, outpacing the positive 5.8% indexation rate by 300 basis points. This record growth was fueled by the combination of a 110 basis-point increase in the collection rate to 97.5%, the delivery of a 21% like-for-like increase in additional revenues (turnover rents, car park revenues and specialty leasing) and disciplined management of property charges which translated into an improvement in the operating margin.

Chart 1 Breakdown of NRI by region for the year ended December 31, 2023
(on a total share basis)



1.3 Operating performance

This solid sales performance, coupled with the Group's asset management and development initiatives designed to adapt its offering to a constantly evolving environment has been driving significant leasing tension

(1) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured and disposals completed since January 2022.

for its assets identified as key destinations for expanding banners. In 2023, this translated into a 22% increase in the volume of leases signed to 1,658, including 1,317 renewals and re-lettings, generating a positive 4.4% **reversion**.

Meanwhile, Klépierre's operating fundamentals remained robust with the **occupancy** rate at 96.0%, up 20 basis points over the year and the **occupancy cost ratio** at 12.8% as of December 31, 2023. The average remaining **duration of leases** in Klépierre malls stood at 5.1 years (versus 5.0 years in 2022), reflecting the Group's strategy of favoring long-term leases and providing high visibility on rents.

With a long-term aim of meeting shoppers' expectations, Klépierre has been **proactively curating its tenant mix** by placing greater emphasis on dynamic segments such as sports, health & beauty or entertainment and leisure. In parallel, the Group has been reducing its exposure to fashion boutiques (share in total retailer sales down 300 basis points since 2018) in order to prioritize omnichannel brands better suited to the retail environment.

As a direct result of this strategy and the very high intrinsic value of its portfolio, most of Klépierre's venues have been **gaining strong market shares** in recent years, especially Grand Place (Grenoble, France), Gran Reno (Bologna, Italy), Campania (Naples, Italy), Nueva Condomina (Murcia, Spain), Emporia (Malmö, Sweden) and Centre-Deux (Saint-Etienne, France).

2

BUSINESS ACTIVITY BY REGION

2.1 France (36% of net rental income)

Exhibit 4 Net rental income in France

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[a]	12/31/2023[b]	Like-for-like change
FRANCE	**431.6**	**361.8**	**367.0**	**+4.5%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

In a somewhat subdued environment along with a changing retailer landscape, the French portfolio stood out with retailer sales up 4% on average, outpacing core inflation by 60 basis points, and dominant regional malls posting solid figures, including Val d'Europe (Paris region, up 7%), Blagnac (Toulouse, up 7%) and Créteil Soleil (Paris region, up 5%). Similarly, Saint-Lazare (Paris region) continued to welcome ever more commuters and workers, with strong footfall increases and retailer sales up 6% over one year.

Retailers' demand for Klépierre's leading destinations remained strong as witnessed by several deals signed for larger units with Inditex, the expansion of Bestseller and the development of new leisure offers (Otium, La tête dans les Nuages, Fort Boyard) or new supermarkets (Lidl, Grand Frais). As part of its proactive mix curation strategy, the Group is gradually replacing legacy French fashion retailers by dynamic international brands (e.g., Normal, Rituals). With higher rent collection rates, additional revenues and improved occupancy, net rental income was up 4.5% on a like-for-like basis.

Lastly, the highlight of the year was the on-time and on-budget completion of the Grand Place extension in Grenoble in November. With a fully reshaped retail offering, the project is fully let. Further to the opening, footfall jumped 60% in December compared to December 2022. The portfolio transformation also included the disposals of convenience shopping galeries in Valenciennes and Metz as well as 30 other standalone retail assets throughout France.

2.2 Italy (23% of net rental income)

Exhibit 5 Net rental income in Italy

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[a]	12/31/2023[b]	Like-for-like change
ITALY	**207.4**	**191.5**	**228.3**	**+12.7%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

Klépierre's Italian platform confirmed its dynamism over the course of 2023. Despite a protracted weak economic growth at national level, retailer sales increased by 4% compared to 2022 driven, among others, by a strong affluence of customers, with footfall up 12%.

The local tenant base is very solid and leasing tension has been strong as confirmed by no major bankruptcies and a sharp increase in collection rates coupled with a historically high financial occupancy. In 2023, a large number of brands reinforced their presence in Klépierre's dominant assets with Primark opening its fourth store in Nave de Vero (Venice), JD Sports signing new deals, KFC confirming its development and Primor (cosmetics) completing its first expansion plan in Italy with three new stores. The year was also marked by the unveiling of the first phase of the refurbishment of Le Gru, the dominant mall in Turin, with the rebranding and enlargement of several units such as Rituals, Flying Tiger and Giochi Preziosi.

In this context, net rental income increased by 12.7% on a like-for-like basis.

2.3 Scandinavia (12% of net rental income)

Exhibit 6 Net rental income in Scandinavia

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
SCANDINAVIA	**122.8**	**114.0**	**116.0**	**+9.1%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

In a rather volatile economic environment, Klépierre's Scandinavian portfolio posted solid figures with retailer sales up 7% in 2023, exceeding average local inflation. The relatively strong sales performances were driven by leading malls, namely Emporia in Sweden, which posted double digit sales growth throughout the year (up 19%), while Oslo City in Norway has been returning to normal following the impact of the pandemic and its subsequent effects (up 11%). International retailers have been continuously expanding, demanding larger units, and driving solid market share gains for dominant assets.

This positive trend also fueled an average collection rate of above 99%, and a significant improvement in the operating margin in the region. On a like-for-like basis, net rental income was up 9.1%[(2)].

Lastly, Klépierre signed an agreement for the disposal of its Swedish asset Galleria Boulevard, for well above the lastest appraisal values. This transaction is fully aligned with the Group's ambition to focus on prime assets in the region.

2.4 Iberia (13% of net rental income)

Exhibit 7 Net rental income in Iberia

	Portfolio NRI			
In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
IBERIA	**119.4**	**117.6**	**129.7**	**+10.8%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

Retailer sales in Klépierre's Iberian malls grew by 8%, exceeding average inflation by 300 basis points. Against a relatively supportive economic backdrop, performance was strong over the course of the year and in all segments, especially food & beverage (up 12%) and health & beauty (up 9%).

Leasing activity reached an all-time high, confirming the appeal of the Group's assets among retailers in the region. Among newcomers to the Iberian market, Normal - the Danish brand with an ambitious development plan - opened six stores in Iberia while several top international banners such as Inditex brands in Maremagnum (Barcelona), chose to enlarge their stores. The mall is also set to welcome the first Time Out Market in Spain (second in Europe), a unique food hall concept including top chefs and the leading bartenders. Lastly, among other key transformative operations, a new Primark megastore unit will be handed over in Espaço Guimaraes (north of Portugal) by the end of 2024 for an opening in the first half of 2025. This foundational asset management project will further strengthen the dominant position of this asset in its catchment area.

Iberian net rental income was up 10.8% on a like-for-like basis, outpacing indexation by 430 basis points.

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(2) Excluding foreign exchange impact.

2.5 Netherlands / Germany / Central Europe (16% of net rental income)

Exhibit 8 Net rental income in Netherlands / Germany / Central Europe

In millions of euros	Portfolio NRI 12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]	Like-for-like change
Netherlands / Germany / Central Europe	**154.0**	**141.5**	**164.0**	**+17.3%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables and the net rental income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

The **Dutch** portfolio enjoyed upbeat business levels in 2023, characterized by a strong increase in footfall. Highlights included Hoog Catharijne (Utrecht), the most visited mall in the Netherlands, reaching its all-time footfall record with an impressive 33 million visitors in 2023 (up 16%), bearing the fruits of Klépierre's leasing strategy. With the mall welcoming the flagship stores of international retailers, like-for-like growth in retailer sales for the Netherlands came out at 17% and strongly outperformed inflation. This growth allowed retailers to absorb high rental indexation and therefore maintain sustainable levels of occupancy cost ratio.

In **Germany**, the 7% increase in retailer sales also outstripped inflation. This facilitated the success of ongoing renewal campaigns, while strongly contributing to additional revenues, mainly driven by car park revenues and mall income.

In 2023, Klépierre also completed the first phase of the refurbishment of Alexandrium in Rotterdam which got a strong response from both visitors and tenants. It also disposed of a non-core asset in Germany, as the Group pressed ahead with streamlining the portfolio.

Meanwhile, retailer sales in **Central Europe** exceeded 2022 levels by 9%, benefiting from close-to-inflation wage increases in a tight labor market that supported consumption. On the leasing side, dealflow was dense at Nový Smíchov, the leading mall in Prague, which attracted several flagship banners including Nike and Lacoste. Klépierre continued to broaden its offering in the food & beverage segment by signing up Starbucks – the first point of sale in the Plzeň region.

Net rental income for the region as a whole was up 17.3% on a like-for-like basis, lifted by a high collection rate, an increase in occupancy and strong growth in additional revenues (turnover rents, car park revenues and mall income).

3

NET CURRENT CASH FLOW

3.1 Net current cash flow

Exhibit 9 Net current cash flow[a]

	12/31/2022	12/31/2023
Total share *(in €m)*		
Gross rental income	1,095.3	1,164.8
Rental and building expenses	(168.7)	(159.9)
Net rental income	**926.6**	**1,005.0**
Management, administrative, related income and other income	77.6	74.6
Payroll expenses and other general expenses	(163.1)	(158.1)
EBITDA[b]	**841.1**	**921.4**
Cost of net debt	(113.4)	(131.9)
Cash flow before share in equity method investees and taxes	**727.7**	**789.5**
Share in equity method investees	53.4	56.7
Current tax expenses	(38.7)	(34.7)
NCCF (total share)	**742.4**	**811.6**
Group share *(in €m)*		
NCCF (group share)	**641.9**	**709.0**
Average number of shares[c]	*286,524,518*	*286,301,949*
Per share *(in €)*		
NCCF per share	**2.24**	**2.48**

(a) The data used to calculate the net current cash flow are obtained by deducting from IFRS aggregates certain non-cash and/or non-recurring effects, mainly related to positive non-recurring income linked to the 2020 and 2021 account receivables, changes in the fair value of buildings (net of deferred taxes) of equity-accounted companies, and certain provisions and depreciations.
(b) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.
(c) Excluding treasury shares.

In 2023, net current cash flow per share increased by 10.7% year on year to €2.48[3]. This recurring performance reflects the combined impact of the following indicators:

- **Net rental income** increased by 8.8% on a like-for-like[4] basis, mainly on the back of the 5.8% positive impact of indexation at Group level, a significant increase in rent collection rate (up 110 basis points) as well as higher additional income and further improvement of property charge management;
- **EBITDA** amounted to €921.4 million up 9.6% year on year, above growth in net rental income, notably thanks to tight control of payroll and general and administrative expenses;
- **The cost of net debt** increased to €131.9 million on a total share basis, mainly impacted by higher rates and spreads. Overall, the average cost of debt remained contained at 1.5% (see section 6.3 "Cost of debt");
- **Current tax expenses** amounted to €34.7 million on a total share basis, down €4.0 million year on year.

(3) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.
(4) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured and disposals completed since January 2022.

3.2 Contribution of equity-accounted companies

Exhibit 10 Contribution of equity-accounted companies

NET RENTAL INCOME

In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]
France	17.5	17.5	17.4
Italy	35.8	35.8	40.2
Scandinavia[(c)]	4.9	4.9	4.6
Iberia	3.6	3.6	4.0
Netherlands / Germany / Central Europe	4.4	4.4	4.9
TOTAL	**66.4**	**66.4**	**71.1**

NET CURRENT CASH FLOW

In millions of euros	12/31/2022	12/31/2022[(a)]	12/31/2023[(b)]
France	16.5	16.5	15.5
Italy	28.5	28.5	31.7
Scandinavia[(c)]	4.9	4.9	4.8
Iberia	(1.4)	(1.4)	(0.8)
Netherlands / Germany / Central Europe	5.0	5.0	5.5
TOTAL	**53.4**	**53.4**	**56.7**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables and income generated by disposed assets.
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.
(c) To determine the Group's share for Scandinavia, data must be multiplied by 56.1%.

4

DEVELOPMENTS, INVESTMENTS AND DISPOSALS

4.1 Development pipeline

As part of its development strategy, Klépierre regularly transforms its existing assets to strengthen their leadership in their respective catchment areas. Accordingly, the Group focuses on renovations, extensions or restructuring operations on assets cristallizing a high leasing tension while respecting a controlled level of risk.

In that context, Klépierre progressively rolls out its development projects and usually completes one project per year. As such, in November 2023, the 16,200 sq.m. extension of Grand Place (Grenoble, France) was delivered. In the same vein, the Maremagnum rooftop (Barcelona, Spain) will be finalized in the first-half of 2024, while Klépierre recently engaged a new development project with the extension of Odysseum (Montpellier, France). See below for more details.

As of today, before launching any new project, the Group ensures that the expected yield on cost reaches at least a threshold of 8%.

Klépierre's development pipeline breaks down into two categories:

- Committed projects: projects that are in the process of completion or have been fully approved by the relevant Klépierre governance body; and
- Controlled projects: retail projects that are under advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative clearance and permits).

Exhibit 11 Development pipeline as of December 31, 2023 *(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)*	Net to spend *(in €m)*	Targeted yield on cost [(b)]
Odysseum [(c)]	France	Montpellier	Ext. - redev.	18,537	2025-2027	100.0%	56	13	43	
Hoog Catharijne phase 3	Netherlands	Utrecht	Ext. - refurb.	7,512	2025	100.0%	27	9	19	
Maremagnum, Barcelona	Spain	Barcelona	Ext. - refurb.	5,200	2024	100.0%	15	12	3	
Other projects			Ext. - redev.	8,494	2025-2026		27	9	18	
Total retail committed projects				**39,743**			**125**	**42**	**83**	**8%**
France			Extension	33,279			126	2	124	
Italy			Extension	46,566			259	4	255	
Iberia			Extension	49,440			170	4	166	
Netherlands / Germany / Central Europe			Extension	12,600			69	2	67	
Total retail controlled projects				**141,885**	**2026-2030**		**625**	**12**	**613**	
TOTAL				**181,628**			**750**	**54**	**696**	

(a) Estimated cost as of December 31, 2023 including fitting-out costs and excluding step-up rents, internal development fees and financial costs.
(b) Targeted yield on cost as of December 31, 2023, 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: Odysseum for 9,200 sq.m.

As of December 31, 2023, on a total share basis, the total pipeline represented €750 million. Committed retail projects remained limited, representing €83 million to cash out by delivery date.

Over 2023, €79.3 million was spent on the pipeline, mainly in France, Spain and the Netherlands.

Opening of Grand Place extension (Grenoble, France)

The year's highlights included the delivery in November, on-time and on-budget, of the 16,200 sq.m extension of Grand Place in Grenoble. This leading mall now boasts a total surface area of 75,000 sq.m., hosting an outstanding set of retailers, such as Primark's – first store in the region - , Snipes, Jott, NYX and a state-of-the-art food court, designed along with the latest standards of Klépierre's Destination Food® strategy. Since opening, footfall jumped by 60% in December compared to the same period in 2022. The yield on cost for this project was around 8%.

Maremagnum (Barcelona, Spain)

In November 2023, Klépierre handed over the newly completed Maremagnum's rooftop unit to Time Out Market, set to open its second location in Europe and first in Spain. The inauguration is scheduled for June, before the beginning of the America's Cup. This food and cultural concept will offer visitors a state-of-the-art food offering, live entertainment with breathtaking views of the Mediterranean Sea and provide a new footfall anchor for the mall. This project will also include a renewed retail offering, with enlarged stores for Stradivarius, Pull & Bear, Bershka and Lefties. Projected yield on cost reaches 13.5%.

Extension of Odysseum (Montpellier, France)

In early 2024, Klépierre launched the redevelopment of Odysseum, the unrivaled mall in Montpellier, welcoming more than 12 million visitors per year. This project will mainly consist in the restructuring of a 10,400 sq.m. unit to host a Primark megastore as well as the construction of an 8,200 sq.m. extension to welcome new retail and food & beverage concepts. Works were launched in the first quarter of 2024 and delivery is planned for 2026. Yield on cost for this project is 9.0%.

4.2 Investment market

Overall, in 2023, the retail investment market was historically subdued. Strong increases in interest rates enforced by central banks to reduce inflation disrupted financing markets, limited investment capacities for many buyers and reduced the number of products offered on the market. These higher financing costs in 2023 often implied bid-ask price divergences between buyers and sellers and froze transactions to a certain extent.

As such, in 2023 total retail investments reached €25 billion[(5)] in Europe, down 42% compared to 2022. This trend is similar to other real estate asset classes (real estate investment volume down 48% year on year).

4.3 Disposals and acquisitions

4.3.1 Disposals

In 2023, Klépierre completed disposals for a total amount of €102.6 million[(6)]. This amount includes the sale of retail properties across Europe, mainly in France, Spain and Sweden.
Taking into account €66.3 million of sales under promissory agreements, total Group disposals amounted to €168.9 million (excluding transfer taxes).
Overall, assets were sold or signed above appraised values (+20%) for a blended EPRA Net Initial Yield of 5.5%.

With a longer-term view, the Group also has optionality to unlock value and has notably identified land banks around its shopping malls that are not suitable for retail real-estate development. In this context, Klépierre is actively leading rezoning processes to allow the development of programs such as offices, residential housing or hotels with the remaining space allocated to logistics and other uses.

Once the necessary authorizations shall be obtained, these non-core assets could be divested.

(5) CBRE – The scope includes the United Kingdom
(6) Total share, excluding transfer taxes.

As of today, six projects have been identified, for a total amount exceeding €200 million. They could be divested within a five-year timeframe.

4.3.2 Acquisitions

In December 2023, Klépierre signed an agreement to acquire a 25% stake in O'Parinor, a 100,000 sq.m. super-regional shopping mall in the Paris region. Klépierre will act as an asset, property and leasing manager with the view to extracting embedded reversion. This investment is expected to generate a strong double digit levered annual cash return from year 1. The closing of this transaction is planned in H1 2024.

5

PORTFOLIO VALUATION

5.1 Property portfolio valuation

5.1.1 Property portfolio valuation methodology

5.1.1.1 Scope of the portfolio as appraised by external appraisers

As of December 31, 2023, 99% of the value of Klépierre's property portfolio, or €19,158 million (including transfer taxes, on a total share basis)[7], was estimated by external appraisers in accordance with the methodology described below. The remainder of the portfolio was valued as follows:

> Projects under development are carried at cost[8]; and

> Other non-appraised assets, consisting mainly of assets held for sale, are valued at the agreed transaction price, land is valued at cost (when below €5 million), and some projects under development are measured internally at fair value.

Exhibit 12 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	**19,158**
Acquisitions	8
Investment property at cost	122
Other internally-appraised assets (land, assets held for sale, etc.)	43
TOTAL PORTFOLIO	**19,331**

5.1.1.2 Methodology used by external appraisers

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

As at December 31, 2023, the main appraisers were Jones Lang LaSalle and Cushman & Wakefield, who respectively valued 36% and 35% of the Group portfolio, with the remaining asset valuations being allocated to CBRE (26%) and BNP Paribas Real Estate (3%). The fees payable to these companies are set at the time the four-year term is signed and depend on the number and size of property units appraised.

(7) 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.

(8) Other projects (Viva, Økern and Louvain) are carried at cost.

Exhibit 13 Breakdown by appraiser of the appraised property portfolio as December 31, 2023

Appraiser	Countries covered	Share of total portfolio *(in %)*
Jones Lang LaSalle	> France, Italy, Spain, Portugal, Turkey and Greece	36%
Cushman & Wakefield	> France, Norway, Sweden, Denmark, Belgium and Poland	35%
CBRE	> France, Italy, Netherlands and Czech Republic	26%
BNP Paribas Real Estate	> Germany and France (other retail properties)	3%
TOTAL		**100%**

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 ten-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 net rental income for the tenth year (plus one year of indexation), 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 comparable market transactions.

5.1.2 Valuation

5.1.2.1 Change in appraisers' assumptions

Over the last six months of 2023, the portfolio valuation stabilized (down 0.2% on a total share basis and stable on a group share basis) on a like-for-like basis.

As of December 31, 2023, the changes in appraisers' assumptions in comparison with June 30, 2023 are the following:

- A 30-basis-point increase in discount rates to 7.8% and a 30-basis-point increase in exit rates to 6.1%;
- New indexation and slightly higher ERV projections (reflecting the Group's ability to pass on indexation) translating into a compound annual growth rate in net rental income of 2.8% for the next 10 years.

This stabilization in portfolio valuation should pave the way to values bottoming out.

Exhibit 14 Assumptions used by appraisers for determining the shopping center portfolio valuation as of December 31, 2023[a]

Geography	Discount rate[b]	Exit rate[c]	NRI CAGR[d]
France	7.3%	5.7%	3.3%
Italy	8.2%	6.6%	1.9%
Scandinavia	7.8%	5.6%	3.0%
Iberia	8.1%	6.4%	2.7%
Netherlands / Germany / Central Europe	8.8%	6.5%	4.0%
AVERAGE	**7.8%**	**6.1%**	**2.8%**

(a) *Discount and exit rates weighted by shopping center appraised value (including transfer taxes, on a 100% share basis).*
(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 discounted cash flow 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 ten-year period.*

As of December 31, 2023, the average EPRA NIY[9] for the portfolio[10] stood at 5.9%, versus 5.7% as of June 30, 2023.

Exhibit 15 Change in EPRA Net Initial Yield of the portfolio[11]

(on a Group share basis, including transfer taxes)

Country	12/31/2022	06/30/2023	12/31/2023
France	4.9%	5.2%	5.3%
Italy	6.0%	6.4%	6.5%
Scandinavia	4.6%	4.9%	5.1%
Iberia	5.8%	5.8%	5.8%
Netherlands / Germany / Central Europe	6.1%	6.4%	6.5%
AVERAGE	**5.4%**	**5.7%**	**5.9%**

5.1.2.2 Property portfolio valuation

Exhibit 16 12-month portfolio valuation reconciliation

(on a total share basis, including transfer taxes)

In millions of euros	
Portfolio at 12/31/2022	**19,832**
Disposals	(113)
Like-for-like change	(292)
Forex	(100)
Other non like-for-like	3
PORTFOLIO AT 12/31/2023	**19,331**

Including transfer taxes, the value of the portfolio stood at €19,331 million on a total share basis as of December 31, 2023, down 2.5% or €501 million on a reported basis compared to December 31, 2022. This decrease reflects:

- A €113 million negative impact from disposals;
- A €292 million like-for-like valuation decrease (down by 1.5%);
- A €100 million negative foreign exchange impact in Scandinavia and Turkey; and
- A €3 million other non like-for-like positive impact.

Exhibit 17 Valuation of the property portfolio[a]

(on a total share basis, including transfer taxes)

In millions of euros	12/31/2023	% of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2023	Reported	LfL[b]	12/31/2022	Reported	LfL[b]
France	7,631	39.5%	7,835	−2.6%	−2.0%	8,094	−5.7%	−5.1%
Italy	4,241	21.9%	4,156	+2.1%	+2.6%	4,078	+4.0%	+4.3%
Scandinavia	2,474	12.8%	2,448	+1.1%	−1.5%	2,643	−6.4%	−4.6%
Iberia	2,231	11.5%	2,233	−0.1%	+0.8%	2,218	+0.6%	+1.8%
Netherlands / Germany / Central Europe	2,753	14.2%	2,748	+0.2%	+1.1%	2,800	−1.7%	+0.5%
TOTAL PORTFOLIO	**19,331**	**100.0%**	**19,420**	**−0.5%**	**−0.2%**	**19,832**	**−2.5%**	**−1.5%**

(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 (€1,269 million as of December 31, 2023; total share, including transfer taxes). The corresponding gross value of these assets stands at €1,292 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.

(9) 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).

(10) Group share for the total portfolio appraised.

(11) Excluding offices, retail parks, and retail boxes attached to shopping centers.

5.1.2.3 Other information related to December 31, 2023 valuation

Exhibit 18 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	**17,299**
Right-of-use asset relating to ground leases	(282)
Investment property at cost[(a)]	122
Fair value of property held for sale	65
Leasehold and lease incentives	28
Transfer taxes	916
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,183
TOTAL PORTFOLIO	**19,331**

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

6

FINANCING POLICY

Pursuing an active and disciplined asset rotation policy and a selective approach to development capex, Klépierre continued to reduce net debt and maintain conservative leverage ratios in 2023. Its high proportion of fixed-rate debt allows Klépierre to contain the rise in its cost of debt, despite market volatility and increased interest-rates.

With a net debt to EBITDA ratio of 7.4x, an average debt maturity of 6.3 years, €3.0 billion of liquidity and low funding costs, the Group operates one of the most solid balance sheets in the industry and remains committed to maintaining conservative leverage metrics.

6.1 Financial resources

6.1.1 Change in net debt

As of December 31, 2023, consolidated net debt totaled €7,349 million compared to €7,479 million at the end of 2022, down €130 million. The main movements during the last twelve months were as follows:

> Cash inflows from operations and other items amounting to €784 million;
> Cash outflows in respect of 2022 distributions for €559 million, including the €1.75 dividend per share (€500 million) and distributions to non-controlling interests (€59 million);
> Cash outflows in respect of capital expenditure for €195 million (see section 7.6 "EPRA capital expenditure"); and
> Cash inflows from disposals of €100 million.

6.1.2 Debt ratios

As of December 31, 2023, the Loan-to-Value (LTV) ratio stood at 38.0%, up 30 basis points compared to December 31, 2022.

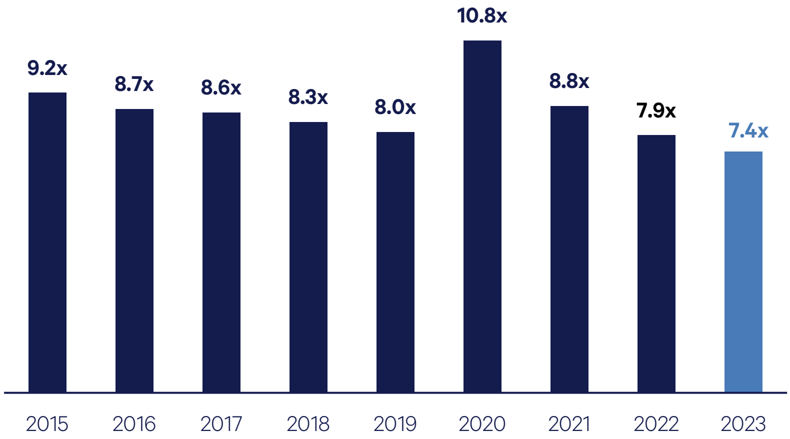
Exhibit 19 Loan-to-Value calculation as of December 31, 2023
(as per covenant definitions, on a total share basis)

In millions of euros	12/31/2022	06/30/2023	12/31/2023
Current financial liabilities	1,978	1,559	1,590
Bank facilities	0	20	0
Non-current financial liabilities	5,718	6,114	6,066
Revaluation due to fair value hedge and cross currency swap	116	112	92
Gross financial liabilities excluding fair value hedge	**7,812**	**7,805**	**7,748**
Cash and cash equivalents[(a)]	(333)	(402)	(399)
Net debt	**7,479**	**7,403**	**7,349**
Property portfolio value (incl. transfer taxes)	19,832	19,420	19,331
LOAN-TO-VALUE RATIO	**37.7%**	**38.1%**	**38.0%**

(a) Including cash managed for principals.

The net debt to EBITDA ratio continued to decline to a historic low of 7.4x, down from 7.9x as of December 31, 2022.

Chart 2 Net debt to EBITDA[12]



6.1.3 Main funding operations and available resources

In 2023, Klépierre raised more than €1.0 billion of medium-term debt comprising:

- Unsecured bank loans for €412 million and €378 million of mortgage loans denominated in EUR, SEK and DKK. Overall, 46% of these financings (or €360 million), are green or sustainability-linked loans.
- Moreover, €250 million of new senior notes were raised by increasing the outstanding amount of three bonds maturing between 2029 and 2032.

The Group also strengthened its liquidity position by signing €175 million of new bilateral credit lines and renewing €550 million of its existing revolving credit facilities mostly on a five-year basis (extension options excluded). The majority of the lines were raised or transformed into sustainability-linked facilities, bringing the total amount of sustainability-linked facilities to €2.0 billion or 63% of total committed credit lines.

At the end of 2023, the liquidity position[13] stood at €3.0 billion, mainly comprising €2.3 billion in unused committed revolving credit facilities (net of commercial paper), €0.3 billion in other credit facilities and €0.4 billion in cash and equivalents.

6.1.4 Debt structure

As of December 31, 2023, the share of financing sourced from capital markets in total debt stood at 81%, enabling Klépierre to benefit from deep sources of liquidity. The total outstanding amount of commercial paper issued in euros (€881 million) is covered by committed back-up facilities in the same amount with a 4-year weighted average maturity. Secured debt accounted for 13% of total debt, the bulk of which concerned borrowing raised in Scandinavia. The Group's average debt maturity stood at 6.3 years at the end of December 2023.

(12) EBITDA used in Interest coverage ratio calculation, as per covenant definition (see section 6.3 Cost of debt).
(13) The liquidity position represents the total financial resources available to a company. This indicator is therefore equal to the sum of cash at hand at the end of the period, committed and unused revolving credit facilities (net of commercial paper) and other credit facilities.

Chart 1 Long-term debt maturity schedule as of December 31, 2023 *(in millions of euros)*

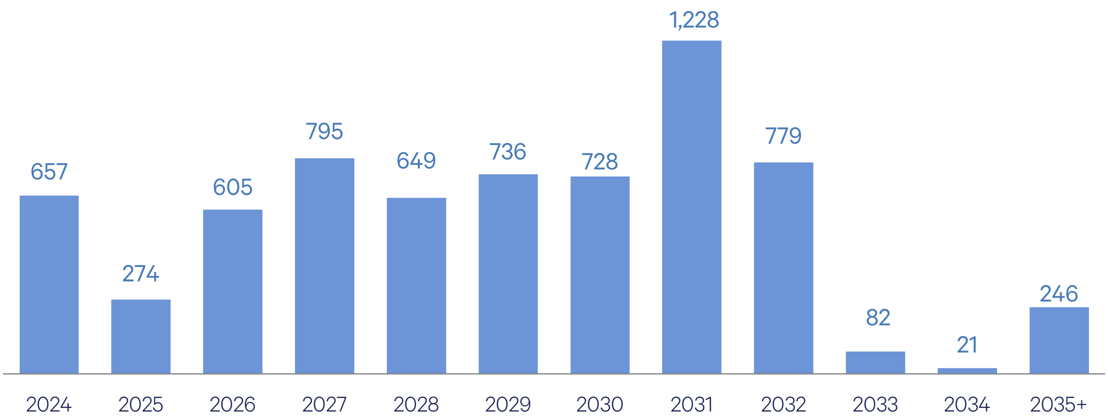


Chart 2 Financing breakdown by type of resources as of December 31, 2023 (utilizations, total share)

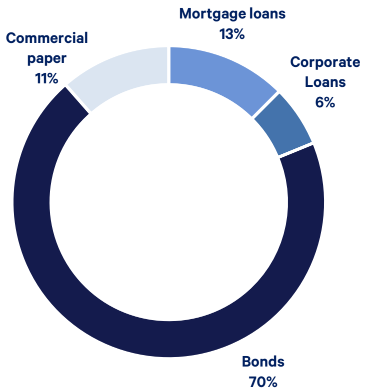
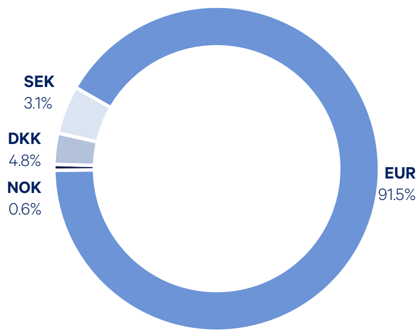


Chart 3 Financing breakdown by currency as of December 31, 2023 ***(utilizations, total share)***



6.2 Interest rate hedging

The Group maintained a very high proportion of fixed-rate or hedged debt throughout 2023.

For 2024, the Group's hedging position remains strong, with 98% of its net debt hedged. This position is made of 79% fixed-rate debt and payer swaps and of 19% caps with low interest rates. For 2025, the Group's hedging rate is 84%.

6.3 Cost of debt

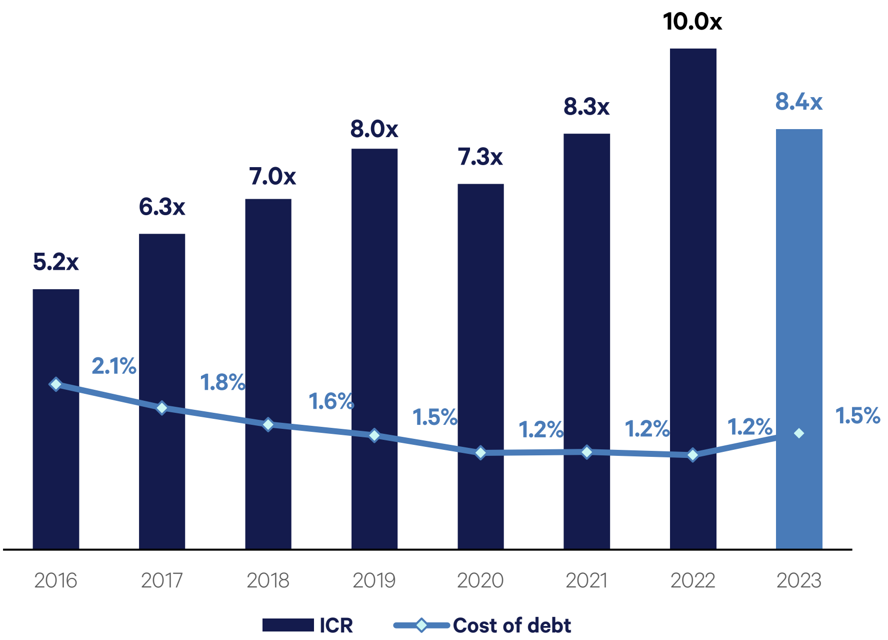
As expected, the average cost of debt increased at a moderate pace in 2023, to stand at 1.5%. Thanks to its prudent hedging policy and its excellent access to liquidity, Klépierre mitigated the increase in its financial expenses in 2023. Therefore, the interest coverage ratio (ICR) remained high, reaching 8.4x at the end of the year, in line with the Group's prudent leverage policy. Going forward, Klépierre's cost of debt is expected to increase gradually.

Exhibit 20 Breakdown of cost of debt

In millions of euros	12/31/2022	12/31/2023
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	**119.5**	**134.0**
Non-recurring items	(13.9)	(5.6)
Non-cash impact	0.7	(1.5)
Interest on advances to associates	6.5	3.6
Liquidity cost	(7.3)	(8.3)
Interest expense on lease liabilities[a]	(8.2)	(9.2)
Others	(0.1)	(0.2)
Cost of debt (used for cost of debt calculations)	**97.3**	**112.7**
Average gross debt	**8,120.9**	**7,631.3**
COST OF DEBT *(in %)*	**1.2%**	**1.5%**

(a) As per IFRS 16.

Chart 4 Interest coverage ratio and cost of debt[a]



(a) The interest coverage ratio (as per the banking covenant definition) represents the ratio of EBITDA (as presented on section 3) adjusted for certain non-cash and/or non-reccuring items, mainly related to the 2020 and 2021 account receivables, the share in earnings of equity-accounted companies and the change in value of investment properties of equity-accounted companies and adding (€987.6 million), to net interest expenses (€117.2 million) calculated as 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.

6.4 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 (affirmed on June 9, 2023). Since May 2023, Fitch assigns an A- rating with a stable outlook to Klépierre's senior unsecured debt (F1 short-term rating).

Exhibit 21 Covenants applicable to Klépierre SA financing

Financing	Ratios/covenants	Limit[(a)]	12/31/2022	06/30/2023	12/31/2023
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	37.7%	38.1%	38.0%
	EBITDA/Net interest expense[(b)]	≥ 2.0x	10.0x	8.8x	8.4x
	Secured debt/Portfolio value[(c)]	≤ 20%	0.6%	0.5%	2.1%
	Portfolio value[(d)]	≥ €10bn	€17.1bn	€16.8bn	€16.7bn
Bond issues	Secured debt/Revalued Net Asset Value[(c)]	≤ 50%	0.7%	0.6%	3.7%

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

7

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 February 2022 (www.epra.com).

Exhibit 22 EPRA summary table[(a)]

	12/31/2022	12/31/2023	See section
EPRA Earnings *(in millions of euros)*	621.5	697.2	7.1
EPRA Earnings per share *(in euros)*	2.17	2.44	7.1
EPRA NRV *(in millions of euros)*	9,936	9,664	7.2.2
EPRA NRV per share *(in euros)*	34.70	33.70	7.2.2
EPRA NTA *(in millions of euros)*	8,848	8,621	7.2.2
EPRA NTA per share *(in euros)*	30.90	30.10	7.2.2
EPRA NDV *(in millions of euros)*	8,580	7,931	7.2.2
EPRA NDV per share *(in euros)*	29.90	27.70	7.2.2
EPRA Net Initial Yield	5.5%	5.9%	7.3
EPRA "Topped-up" Net Initial Yield	5.7%	6.1%	7.3
EPRA Vacancy Rate	4.2%	4.0%	7.4
EPRA Cost Ratio (including direct vacancy costs)	23.0%	20.3%	7.5
EPRA Cost Ratio (excluding direct vacancy costs)	20.7%	17.6%	7.5
EPRA Loan-to-Value Ratio (excluding real estate transfer taxes)	43.7%	44.1%	7.7
EPRA Loan-to-Value Ratio (including real estate transfer taxes)	41.6%	42.1%	7.7

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

7.1 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 23 EPRA Earnings

Group share *(in millions of euros)*	**12/31/2022**	**12/31/2022**[(a)]	**12/31/2023**[(b)]
Net income as per IFRS consolidated statement of comprehensive income	**415.2**	**307.6**	**167.9**
Adjustments to calculate EPRA Earnings:			
(i) Changes in value of investment properties, development properties held for investment and other interests	337.7	337.7	500.1
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	74.2	74.2	8.4
(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	9.1	9.1	0.5
(vi) Changes in fair value of financial instruments and associated close-out costs	(44.1)	(44.1)	66.5
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-	-
(viii) Deferred tax in respect of EPRA adjustments[(c)]	32.0	32.0	66.1
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0.1	0.1	12.8
(x) Non-controlling interests in respect of the above	(95.2)	(95.2)	(125.0)
EPRA EARNINGS	**729.1**	**621.5**	**697.2**
Average number of shares [(d)]	*286,524,518*	*286,524,518*	*286,301,949*
Per share *(in euros)*			
EPRA EARNINGS	**2.54**	**2.17**	**2.44**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€81.7 million) and the net rental income generated by disposed assets (€25.9 million).
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.
(c) In 2023, this item includes -€47.7 million in deferred taxes, -€18.4 million in non-current taxes.
(d) Excluding treasury shares

7.2 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.

7.2.1 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 (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 24 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	11,482	69%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,463	21%	45%
Other portfolio	1,744	10%	50%
TOTAL PORTFOLIO	**16,689**		

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.

7.2.2 Calculation of EPRA Net Asset Value

Exhibit 25 EPRA Net Asset Values as of December 31, 2023

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,017**	**8,017**	**8,017**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,017	8,017	8,017
Include:			
Diluted NAV at fair value	8,017	8,017	8,017
Exclude:			
v) Deferred tax in relation to fair value gains of IP	1,038	905	0
vi) Fair value of financial instruments	(13)	(13)	0
vii) Goodwill as a result of deferred tax	(258)	(258)	(258)
viii) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
ix) Fair value of fixed-rate debt	0	0	391
x) Revaluation of intangible assets to fair value	293	0	0
xi) Real estate transfer tax	806	188	0
NAV	**9,664**	**8,621**	**7,931**
Fully diluted number of shares	*286,446,308*	*286,446,308*	*286,446,308*
NAV per share *(in euros)*			
NAV per share *(in euros)*	**33.70**	**30.10**	**27.70**

Exhibit 26 EPRA Net Asset Values as of December 31, 2022

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,364**	**8,364**	**8,364**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,364	8,364	8,364
Include:			
Diluted NAV at fair value	8,364	8,364	8,364
Exclude:			
v) Deferred tax in relation to fair value gains of IP	983	823	0
vi) Fair value of financial instruments	(25)	(25)	0
vii) Goodwill as a result of deferred tax	(260)	(260)	(260)
viii) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
ix) Fair value of fixed-rate debt	0	0	694
x) Revaluation of intangible assets to fair value	289	0	0
xi) Real estate transfer tax	803	165	0
NAV	**9,936**	**8,848**	**8,580**
Fully diluted number of shares	*286,607,406*	*286,607,406*	*286,607,406*
NAV per share *(in euros)*	**34.70**	**30.90**	**29.90**

7.3 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 (or other unexpired lease incentives such as discounted rent-free periods and step-up rents). See section 5.1.2 "Valuation" for the geographical breakdown of EPRA NIY.

Exhibit 27 EPRA Net Initial Yields

In millions of euros	12/31/2023
Investment property - Wholly owned	15,477
Investment property - Share of joint ventures/funds	1,212
Total portfolio	**16,689**
Less: Developments, land and other	(265)
Completed property portfolio valuation (B)	**16,424**
Annualized cash passing rental income	1,108
Property outgoings	(140)
Annualized net rents (A)	**968**
Notional rent expiration of rent free periods or other lease incentives	26
Topped-up net annualized rent (C)	**994**
EPRA NET INITIAL YIELD (A/B)	**5.9%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**6.1%**

7.4 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 28 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)
GROUP	47,052	1,188,234	4.0%

(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, 2023 are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: 2 Vallées (Givors, France), Gran Reno (Bologna, Italy), Le Gru (Bologna, Italy), Campania (Naples, Italy), Romagna (Emilia-Romagna, Italy), Königsgalerie (Duisburg, Germany) and Økern (Oslo, Norway). Strategic vacancies are also excluded.

7.5 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, third-party asset management fees) and administrative expenses as a percentage of gross rental income.

Exhibit 29 EPRA Cost Ratio

In millions of euros	12/31/2022	12/31/2022[a]	12/31/2023[b]
Administrative and operating expenses[c]	(211.1)	(254.2)	(223.5)
Net service charge costs[c]	(90.1)	(87.8)	(96.0)
Net management fees[c]	69.3	69.3	71.2
Other net operating income intended to cover overhead expenses[c]	14.5	14.5	5.7
Share of joint venture expenses[d]	(16.4)	(16.4)	(16.1)
Exclude (if part of the above):			
Service charge costs recovered through rents but not separately invoiced	10.1	10.1	10.1
EPRA Costs (including vacancy costs) (A)	**(223.7)**	**(264.6)**	**(248.7)**
Direct vacancy costs	(26.5)	(26.5)	(33.7)
EPRA Costs (excluding vacancy costs) (B)	**(197.3)**	**(238.1)**	**(215.1)**
Gross rental income less ground rents[c]	1,155.9	1,080.9	1,146.8
Less: service fee/cost component of gross rental income	(10.1)	(10.1)	(10.1)
Add: share of joint ventures (gross rental income less ground rents)[d]	81.6	81.6	86.1
Gross rental income (C)	**1,227.4**	**1,152.4**	**1,222.8**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**18.2%**	**23.0%**	**20.3%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**16.1%**	**20.7%**	**17.6%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€88.6 million) and the net rental income generated by disposed assets (€29.9 million).
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.
(c) As per the IFRS consolidated statements of comprehensive income.
(d) For more information, see section 3.2 "Contribution of equity-accounted investments".

7.6 EPRA Capital Expenditure

Investments in 2023 are presented in section 4 "Investments, developments and disposals". This section presents Klépierre's capital expenditure based on EPRA financial reporting guidelines.

Exhibit 30 EPRA Capital Expenditure

	12/31/2022	12/31/2023		
In millions of euros	Total Group	Group (excl. Joint Ventures)	Joint Ventures (proportionate share)	Total Group
Acquisitions	0.0	11.9	-	11.9
Development	108.4	78.0	1.3	79.3
Investment properties	72.8	103.6	3.1	106.7
Incremental lettable space	-	-	-	-
No incremental lettable space	53.2	91.9	2.5	94.4
Tenant incentives	9.7	11.5	0.6	12.2
Other material non-allocated types of expenditure	9.8	0.1	0.0	0.1
Capitalized interest	2.8	1.2	-	1.2
Total Capex	**184.1**	**194.7**	**4.4**	**199.2**
Conversion from accrual to cash basis	(3.6)	9.1		9.1
TOTAL CAPEX ON CASH BASIS	**180.5**	**203.8**	**4.4**	**208.3**

7.6.1 Acquisitions

Acquisitions mainly include investments in additional surface area at Mondeville 2 (Caen, France) and at Romagna Center (Italy).

7.6.2 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. In 2023, these investments amounted to €79 million, mainly relating to the extension of Grand Place (Grenoble, France), the Maremagnum rooftop (Barcelona, Spain) and Hoog Catharijne redevelopment (Utrecht, Netherlands) projects.

7.6.3 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 2023, these investments totaled €106.7 million, breaking down as follows:

> €94.4 million: technical maintenance and refurbishment of common areas;

> €12.2 million: leasing incentives (fit-out contribution) granted to new tenants when re-leasing or to support store transformation by existing tenants when leases are renewed; and

> €0.1 million: hard and soft construction costs incurred in connection with leasing initiatives designed to split or merge stores and/or to comply with the Group's technical standards.

7.6.4 Capitalized interest

Capitalized interest amounted to €1.2 million in 2023.

7.7 EPRA Loan-to-Value ratio (EPRA LTV)

The purpose of EPRA LTV is to assess the gearing of shareholders' equity within a real estate company. To achieve that outcome, EPRA LTV provides adjustments to IFRS reporting.
The main overarching concepts that are introduced by EPRA LTV are:

- Any capital that is not equity (i.e., whose value accrues to the shareholders of the company) is considered as debt irrespective of its IFRS classification;
- EPRA LTV is calculated based on proportionate consolidation. This implies that EPRA LTV includes the Group's share in the net debt and net assets of joint ventures and material associates;
- Assets are included at fair value, and net debt at nominal value.

Exhibit 31 EPRA Loan-to-Value

				Proportionate consolidation			
In millions of euros	LTV IFRS as reported	EPRA adjustements	Group as reported	Share of joint ventures	Share of material	Non-controlling interest	Combined
Include:							
Borrowings from financial Institutions	1,426	2	1,428	4		(303)	1,129
Commercial paper	881		881			-	881
Hybrids (including convertibles, preference shares, debt, options, perpetuals)							-
Bond & loans	5,317	40	5,356	15	0	(20)	5,352
Foreign currency derivatives (futures, swaps, options and forwards)	16		16				16
Net payables		358	358		(0)	(48)	309
Owner-occupied property (debt)							
Current accounts (equity characteristic)	108	(108)	-				-
Exclude:							
Cash and cash equivalents	(399)	41	(358)	(41)	(6)	28	(378)
Net debt (A)	**7,349**	**332**	**7,681**	**(23)**	**(6)**	**(343)**	**7,309**
Include:							
Owner-occupied property	17,045		17,045	1,091	160	(2,184)	16,112
Investment properties at fair value	65		65			(19)	47
Properties held for sale	75		75			(13)	62
Properties under development		319	319			(1)	317
Intangibles			-	23			23
Net receivables							
Financial assets	1,230	(1,230)	-				-
Total property value (B)	**18,415**	**(911)**	**17,503**	**1,114**	**160**	**(2,217)**	**16,560**
Real Estate Transfer Taxes	916		916	50	8	(153)	822
Total property value (incl. RETTs) (C)	**19,331**		**18,419**	**1,164**	**168**	**(2,370)**	**17,382**
EPRA LOAN-TO-VALUE RATIO (EXCLUDING RETTs) (A/B)							**44.1%**
EPRA LOAN-TO-VALUE RATIO (INCLUDING RETTs) (A/C)	**38.0%**						**42.1%**

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DISTRIBUTION

8.1 Dividend

8.1.1 Distribution in respect of 2023

The Supervisory Board will recommend that shareholders, at the Annual General Meeting to be held on May 3, 2024, approve a cash distribution in respect of fiscal year 2023 of €1.80 per share, representing 72.6% of the net current cash flow on a Group share basis[14] (see section 3 "Net current cash flow").

The proposed €1.80 distribution for fiscal year 2023 will be paid in two installments:

> A cash distribution of €0.90 per share, fully corresponding to a "SIIC dividend" stemming from Klépierre SA tax-exempt activities (see section below), that will be paid as interim distribution on March 26, 2024; and

> The balance of €0.90 per share corresponding to:
  - A "SIIC dividend" stemming from Klépierre SA tax-exempt activities of €0.7983; and
  - A share premium repayment of €0.1017 qualifying as an equity repayment within the meaning of Article 112-1 of the French Tax Code (Code général des impôts), to be paid on July 11, 2024.

The total "SIIC dividend" (€1.6983 per share) is not eligible for the 40% tax rebate provided for in Article 158-3-2 of the French Tax Code.

8.1.2 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.
Based on the net distributable income of Klépierre SA, the 2023 SIIC distribution obligation amounts to €257.3 million (€0.8969 per share) and will be fully executed. On top of this, in application of SIIC distribution requirements, Klépierre SA will also distribute €229.9 million of the undistributed "SIIC dividend" deferred for 2020 and 2021 fiscal years.
After this distribution, the remaining portion of deferred undistributed "SIIC dividend" will amount to €78.9 million (€0.27 per share), and should be distributed in subsequent years depending on Klépierre's distribution capacity.

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(14) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

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OUTLOOK

The guidance is built under the assumption of low GDP growth in continental Europe in 2024 with a labor market remaining supportive and the inflation environment easing.

In 2024, Klépierre expects to generate at least a 4% increase in EBITDA[15] supported by:

- Retailer sales at least stable compared to 2023;
- Positive indexation;
- Higher additional revenues (turnover rents, car park revenues, mall income); and
- Contribution of extensions of existing assets.

Factoring in the new secured cost of debt for 2024 (€0.11 per share increase), Klépierre expects to generate net current cash flow per share of €2.45–€2.50 in 2024.

This guidance does not include the impact of any disposals or acquisitions in 2024.

(15) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.