Universal Registration Document 2022

INCLUDING THE ANNUAL FINANCIAL REPORT

KLEPIERRE

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REGISTRATION
DOCUMENT ON
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WWW.KLEPIERRE.COM

KLEPIERRE

UNIVERSAL REGISTRATION DOCUMENT 2022

INCLUDING THE ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document was filed on April 6, 2023 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said regulation. This is a translation into English of the Universal Registration Document of the Company issued in French. The universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments to the universal registration document. The whole document is approved by the AMF in accordance with Regulation (EU) 2017/1129. This Universal Registration Document is available on Klepierre's website, www.klepierre.com and on the website of the AMF, www. amf-france.org.

This Universal Registration Document including the Annual Financial Report is a translation of the official version of the annual financial report which has been prepared in ESEF format in French (European Single Electronic Format) and is available on the issuer's website www.klepierre.com.


PRÍNCIPE PÍO
TIGELLA

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"Our shopping centers are constantly being upgraded, transformed and expanded. They create sustainable value in local communities."

Jean-Marc Jestin
CHAIRMAN OF THE EXECUTIVE BOARD

After two years of health crisis, Klépierre demonstrated the resilience and durability of its business model in an environment roiled by pervasive geopolitical uncertainty.

Against this backdrop, the Group's strategy and its operating fundamentals enabled it to deliver very good results for the year, with net current cash flow per share up 20.1% year on year to €2.62. Our business has continued to enjoy growth, while retailer sales and footfall both jumped 25% during the year. We saw strong momentum in every geography and retail segment.

The Group also continued to rationalize its portfolio by disposing of €602 million in assets in 2022, bringing total proceeds to nearly €1.5 billion over the past two years. All these assets were sold in line with appraised values. In addition, Klépierre's operational excellence, combined with its conservative capital allocation, has helped drive a €1.6 billion reduction in net debt over the past two years. This means that our credit metrics are even better than before Covid, and rank among the most robust in the industry.

As vibrant lifestyle environments, shopping centers once again demonstrated their relevance as community hubs offering new ways of shopping and sharing experiences. What's more, they are the core pivot of omnichannel practices and support synergies between in-person and online shopping. In this context, our strategy of refocusing on assets located mostly in large cities with wide catchment areas, strong demographic growth and above-average purchasing power, is fully aligned with the expansion and positioning needs of our retailers. Klépierre remains the European leader in shopping malls with a portfolio of some 70 prime centers that attract 750 million of visitors every year.

By providing everything under one roof, we offer shoppers the opportunity to meet all their needs, while enjoying a meaningful and exciting experience. This operational approach is at the heart of our development, leasing and asset management expertise. Lastly, our innovative vision for shopping centers and our ambitious CSR strategy ensure that Klépierre makes positive contributions to the environment, to its host communities and to people.

Our commitment to sustainable development has earned us recognition as a world leader in the industry. This leadership is a source of pride, but it comes with great responsibility. In addition to symbolizing our employees' embrace of our commitments, it attests to the need for change. Today, with a clear appreciation of the importance of this responsibility, Klépierre is committed to building the most sustainable platform for commerce by 2030.

Key dates in Klépierre's history

1990
Klépierre is created.

1998
Merger with Compagnie Foncière. Portfolio value triples.

2000
Pan-European agreement with Carrefour to acquire 160 shopping malls.

2005
Acquisition of a portfolio of shopping centers **in Poland and the Czech Republic.**

2008
Acquisition of Steen & Strøm, Scandinavia's leading shopping center owner and manager.

2012
Simon Property Group, global leader in the shopping center industry, **acquires a 28.7% stake** in Klépierre.

2014
Disposal of 126 malls adjoining Carrefour hypermarkets.

2015
Merger with Corio in the Netherlands and acquisition of two shopping centers, Oslo City, in Norway and Plenilunio, in Spain. The new Group's portfolio value increases from €14 billion to more than €21 billion.

2018
Launch of the **Act for Good®** CSR strategy, focused on 32 concrete objectives.

2019
Opening of the Créteil Soleil extension to the east of Paris, two years after the Val d'Europe extension was completed.

2021
Sale of assets in Norway, France and Germany.

2022
Success of the Act for Good® strategy, with **99.8% of objectives met.**

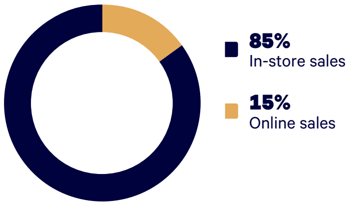
2023
Launch of the new **Act4Good™** CSR strategy, with the promise to build the most sustainable platform for commerce by 2030.

Opening of the Gran Reno extension in Bologna (Italy).

Brick and mortar stores, the cornerstones of a fast changing industry

The retail industry is largely dominated by physical stores, which account for 85% of retail sales in continental Europe, compared with 15% for online sales *(chart #1)*.

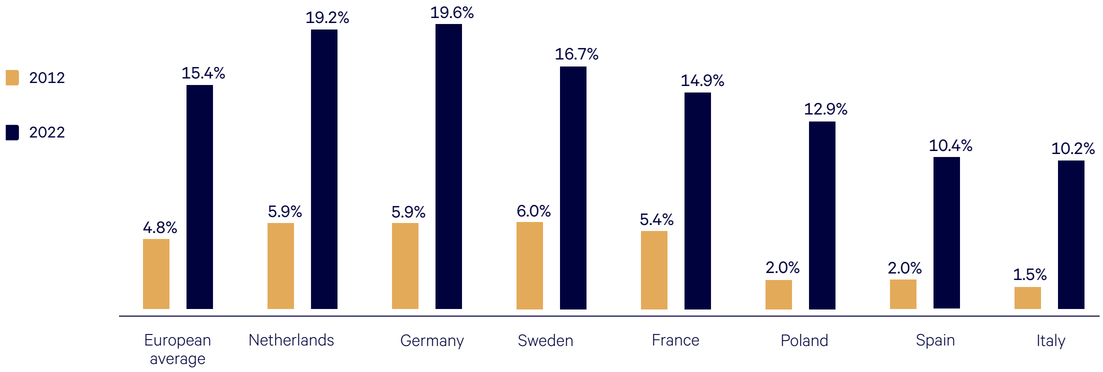
SEGMENTATION OF THE RETAIL INDUSTRY IN 2022
Chart #1



Source: Centre for Retail Research.

After increasing sharply in continental Europe in recent years, by 10% to 18% depending on the country, online sales seem to be slowing, rising just 10% in the European Union in 2022, compared with growth of 16% in 2021 according to Eurostat *(chart #2)*.

PENETRATION RATE OF ONLINE SALES BY COUNTRY 2012-2022
(% of total retail sales)
Chart #2



Source: Centre for Retail Research.

Today's shoppers follow increasingly hybrid buying journeys, mixing online and physical channels, even as brick-and-mortar stores continue to play a central role. Omnichannel shopping lets customers move seamlessly from the physical to the virtual to get ideas, search for and select the right product, buy and collect it and then share the shopping experience.

Klépierre is strategically focused on the shopping center segment, whose powerful consumer appeal and highly modular features are conducive to the execution of omnichannel strategies. As such, it is still widely preferred by the leading international retailer chains when they decide to open new stores *(chart #3)*.

COMPETITIVE ADVANTAGES OF KLEPIERRE SHOPPING MALLS
Chart #3

1. An ambitious **commitment** to sustainability
2. **Accessibility** and customer experience
3. Easy **restocking** and logistics
4. **High concentration** of retail brands/visitors
5. **Modular store formats** adjustable to demand
6. **Comprehensive** and optimized retail mix

Today, Klépierre is one of the few shopping mall companies with critical mass in continental Europe.

KLÉPIERRE, A LEADING PLAYER IN RETAIL PROPERTY

€1.2bn IN REVENUE

€19.8bn TOTAL PORTFOLIO VALUE

10,400 LEASES

1,072 EMPLOYEES

12 COUNTRIES IN CONTINENTAL EUROPE

3,600 RETAILERS

70+ LEADING SHOPPING MALLS IN CONTINENTAL EUROPE

4.0m SQ.M. GROSS LEASABLE AREA

Shop. Meet. Connect.®, our vision of a shopping center

In today's fast transforming retail landscape, Shop. Meet. Connect.® – our baseline – expresses our identity, informing our vision of a shopping center.

SHOP.

Because our primary mission is to enhance the retail mix in our malls. Our strength lies in the ability to rethink this offering with agility, to give shoppers an increasingly appealing choice of brands that speak to their desires and needs. That's why we bring all our skills and expertise to bear in supporting brands in their growth and transformation, whatever their size, their concepts or their ambitions.

MEET.

Because shopping centers are destined to play a growing role in weaving the social fabric. Our malls are lifestyle environments where all types of people come together to meet, to discover new things and to enjoy new experiences. By expanding the Food & Beverage and leisure offering, by carefully guiding the customer journey or by organizing new and unusual events, we are reinventing the shopping experience, with an extra dose of good times and great memories.

CONNECT.

Because our malls are in direct contact with local communities. Connected to transport hubs, to the city and its economic activity, to people. And of course, in the wider world, connected via digital technology to consumers, the stores and all the employees who bring retail to life. All this enables us to offer visitors a one-of-a-kind experience blending the best of physical and online shopping.

› **To make its vision a reality**, Klépierre relies on a customer-centric approach and an ambitious CSR strategy.

A holistic, responsible strategy

Since 2013, Klépierre has refocused its activities on pre-eminent assets located most of the time, in the largest European cities with wide catchment areas, strong demographic growth and above-average purchasing power (1.). Meanwhile, Klépierre has leveraged its operational expertise to respond to emerging retail trends, align its offering and constantly refresh the shopper experience in its malls (2.). This approach is supported by an ambitious CSR policy (3.) and the sound financial discipline (4.) that are enabling the Group to ride the retail transformation.

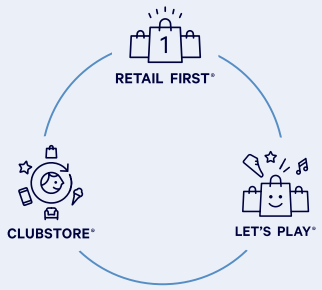
1. A UNIQUE PORTFOLIO OF SHOPPING CENTERS

Dominant malls, located mostly in the largest European cities with wide catchment areas of more than one million consumers and per-capita income 20% higher than the national average.

2. ROBUST OPERATIONAL PILLARS

To refresh the retail mix and support brand and banner growth, while offering visitors an outstanding customer experience.

- **Retail First®**, focused on a diversified, up-to-date offering
- **Let's Play®**, the exciting side of shopping
- **Clubstore®**, hospitality the Klépierre way



3. ACT4GOOD™

As the industry leader in sustainability, Klépierre is sensitive to environmental and social challenges. To continue addressing them, in 2023, we have rolled out a new CSR strategy: Act4Good™, which aims to build the most sustainable platform for commerce by 2030 (see chapter 3 "Sustainable development").

4. STRICT FINANCIAL DISCIPLINE

Solid credit metrics.
Strong cash flow to fund dividend payments while pursuing value-creating investments.

Through its customer-centric mall management, Klépierre endeavors to serve both retailers and shoppers as effectively as possible. Its conservative financial discipline and continuous optimization of portfolio value through asset disposals and targeted developments help maintain an optimized risk profile.

Leading shopping centers in continental Europe's largest cities

Over the past ten years, the Group has refocused its operations on the most vibrant cities in Europe, in resonance with the omnichannel strategy being pursued by the leading national and international brands. These chains are increasingly selective in siting their stores. Their positioning strategy and expansion plans are designed to create a seamless ecosystem between their physical stores and online offerings. Klépierre has kept pace with this trend by refocusing on destinations identified by the leading retailers as the most affluent, densely populated and dynamic catchment areas in Europe.

Since 2012, the Group has disposed of more than 150 assets, for total proceeds of €8 billion, and acquired/developed assets in an aggregate amount of some €7 billion. These transactions have tripled the average value of a Klépierre shopping center.

Grand Place
Grenoble – France

Plenilunio
Madrid – Spain

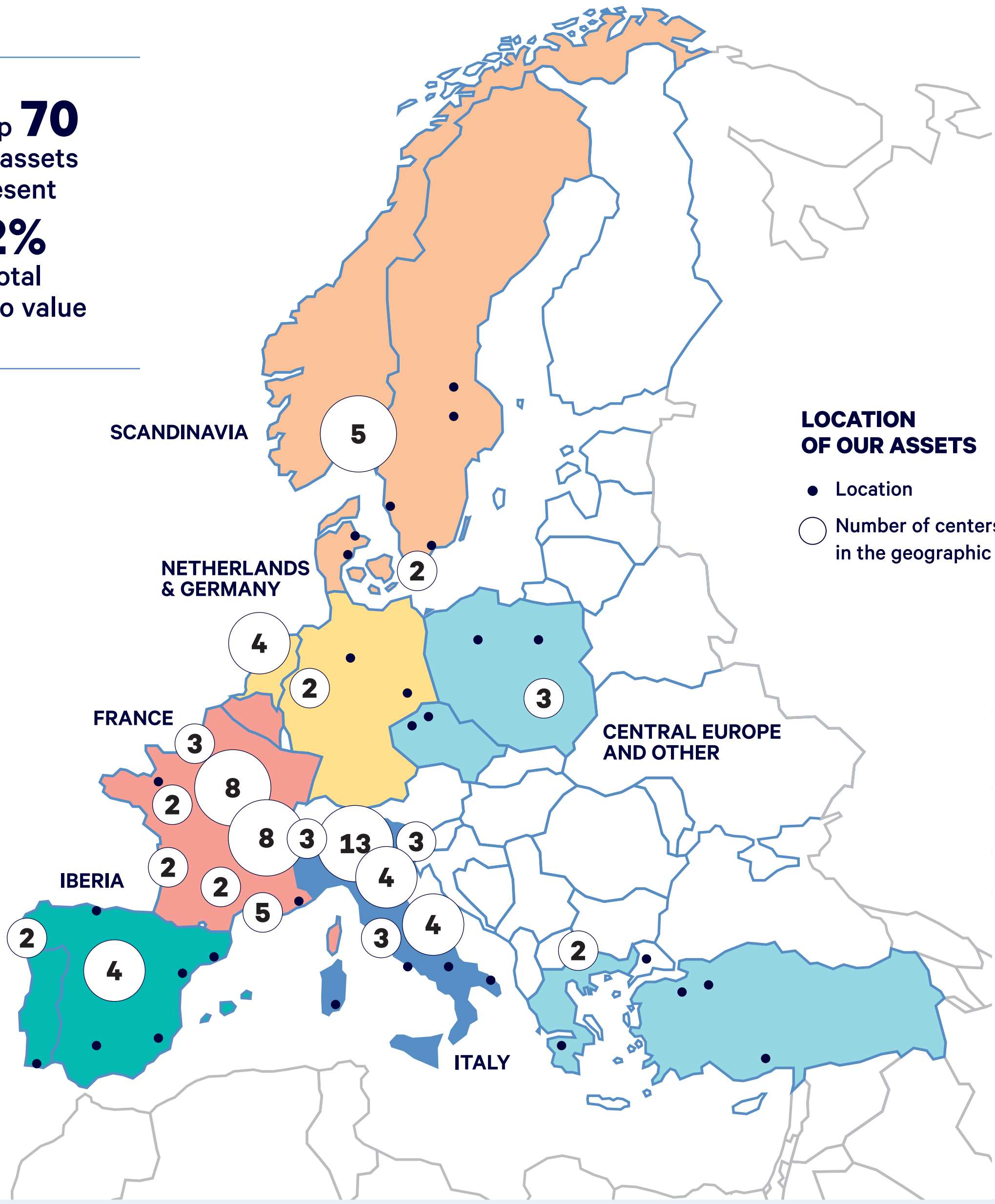
Oslo City
Oslo – Norway

Field's
Copenhagen - Denmark

Emporia
Malmö – Sweden

Rives d'Arcins
Bègles – France

The top **70** Group assets represent **92%** of total portfolio value



Créteil Soleil
Paris region – France

Shopville Le Gru
Turin – Italy

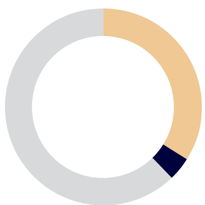
Porta di Roma
Rome – Italy

Targeted, value-creating development projects

Regarding development, Klépierre also regularly transforms its assets to strengthen their positioning in their catchment area. To do so, it focuses on renovation, extension and redevelopment projects that provide a source of significant net rental income with limited risk.

In addition, to capture the benefits of rising urbanization and housing demand, Klépierre is considering mixed-use development projects, based on amending potential building permits to enable the construction of premises for housing, offices, hotels or other uses.

€1.9 BILLION IN POTENTIAL PROJECTS
(as a % of amounts to spend)



- **4%** Committed projects
- **34%** Controlled retail projects
- **62%** Controlled mixed-use projects

2022 MAIN ACHIEVEMENTS

Gran Reno
Turin – Italy

The operating highlight of 2022 was the opening of the Gran Reno (Turin) extension bringing the total mall surface to 53,000 sq.m. This operation led to a 47% increase in footfall compared to 2019 and a €49 million increase in retailer sales since the opening on July 7, 2022.

For more information, see chapter 2 “Business of the year”.

MAIN COMMITTED PROJECTS FOR 2023

Grand Place
Grenoble - France

Designed to broaden the range of mall amenities and recreational activities, the Grand Place extension is scheduled for completion by the end of 2023.

Maremagnum
Barcelona – Spain

The Maremagnum rooftop will host the first Time Out Market in Spain, making it the new must-see shopping and dining destination in Barcelona. The opening is planned for 2024, in time for the America's Cup.

Time Out

Robust operational pillars

Retail First®
Focused on the offering

Klépierre offers a comprehensive retail mix that resonates fully with shopper expectations. To do so, the Group relies on its operational teams, which managed to forge close relationships and long-term partnerships with the national and international retail chains. From pop-ups to small boutiques and flagships, Klépierre supports retailers as they grow their business and offers them just the right size format for their positioning.

Let's Play®
A search for the unexpected, for emotion and for meaning

More than a place to shop, our shopping centers are lifestyle environments where you can meet up, offering shoppers the enhanced emotional appeal and plain fun that online shopping lacks.

- **Phygital:** foster synergies between physical shopping and the digital experience through loyalty programs, click & collect sales, information services, etc.
- **Social media:** create ties and interaction around and beyond the shopping center by mobilizing a community of 5.6 million followers.
- **Events:** from cooking classes, sports competitions to street art events, TEDx, concerts and blockbuster tours by global entertainment giants (Nickelodeon, Marvel or Disney).

ClubStore®
Hospitality the Klépierre way

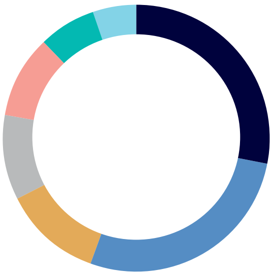
With its careful attention to making visitors feel welcome, Klépierre has designed a seamless, personalized, constantly enhanced customer journey.
The journey is built around 16 critical points, from digital access to center greeters, from the parking lot to the storefronts.
Our shopping centers' architecture and interior design exude comfort and well-being. Applied across the portfolio, our hospitality standards are constantly enhanced by integrating best practices and the increasingly granular knowledge of our visitors derived from regular satisfaction surveys.

RETAIL FIRST®

A comprehensive retail mix

Unlike city-center stores, shopping centers managed by a single, specialized operator that takes care to ensure both the consistency and the variety of the retail mix.

RETAIL MIX OF A KLÉPIERRE SHOPPING CENTER
(as a % of floor space)



28%
Fashion

27%
Hypermarkets/Supermarkets

12%
Household equipment
Household goods, DIY and gardening

10%
Culture, Gifts & Leisure
Sporting goods, toys & gifts, jewelry, telephones, cultural products and tobacco

7%
Food & Beverage

5%
Health & Beauty
Cosmetics, optics, pharmacy, hair & body, and medical centers

10%
Other
Cinemas, gyms department stores and other

LET'S PLAY®

The exciting side of physical shopping

Klépierre's digital loyalty program offers its members:
- Exclusive offers from retailers and partner brands;
- Invitations to events;
- Exclusive complimentary services;
- The chance to take part in prize draws.

LAUNCHED IN SEPTEMBER 2021

More than 500,000 app downloads

37 shopping centers already involved

CLUBSTORE®

Our shopper experience vision
26-point increase

The 26-point increase in Net Promoter Score (NPS) between 2022 and 2017 attests to the concrete improvements deployed for visitors over the period. The indicator enables to measure shopper satisfaction and the likelihood that a visitor will recommend a Klépierre mall to friends and family.

NUMBER OF STORES PER RETAIL GROUP
(data as of December 31, 2022)

Fashion	
188	INDITEX
155	CALZEDONIA
72	BESTSELLER
69	H&M
65	Etam
48	DEICHMANN
37	Levi's
16	PRIMARK

Culture, Gifts & Leisure	
104	THOM
50	JD Group
49	PANDORA
48	Foot Locker
38	FNAC DARTY
37	orange

Health & Beauty	
119	GrandVision
55	SEPHORA
49	DOUGLAS
37	RITUALS...
23	Normal

Food & Beverage	
67	McDonald's
37	Burger King
33	Starbucks
11	NESPRESSO

From Act for Good® to Act4Good™, a new CSR strategy

BUILDING THE MOST SUSTAINABLE PLATFORM FOR COMMERCE BY 2030

In 2023, Klépierre, the European leader in shopping malls, launched its new CSR strategy, Act4Good™, featuring even more ambitious objectives and an expanded scope with new challenges. Developed with a committee of independent experts, Act4Good™ is focused on four pillars designed to enable Klépierre to build the most sustainable platform for commerce by 2030.

In 2018, Klépierre deployed a five-year corporate social responsibility plan based on 32 concrete objectives to act for the planet, act for territories and act for people. Today, these objectives have been met beyond expectations.

SOLID OUTCOMES FROM OUR 2018-2022 STRATEGY

99.8%
average rate of achievement of the 32 Act for Good® objectives

42%
reduction in the energy intensity of our portfolio(1)

82%
reduction in Scopes 1 & 2 greenhouse gas emissions

With its new Act4Good™ strategy, Klépierre now intends to take its commitment to the next level by building the most sustainable platform for commerce, thereby cementing its position as the industry's CSR leader.

The strategy rests on four pillars:

- Act for the climate by achieving net zero for 2030;
- Act to serve communities and territories around its shopping centers;
- Act to develop the skills of its employees, partners and visitors; and
- Act to promote sustainable lifestyles for everyone in the ecosystem – customers, retailers, employees, partners and citizens.

(1) Change versus the 2013 baseline.

WIDELY-ACKNOWLEDGED LEADERSHIP

Klépierre is regularly honored by the leading non-financial rating agencies and international organizations for its commitments and outcomes.

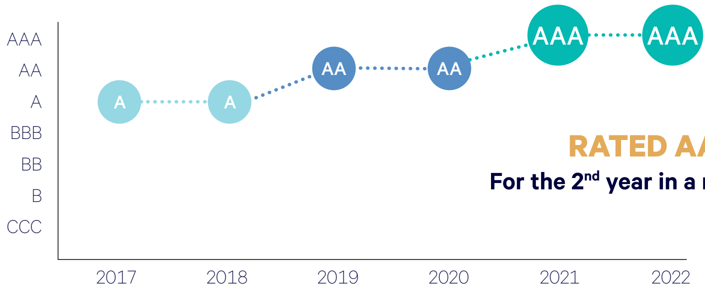
GRESB ★★★★★ 2022

#1 GLOBAL RETAIL LISTED
#1 EUROPE RETAIL
#1 EUROPE LISTED
#1 EUROPE RETAIL LISTED
FIVE-STAR RATING

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CLIMATE CHANGE STRATEGY
certified with the highest target classification (1.5°C)

MSCI



RATED AAA
For the 2nd year in a row

CDP
A LIST 2022
CLIMATE

2022 LEADERSHIP
A List Climate

EURONEXT

Klépierre shares included in the
CAC SBT 1.5° INDEX
A new climate-focused index investing solely in companies in the SBF 120 Index that have emissions reduction targets certified in line with the 1.5°C goal of the Paris Agreement.

EPRA sBPR GOLD

2022 GOLD AWARD
for the 11th year in a row

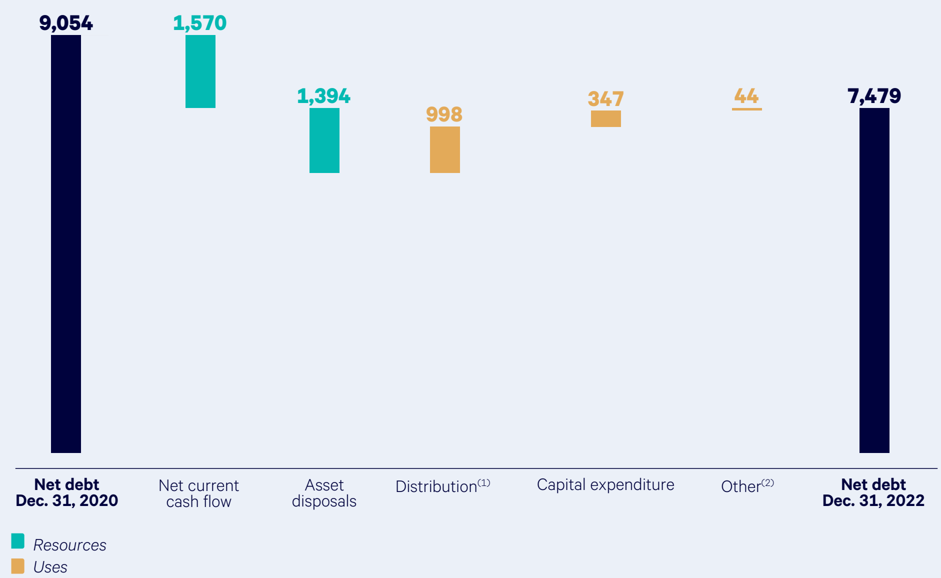
Strict financial discipline

In a fast-changing environment, Klépierre strives to improve its financial risk profile by ensuring long-term returns.

In 2022, this commitment resulted in:

- A sharp reduction in debt, by around €530 million year on year and by €1.6 billion since December 31, 2020, fueled by strong growth in cash flow and asset disposals;
- A steady improvement in credit metrics, which rank among the best in the industry and underpin Klépierre's sustainably robust credit rating (BBB+, stable outlook, confirmed by Standard & Poors in May 2022);
- Abundant liquidity covering 36% of gross debt and constant access to capital markets.

NET DEBT REDUCED BY €1.6 BILLION OVER THE PAST TWO YEARS
(in millions of euros)



(1) Including dividends paid to Klépierre shareholders and to partners in joint ventures.
(2) Including change in working capital, non-recurring costs, restructuring of net debt and currency effect.

SIMON PROPERTY GROUP: A REFERENCE SHAREHOLDER THAT IS THE GLOBAL INDUSTRY LEADER IN SHOPPING CENTERS

(shareholding structure as of December 31, 2022)

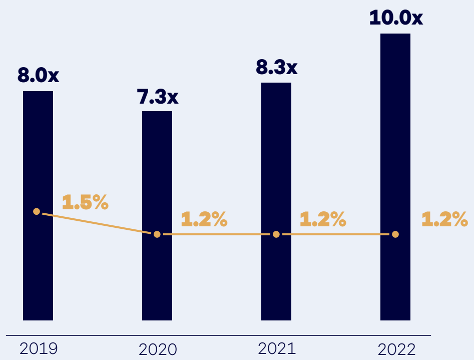
22.3%
Simon Property Group

6.2%
APG

71.5%
Other shareholders (free float including treasury shares)

AVERAGE COST OF DEBT AND INTEREST COVERAGE RATIO, 2019–2022

(as of December 31, 2022)



Interest coverage ratio
Average cost of debt

MAIN CREDIT METRICS

(as of December 31, 2022)

Interest coverage ratio	**10.0x**
Net debt to EBITDA	**7.9x**
Loan-to-value (LTV)	**37.7%**
S&P rating	**BBB+** (stable outlook)

Value creation process

TRENDS

Shifting consumer practices

Growing urbanization in Europe

Resources

FINANCIAL
- €19.8bn in assets
- €7.5bn in net debt
- €6.2bn in market capitalization

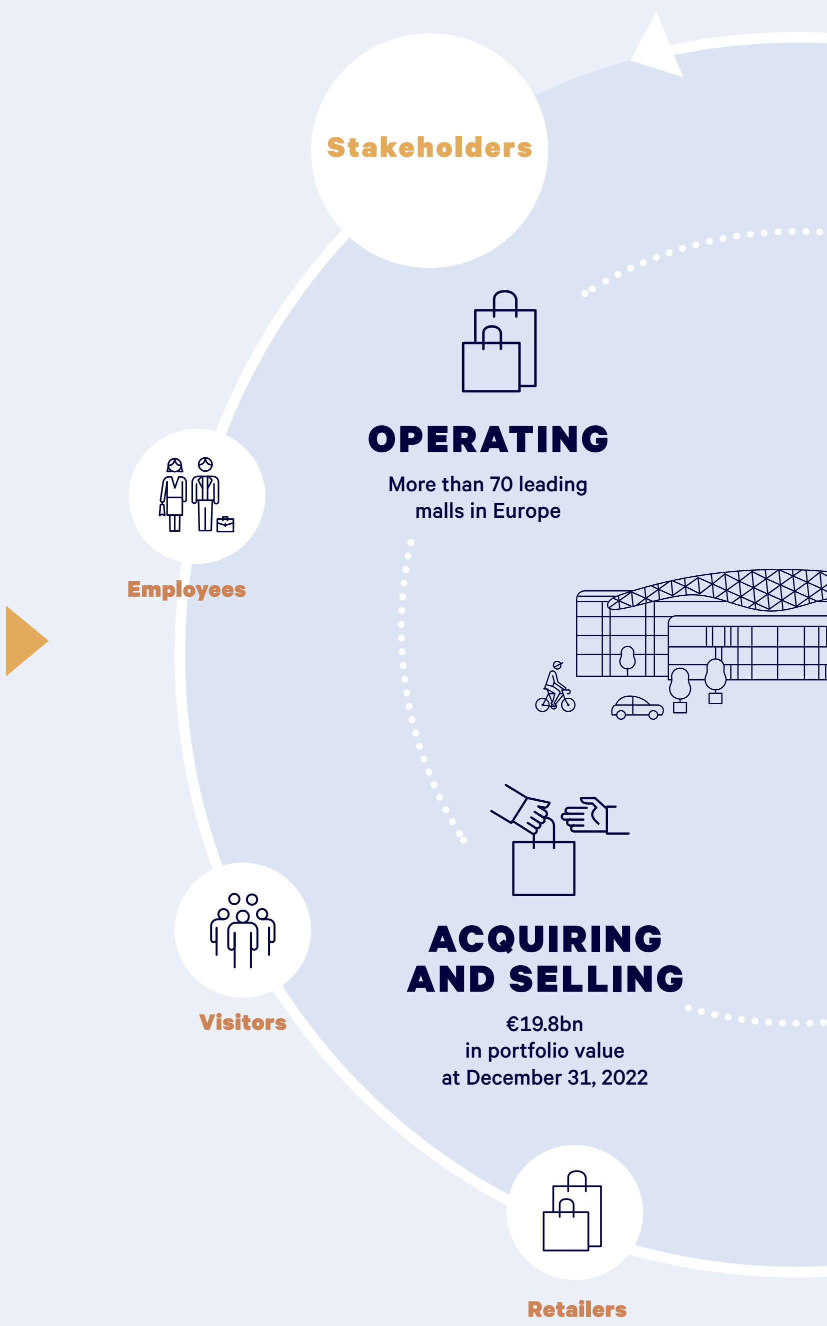
BUSINESS AND CORPORATE
- 3,600 retailers

HUMAN AND INTELLECTUAL
- 1,072 employees
- 38% women in the top 100 senior management positions

NATURAL
- 83.6 kWh/sq.m. in annual energy use
- 2.9m cu.m. in water consumption
- 100% of electricity from renewable sources

INFRASTRUCTURE & TECHNOLOGY
- 100% of assets accessible via public transport
- More than 10 partnerships with start-ups at Group level
- 238 TB of data (excluding backups)

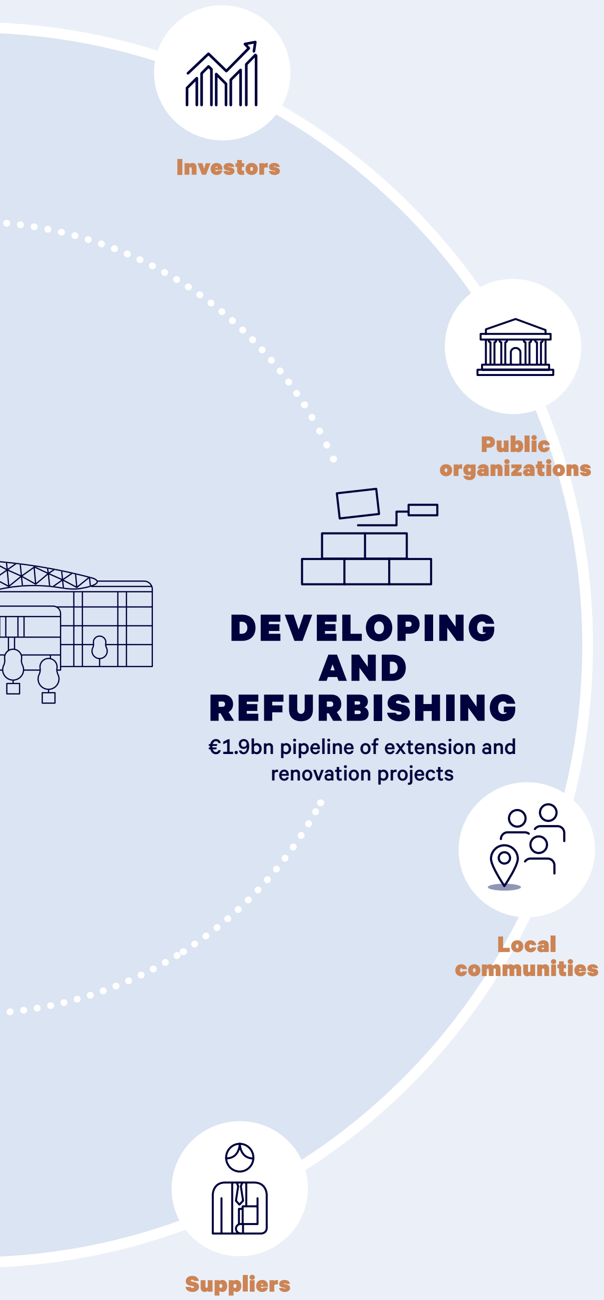
Our model



Rising importance of environmental issues

Property market dynamics

Degree of labor market tightness



Value creation

FINANCIAL

- €851m in net current cash flow
- €485m distributed to shareholders in respect of fiscal year 2021

BUSINESS AND CORPORATE

- 1,360 new leases
- For every Klépierre job created, 2.2 jobs are created in the local economy
- 100% of centers having donated space to a local initiative
- Net Promoter Score up 26 points versus 2017
- €88m in local taxes

HUMAN AND INTELLECTUAL

- 32% of open positions filled internally
- 100% of employees have access to training
- 100% of young graduates supported with personalized career guidance

NATURAL

- 82% reduction in carbon intensity versus 2017
- 42% reduction in energy intensity versus 2013
- 100% of shopping centers environmentally certified
- 100% of recovered waste

INFRASTRUCTURE & TECHNOLOGY

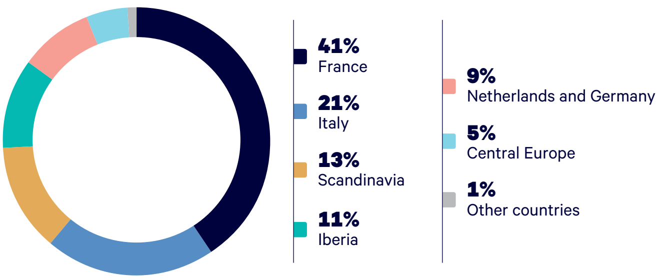
- €8m in capital expenditure committed to IT projects

Financial performance

INCOME STATEMENT	2018	2019	2020	2021	2022
Gross rental income *(in millions of euros)*	1,252.2	1,242.3	1,062.4	1,006.4	1,162.4
Net rental income *(in millions of euros)*	1,119.0	1,130.6	846.2	879.5	1,035.3
EBITDA *(in millions of euros)*	1,025.7	1,053.2	797.2	806.8	955.0
Net current cash flow *(Group share, in millions of euros)*	793.7	830.3	586.9	622.3	740.8
Net current cash flow per share *(in euros)*	2.65	2.82	2.05	2.18	2.62
Dividend per share *(in euros)*	2.10	2.20	1.00	1.70	1.75[1]
OPERATING INDICATORS					
Reversion	11.1%	8.2%	4.5%	0.9%	4.1%
Occupancy cost ratio	12.3%	12.4%	13.2%	12.6%	12.9%
EPRA vacancy rate	3.2%	3.0%	4.8%	5.3%	4.2%
Bad debt rate[2]	1.7%	1.6%	16.0%	13.3%	3.6%
Change in retailer sales *(like for like)*	0.9%	1.8%	-11.0%	10.1%	25.0%
TOTAL PORTFOLIO VALUE					
Portfolio (total share) *(in millions of euros, including transfer taxes)*	24,440	23,673	21,859	20,713	19,832
EPRA net initial yield	4.9%	5.0%	5.3%	5.2%	5.4%
EPRA NTA per share *(in euros)*	N/A	36.9	31.4	31.2	30.9
FINANCIAL INDICATORS					
Net debt *(in millions of euros)*	8,875	8,830	9,054	8,006	7,479
Average cost of debt	1.6%	1.5%	1.2%	1.2%	1.2%
Interest coverage ratio	7.0x	8.0x	7.3x	8.3x	10.0x
Loan-to-value (LTV)	36.3%	37.3%	41.4%	38.7%	37.7%
Net debt to EBITDA	8.3x	8.0x	10.8x	8.8x	7.9x

(1) Submitted to shareholder approval at the May 11, 2023 General Meeting. For more information, see chapter 2 "Business of the year".
(2) Bad debt rate corresponds to: 1 - expected collection rate.

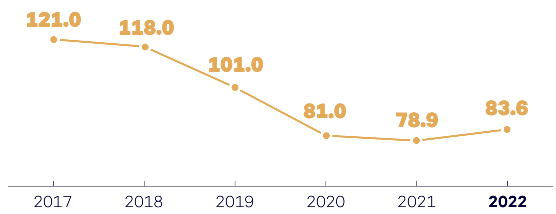
PORTFOLIO VALUE BY COUNTRY
(as a % of the total at December 31, 2022)



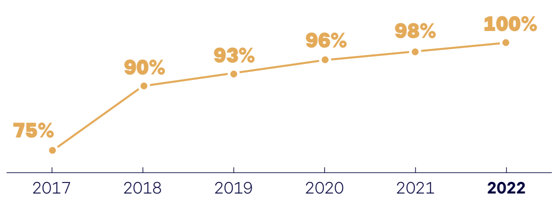
Non-financial performance[1]

	2020	2021	2022
ACT FOR THE PLANET			
Reduction in energy consumption for common and serviced areas[2]	-43%	-45%	-42%
Percentage of electricity coming from renewable sources in the total consumption of electricity of common and serviced areas	93%	95%	100%
Percentage of recovered waste	96%	98%	100%
Percentage of centers that have a sustainable development certification *(by value)*	100%	100%	100%
ACT FOR TERRITORIES			
Percentage of centers that have contributed to local employment *(by value)*	95%	100%	100%
Percentage of centers that have made space available for local actors *(by value)*	98%	100%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer *(by value)*	98%	98%	100%
ACT FOR PEOPLE			
Increase in the Group's Net Promoter Score (NPS) versus 2017	+8 pts	+18 pts	+26 pts
Rate of access to training for Group employees	100%	100%	100%
Percentage of centers that have promoted health and well-being *(by value)*	99%	100%	100%

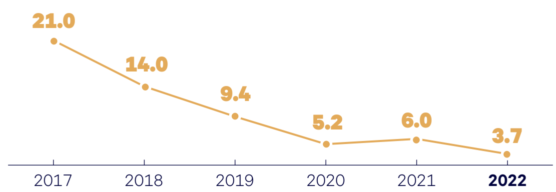
ENERGY INTENSITY IN COMMON AND SERVICED AREAS
(in kWh/sq.m., reported scope)



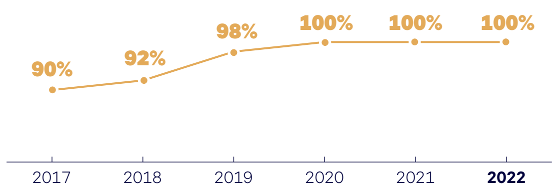
PERCENTAGE OF RECOVERED AND REUSED WASTE
(% of total tonnage produced, reported scope)



DIRECT GREENHOUSE GAS EMISSIONS INTENSITY
(Scopes 1 & 2) (in kgCO_2/sq.m., market-based, reported scope)



PERCENTAGE OF EMPLOYEES ATTENDING AT LEAST ONE TRAINING SESSION DURING THE YEAR
(reported scope)



(1) For more information on the scope of reporting and content of these indicators, please refer to chapter 3 "Sustainable Development".
(2) Change versus the 2013 baseline.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2 BUSINESS OF THE YEAR

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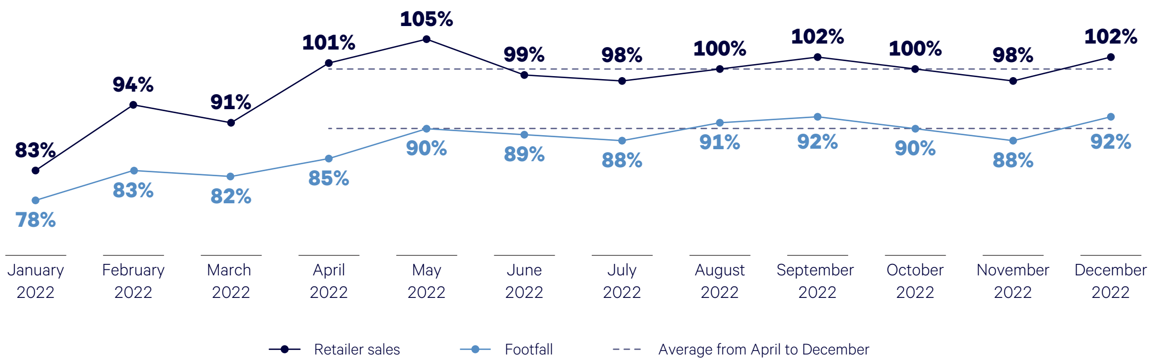
2.1 TRADING UPDATE

2.1.1 Retailer sales and footfall

On a like-for-like basis, **retailer sales** rebounded strongly in 2022, up 25% compared to 2021 and representing 98% of 2019 levels. After suffering the negative impacts of the pandemic and the early months of the Ukraine conflict during the first quarter (89% of 2019 levels), retailer sales continued to improve between April and December, hitting 100% of 2019 levels over the period, and coming out 2% higher in December. This trend illustrates the strength of the business rebound, the resilience of Klépierre's portfolio of leading European shopping malls and the relevance of Group's initiatives to provide a constantly renewed offering adapted to shoppers' expectations.

Footfall also increased sharply from 78% of the 2019 level in January 2022 to 92% in December 2022. Malls located in business districts and dependent on tourist traffic or commuters continued to deliver improving performances throughout the period, although they remained slightly below the Group average.

CHANGE IN RETAILER SALES AND FOOTFALL COMPARED TO 2019[(a)]



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

RETAILER SALES BY GEOGRAPHY COMPARED TO 2019[(a)]

Geography	First Quarter 2022 *vs.* 2019	From April to December 2022 *vs.* 2019	Share in total reported retailer sales
France	89%	101%	41%
Italy	86%	98%	27%
Scandinavia	91%	97%	12%
Iberia	92%	102%	10%
Netherlands & Germany	85%	103%	5%
Central Europe	93%	108%	5%
TOTAL SHOPPING CENTERS	**89%**	**100%**	**100%**

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

RETAILER SALES BY SEGMENT COMPARED TO 2019[(a)]

Segment	First Quarter 2022 *vs.* 2019	From April to December 2022 *vs.* 2019	Share in total reported retailer sales
Fashion	83%	100%	36%
Culture, Gifts & Leisure	93%	102%	21%
Health & Beauty	92%	101%	14%
Food & Beverage	84%	99%	11%
Household Equipment	102%	100%	12%
Others	83%	96%	6%
TOTAL SHOPPING CENTERS	**89%**	**100%**	**100%**

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

2.1.2 Rent collection

The Group expects to achieve a collection rate of at least 96.4% for 2022.

2.1.3 Gross rental income and net rental income

GROSS RENTAL INCOME *(on a total share basis)*

In millions of euros	12/31/2022	12/31/2021	Reported change	Like-for-like change
France	466.7	366.3	+27.4%	+28.5%
Italy	217.7	174.1	+25.0%	+20.4%
Scandinavia	141.1	158.7	−11.1%	+5.7%
Iberia	130.7	117.4	+11.3%	+11.3%
Netherlands & Germany	110.5	102.9	+7.4%	+24.0%
Central Europe	65.7	59.0	+11.3%	+11.3%
Other countries	16.3	14.6	+11.6%	+119.0%
TOTAL SHOPPING CENTERS	1,148.7	993.1	+15.7%	+21.0%
Other retail properties	13.7	13.3	+2.8%	+40.9%
TOTAL	**1,162.4**	**1,006.4**	**+15.5%**	**+21.1%**

NET RENTAL INCOME *(on a total share basis)*

In millions of euros	12/31/2022	12/31/2021	Reported change	Like-for-like change
France	420.0	298.7	+40.6%	+42.2%
Italy	207.4	177.8	+16.7%	+14.3%
Scandinavia	122.8	139.4	−11.9%	+4.5%
Iberia	119.4	106.1	+12.5%	+12.5%
Netherlands & Germany	81.0	79.5	+1.9%	+20.7%
Central Europe	63.2	51.1	+23.6%	+23.6%
Other countries	9.8	10.8	−8.8%	+76.0%
TOTAL SHOPPING CENTERS	1,023.6	863.4	+18.6%	+24.8%
Other retail properties	11.7	16.1	−27.6%	+13.5%
TOTAL	**1,035.3**	**879.5**	**+17.7%**	**+24.8%**

Net rental income amounted to €1,035.3 million in 2022, up 17.7% on a reported basis and 24.8% on a like-for-like basis.

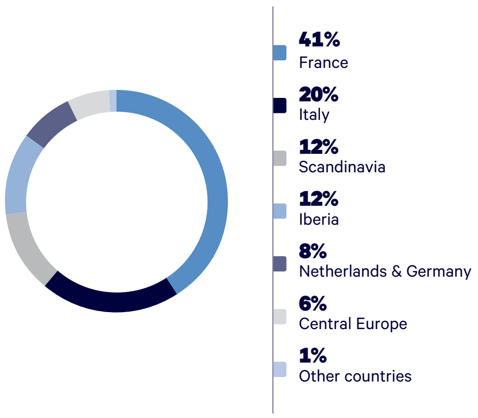
2021 was severely impacted by Covid-19 as stores were closed during 2.5 months on average. 2022 is the first undisturbed year with no business disruption due to Covid-19, although some light restrictions were still in place during the first quarter. Consequently, the comparison between 2021 and 2022 is meaningless.

In 2022, net rental income included two non-recurring/one-off contributions:

- reversal of provisions (€88.6 million) due to better-than-expected rent collection for 2020 and 2021. During the pandemic, Klépierre entered into negotiation with its tenants to negotiate rent abatements against either lease extension or renewals or opening of new stores. The solid economic rebound coupled with productive negotiations with banners and the positive impact of the subsidy disbursed to retailers by the French government[1] supported these negotiations; and
- €25.0 million of net rental income generated by assets disposed over the course of 2022.

Excluding those two elements, net rental income for 2022 amounted to €921.7 million, reflecting the basis of the first undisturbed year since Covid-19 outbreak.

BREAKDOWN OF SHOPPING CENTER NRI BY REGION FOR THE YEAR ENDED DECEMBER 31, 2022
(on a total share basis)



(1) *In 2021, 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. The subsidy was disbursed to retailers in the second half of 2022, with positive impact on Klépierre's collection rate mainly in the fourth quarter of 2022.*

2.1.4 Leasing update

Over the course of 2022, the attractiveness of Klépierre's assets was highlighted by a strong **leasing** performance and solid operational metrics. Leveraging its unique European platform of shopping malls, the Group signed 1,360 leases including 974 renewals and re-lettings, with a 4.1% positive reversion rate.

The bounceback in retailer sales and footfall coupled with the Group's **Retail First**® strategy enabled Klépierre to seize opportunities with best-in-class banners and offer an even more attractive retail mix to visitors. Overall, this significantly supported the occupancy rate which increased by 110 basis points year on year to 95.8% as of December 31, 2022.

Over the period, high demand across all geographies materialized in the signing of marquee deals with **omnichannel and international retailers** such as Calzedonia (43 leases), Primark (three leases), Inditex (15 leases), H&M (eight leases), Pandora (seven leases) and Mango (two leases). Driven by the ambition to continue broadening its retail offering, the Group reinforced its partnerships with **on-trend concepts** such as eyewear specialist Jimmy Fairly (three leases), lifestyle brand Miniso, and household and cookery retailer Tefal which chose Klépierre to open its inaugural stores in France and Sweden. At the same time, Klépierre continued to attract differentiating brands with Chinese online platform AliExpress' offline concept opening at La Gavia (Madrid, Spain), and to support the expansion of retailers in dynamic segments with a strong long-term growth outlook, especially the **sports** and **health & beauty segments**. For example, several deals were signed with Nike (four leases), JD Sports (11 leases), Deichmann (six leases), Snipes (five leases), Hummel (one lease) and Rituals (10 leases). Dealflow in the popular value-for-money segment was also dense, illustrated by Action (three leases), Lidl (two leases), HalfPrice (two leases) and Normal (six leases). In an effort to continue to enhance its offering in the household equipment segment, Klépierre is set to welcome IKEA at Bryggen (Vejle, Denmark) over 230 sq.m. in the first quarter of 2023 under its new "IKEA Studio" store format. In addition, Klépierre remained extremely active in rolling out its **Destination Food**® concept, hosting on-trend eateries including natural and fresh food restaurant Exki and ground-breaking burger concept Goiko. Several deals were also signed with McDonald's, Poke House and Starbucks, as well as with dynamic local brands.

The year's highlights included the successful inauguration of the 16,700 sq.m. Gran Reno extension at Bologna in Italy. Hosting an outstanding collection of retailers, the mall generated strong sales and footfall increases (up 47% in the second half of 2022 compared to 2019) over the period.

Lastly, as of December 31, 2022, the average left duration of leases in Klépierre malls stood at five years, significantly higher than the year-earlier figure of 4.7 years and the pre-Covid level of 4.8 years. This trend reflects the Group's strategy of continuing to favor long-term leases, helping maintain a high level of occupancy and providing greater visibility over cash flows (20.4% of leases have a termination date after 2030). Lease terms were above the Group average in France (5.5 years), Iberia (5.6 years) and Netherlands & Germany (5.2 years), while shorter in Scandinavia (3.0 years), reflecting the customary local lease format (3.0 years in Sweden).

KEY PERFORMANCE INDICATORS

Geography	OCR[a]	Occupancy rate
France	13.0%	94.5%
Italy	12.5%	98.3%
Scandinavia	13.0%	95.1%
Iberia	13.8%	95.5%
Germany[b]	12.4%	95.6%
Central Europe	15.4%	96.6%
Other countries	8.6%	96.4%
TOTAL	**12.9%**	**95.8%**

All assets (including equity-accounted companies) are presented on a 100% share basis.
(a) Occupancy cost ratio: ratio of invoiced rents and tenant charges to retailer sales.
(b) Occupancy cost ratio is only calculated for Germany as only a few Dutch retailers report their sales to Klépierre.

2.2 BUSINESS ACTIVITY BY REGION

2.2.1 France (41% of net rental income)

NRI AND OCCUPANCY RATE IN FRANCE

	Portfolio NRI (on a reported basis)			Portfolio NRI (on a like-for-like basis)			Occupancy rate	
In millions of euros	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021
FRANCE	**420.0**	**298.7**	**+40.6%**	**420.7**	**295.8**	**+42.2%**	**94.5%**	**94.3%**

In 2022, retailer sales[1] represented 98% of 2019 levels, accelerating sharply from 89% in the first quarter to 101% between April and December, with the latter even up 4% compared to pre-Covid levels. The relatively lower level of inflation than most eurozone countries, cushioned by local energy caps and public subsidies, supported consumption. Segment wise, fashion, household equipment and culture, gifts & leisure experienced the strongest growth with sales up between 1% and 2% compared to 2019 levels between April and December. Food & beverage rebounded strongly from 85% of 2019 levels in the first quarter to 99% of pre-Covid level between April and December.

In 2022, **net rental income** amounted to €420.0 million, up 40.6% on a reported basis and 42.2% like-for-like.

The Group increased its momentum on the **leasing** front, with the signing of 316 leases, driving occupancy up slightly to 94.5%. The dealflow was dense with key accounts such as Inditex enlarging its store at Blagnac (Toulouse) in December and signing agreements at Arcades (Paris region), and Odysseum (Montpellier) to upsize to its latest format by the end of 2023. Primark is slated to open its next megastore at Centre Deux (Saint-Étienne) in March 2023, followed by Grand Place (Grenoble) in the second half of the year, while four deals were signed with the value retailer Normal and five with cosmetic brand Rituals for the opening or rightsizing of new boutiques. The period also illustrated Klépierre's desire to broaden its offering by enriching the traditional retail selection with health services (including 10 audio prothesists, one dental clinic, one medical center, three eye centers, six enlarged pharmacies) while supporting the expansion of newcomers such as successful grocery store chain Lidl, which signed two deals with the Group for new 3,000 sq.m. stores opening next July at Val d'Europe (Paris region) and Bourse (Marseille). Similarly, Klépierre consolidated its partnership with Action, the international discount store-chain to open two new stores at Grand Place (Grenoble) and Arcades (Paris region).

2.2.2 Italy (20% of net rental income)

NRI AND OCCUPANCY RATE IN ITALY

	Portfolio NRI (on a reported basis)			Portfolio NRI (on a like-for-like basis)			Occupancy rate	
In millions of euros	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021
ITALY	**207.4**	**177.8**	**+16.7%**	**165.1**	**144.5**	**+14.3%**	**98.3%**	**96.7%**

Klépierre's Italian malls demonstrated resilience over the period, with **retailer sales**[1] representing 96% of 2019 levels and exceeding 2021 sales by 18% on a like-for-like basis. The year started slowly due to the Covid restrictions still in place, but retailer sales rebounded to 98% of the 2019 performance between April and December. By segment, culture, gifts & leisure outperformed 2019 levels between April and December while in the last three quarters fashion, household equipment and health & beauty ramped up to near-pre-Covid levels. Despite a marked improvement from the first quarter, food & beverage continued to lag overall.

In that context, **net rental income** in Italy amounted to €207.4 million, an increase of 16.7% on a reported basis and 14.3% like-for-like.

In 2022, Italy was one of the most dynamic geographies in terms of **leasing** initiatives with 442 leases signed, confirming the appeal for Klépierre's premium platform of leading malls in the country. Several operations were completed with iconic banners, including the unveiling of three new Primark stores at Gran Reno (Bologna), Campania (Naples) and Le Gru (Turin). The year also marked the start of refurbishment work at Le Gru with the newly refurbished "North Square" already open, while in July, Klépierre inaugurated the Gran Reno extension, which now boasts an exceptional tenant mix including Primark, Sephora, New Balance, JD Sports, the Inditex brands and Miniso. Leasing activity was also very dynamic at Campania, the leading mall in Naples which continued to attract an outstanding array of retailers including deals with Mango, Calvin Klein, United Colors of Benetton and MAC Cosmetics, as well as the opening of entirely new and enlarged H&M and H&M Home concepts. Meanwhile, the sports segment maintained its growth momentum, as illustrated by deals with JD Sport, Snipes, Champion, Deichmann and Skechers.

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

2.2.3 Scandinavia (12% of net rental income)

NRI AND OCCUPANCY RATE IN SCANDINAVIA

	Portfolio NRI (on a reported basis)			Portfolio NRI (on a like-for-like basis)			Occupancy rate	
In millions of euros	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021
SCANDINAVIA	122.8	139.4	−11.9%	114.9	110.0	+4.5%	95.1%	92.9%

On a like-for-like basis, 2022 **retailer sales** in Scandinavia represented 96% of 2019 levels. After a good start to the year with retailer sales[(1)] above 2019 levels, the performance was hampered by the terrorist attacks at Field's and Emporia in July and August as well as energy price increases (retailer sales at 97% of pre-Covid levels between April and December). Nevertheless, Norway continued on its robust trajectory, exceeding 2019 levels by 3% between April and December whereas Sweden and Denmark reported below pre-Covid performances during the period. By segment, health & beauty outperformed 2019 levels by 4% in the last three quarters, while food & beverage was just shy at 99%. Despite strong rebounds in the second quarter, other segments lagged slightly behind.

The 11.9% reported decrease in Scandinavia **net rental income** over 2022 was mainly attributable to the disposal of assets in Norway during the period. On a like-for-like basis, net rental income was up 4.5%.

Over the year, Klépierre's malls continued to benefit from asset management and **leasing** initiatives with 107 leases signed while occupancy reached 95.1%, up 220 basis points over the year. Several deals were signed in the sports segment, as Nike unveiled its inaugural stores at Emporia (Malmö, Sweden) and Bruun's Galleri (Aarhus, Denmark) while Deichmann, Hummel and XXL opened concepts at Marieberg (Örebro, Sweden), Bruun's Galleri and Kupolen (Borlänge, Sweden). In an effort to continue enhancing its household equipment offering, Klépierre will welcome IKEA at Bryggen (Vejle, Denmark) over 230 sq.m. in the first quarter of 2023, under its new "IKEA Studio" store format. In addition, deals were signed with Scotch & Soda, New Yorker and household and cookery retailer Tefal at Emporia, a preferred destination for international banners in Scandinavia. Lastly, Klépierre welcomed the Chinese electric car company BYD at Field's (Copenhagen, Denmark), supporting the transformation of future mobility.

2.2.4 Iberia (12% of net rental income)

NRI AND OCCUPANCY RATE IN IBERIA

	Portfolio NRI (on a reported basis)			Portfolio NRI (on a like-for-like basis)			Occupancy rate	
In millions of euros	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021
IBERIA	119.4	106.1	+12.5%	119.4	106.2	+12.5%	95.5%	93.8%

Iberia recorded strong **retailer sales**[(1)] in line with pre-Covid levels over the year, and 2% higher between April and December. Portugal posted an especially strong performance, with sales exceeding 2019 levels by 7% in the last three quarters. The high level of household savings and the return of tourists coupled with public support measures fueled domestic demand over the period. Between April and December, health & beauty and culture, gifts & leisure posted retailer sales 6% and 5%, respectively, above 2019 levels. Meanwhile, food & beverage and fashion were up 3% and 2%, respectively. In a similar vein to the first half of the year, household equipment continued to underperform, with retailer sales trailing 2019 levels by 12%.

Net **rental income** amounted to €119.4 million, up 12.5% on a like-for-like basis, with a strong reversion and increased occupancy rate.

Leasing activity was buoyant in Iberia, with 193 leases signed. Highlights included the consolidation of long-standing partnerships with key accounts such as Inditex which unveiled two new enlarged and refurbished Zara and Pull & Bear stores at Plenilunio (Madrid, Spain) and Pull & Bear and Stradivarius stores at Aqua Portimão (Portimão, Portugal). Similarly, in Maremagnum (Barcelona, Spain), the Group is set up to enlarge and deploy new Stradivarius, Pull & Bear, Bershka and Lefties concepts. Value retailer Normal opened a store at Parque Nascente (Porto), while Klépierre continued to promote newcomers with the opening of three new Pepco stores in Spain. Meanwhile, the Group further strenghtened the tenant mix, wrapping up new deals with Nike, Levi's, Tezenis, Rituals and Skechers. Lastly, the Group continued to attract differentiating brands with Chinese online platform AliExpress' offline concept opening at La Gavia (Madrid, Spain) in April.

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

2.2.5 Netherlands & Germany (8% of net rental income)

NRI AND OCCUPANCY RATE IN THE NETHERLANDS AND GERMANY

	Portfolio NRI (on a reported basis)			Portfolio NRI (on a like-for-like basis)			Occupancy rate	
In millions of euros	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021
NETHERLANDS & GERMANY	81.0	79.5	+1.9%	83.7	69.4	+20.7%	95.6%	94.9%

On a like-for-like basis, 2022 **retailer sales**(1) represented 99% of 2019 levels. The first quarter was hindered significantly by the pandemic, with the Dutch lockdown through mid-January and the German "2G" law limiting public access to certain businesses. However, the performance rebounded strongly from the second quarter onwards, with retailer sales reaching 103% of pre-Covid levels between April and December. By segment, culture, gifts & leisure and household equipment led the pack, posting retailer sales above 2019 levels, while fashion was in line with pre-Covid levels.

As at December 31, 2022, **net rental income** reached €81.0 million, up by a slight 1.9% on a reported basis due to the negative impact of the disposal of Boulevard Berlin in December 2021. On a like-for-like basis, net rental income was up 20.7%.

On the **leasing** front, 63 deals were signed over the period, while occupancy was up 70 basis points to 95.6%. Hoog Catharijne (Utrecht, Netherlands) continued to attract on-trend retailers such as local discount brand Xenos and jewlery specialist Lovisa. Fashion retailer Mexx also chose Hoog Catharijne to unveil its first store in Klépierre's Dutch portfolio in May, and Mango opened just before Christmas. The most visited shopping center in the Netherlands also welcomed a Skechers store in March and a brand-new H&M Home in July. In Germany, the Group pursued its proactive leasing strategy, signing deals with H&M and Inditex, including the relocation of Bershka at Centrum Galerie (Dresden).

2.2.6 Central Europe (6% of net rental income)

NRI AND OCCUPANCY RATE IN CENTRAL EUROPE

	Portfolio NRI (on a reported basis)			Portfolio NRI (on a like-for-like basis)			Occupancy rate	
In millions of euros	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021
CENTRAL EUROPE	63.2	51.1	+23.6%	63.2	51.1	+23.6%	96.6%	96.3%

Retailer sales(1) in Central Europe exceeded 2019 levels by 5% over the year and were up 8% over the three last quarters, benefiting from the proactive leasing initiatives over recent years and higher inflation than other geographies. On a segment basis, household equipment and food & beverage outperformed pre-Covid levels, followed closely by fashion and culture, gifts & leisure.

Net rental income in Central Europe amounted to €63.2 million, up 23.6% both on reported and like-for-like basis, on the back of the strong business recovery.

On the **leasing** side, the Group signed 104 deals in 2022. At Nový Smíchov (Prague, Czech Republic), household retailer Tescoma enlarged its store and Diesel selected Prague's leading mall for its latest boutique while cosmetics banner Rituals was relocated to offer an enhanced shopping experience. Still in the health & beauty segment, several other deals were agreed with Rituals and Lush. In the fashion segment, the activity was also dynamic with international retailers, such as Calzedonia (six deals), Etam (one deal) and the new Nike flagship store at Nový Smíchov which opened in January 2023. In Poland, Intimissimi and Tezenis joined Sadyba Best Mall (Warsaw), while sportswear specialist 4F enlarged its store at Poznan Plaza (Poznan), where Rituals also opened a new boutique. Two deals were signed with off-price retailer HalfPrice, for brand-new stores of more than 1,500 sq.m. at Poznan Plaza and Rybnik Plaza.

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

2.3 NET CURRENT CASH FLOW

2.3.1 Net current cash flow and EPRA Earnings

NET CURRENT CASH FLOW AND EPRA EARNINGS

Total share *(in millions of euros)*	**12/31/2022**	**12/31/2021**	**Change**
Gross rental income	1,162.4	1,006.4	+15.5%
Rental and building expenses	(127.1)	(126.9)	+0.2%
Net rental income	**1,035.3**	**879.5**	**+17.7%**
Management and other income	83.8	74.5	+12.4%
General and administrative expenses	(164.0)	(147.2)	+11.4%
EBITDA	**955.0**	**806.8**	**+18.4%**
Adjustments to calculate operating cash flow:			
• Depreciation charge for right-of-use assets[a]	(8.7)	(8.4)	
• Employee benefits, stock option expense and non-current operating expenses/income	3.6	3.3	
Operating cash flow	**949.9**	**801.7**	**+18.5%**
Cost of net debt	(119.5)	(115.3)	+3.7%
Adjustments to calculate net current cash flow before taxes:			
• Amortization of Corio debt mark-to-market	(1.7)	(2.8)	
• Financial instrument close-out costs	7.8	2.6	
Current cash flow before taxes	**836.4**	**686.1**	**+21.9%**
Share in earnings of equity-accounted companies	53.4	49.6	+7.7%
Current tax expense	(38.7)	(16.7)	+132.0%
Net current cash flow	**851.0**	**718.9**	**+18.4%**
Group share			
Net current cash flow	**740.8**	**622.3**	**+19.1%**
Add-back adjustments to calculate EPRA Earnings:			
• Employee benefits, stock option expense and non-recurring operating expenses/income	(3.5)	(3.3)	
• Depreciation, amortization and provisions for contingencies and losses	(8.2)	(8.5)	
EPRA Earnings	**729.1**	**610.4**	**+19.4%**
Average number of shares[b]	286,524,518	285,860,024	+0.2%
Per share ***(in euros)***			
NET CURRENT CASH FLOW – IFRS	**2.59**	**2.18**	**+18.8%**
IFRS 16 adjustment	0.03	0.00	
NET CURRENT CASH FLOW – ADJUSTED	**2.62**	**2.18**	**+20.1%**
EPRA EARNINGS	**2.54**	**2.14**	**+19.2%**

(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 €1,035.3 million in 2022, up 17.7% year on year, supported by 24.8% like-for-like growth; on the back of the strong business recovery. The increase was also attributable to the €88.6 million one-off effect of the reversal of rent abatements and credit loss provisions recognized in 2020 and 2021 in the context of the health crisis (see section 2.1.3 "Gross and net rental income").
- **Operating cash flow** amounted to €949.9 million up 18.5% year on year. Over the period, management and other income increased by €9.3 million (up 12.4%), fueled by the business rebound. General and administrative expenses totaled €164.0 million. In 2021, Klépierre had significantly reduced its staff costs and administrative expenses due to the Covid-19 situation. The current level of General and administrative expenses is below the 2019 level.
- **The cost of net debt** was up slightly in 2022 to €119.5 million on a total share basis on the back of one-off items mainly relating to costs induced by the redemption of bonds in January (see section 2.6.1.3 "Main funding operations and available resources"). Restated for non-cash and non-recurring items (amortization of Corio debt mark-to-market and financial instrument close-out costs), the cost of net debt came out at €113.5 million, down 2% over one year. Overall, the average cost of debt was stable at 1.2% compared to December 31, 2021 (see section 2.6.3 "Cost of debt").

- **Current tax expense** amounted to €38.7 million on a total share basis, up €22.0 million year on year, notably reflecting higher net rental income in taxable countries (mainly Italy, Iberia and Central Europe). In addition, 2021 current tax expense was significantly lower due to higher provisions for credit losses and rent abatements, as well as a €6.5 million accrued tax credit in France in respect of rent abatements granted for the November 2020 lockdown.
- **Net current cash flow** amounted to €851.0 million (total share), or €2.62[1] per share (group share), up 20.1% over the year. This amount included €0.30 per share relating to higher-than-anticipated collection of 2020 and 2021 rents (one-off item) and €0.08 per share relating to cash flow generated by asset disposed over the course of 2022.

See section 2.7.1 for the reconciliation of net current cash flow to EPRA earnings and net income.

2.3.2 Contribution of equity-accounted companies

The contribution of equity-accounted companies[2] to net current cash flow amounted to €53.4 million over the twelve months ended December 31, 2022. 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; 28% equity interest) and Metro Senter (Oslo; 28% equity interest);
- Portugal: Aqua Portimão (Portimão; 50% equity interest); and
- Turkey: Akmerkez (Istanbul; 44.9% 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.

GROSS RENTAL INCOME

In millions of euros	12/31/2022	12/31/2021
France	24.7	21.4
Italy	41.6	34.9
Norway[a]	6.3	6.4
Portugal	4.4	2.9
Turkey	5.8	5.1
TOTAL	**82.7**	**70.6**

(a) To determine the Group's share for Norway, data must be multiplied by 56.1%.

NET CURRENT CASH FLOW

In millions of euros	12/31/2022	12/31/2021
France	14.6	13.0
Italy	28.5	27.5
Norway[a]	4.9	5.2
Portugal	0.5	(0.3)
Turkey	5.0	4.2
TOTAL	**53.4**	**49.6**

(a) To determine the Group's share for Norway, data must be multiplied by 56.1%.

NET RENTAL INCOME

In millions of euros	12/31/2022	12/31/2021
France	17.5	15.8
Italy	35.8	33.3
Norway[a]	4.9	5.2
Portugal	3.6	2.4
Turkey	4.4	3.9
TOTAL	**66.4**	**60.6**

(a) To determine the Group's share for Norway, data must be multiplied by 56.1%.

NET INCOME[b]

In millions of euros	12/31/2022	12/31/2021
France	1.4	(8.8)
Italy	20.5	79.0
Norway[a]	4.4	4.5
Portugal	(1.8)	(0.3)
Turkey	28.8	9.9
TOTAL	**53.3**	**84.3**

(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 value of investment properties.

EBITDA

In millions of euros	12/31/2022	12/31/2021
France	17.4	15.7
Italy	35.6	33.1
Norway[a]	4.9	5.2
Portugal	3.6	2.4
Turkey	4.1	3.6
TOTAL	**65.7**	**59.9**

(a) To determine the Group's share for Norway, data must be multiplied by 56.1%.

(1) Excluding the impact of amortizing Covid-19 rent concessions.
(2) Equity-accounted companies include investments in jointly controlled companies and companies in which the Group exercises significant influence.

2.4 DEVELOPMENTS, INVESTMENTS AND DISPOSALS

2.4.1 Development pipeline

As part of its development strategy, Klépierre regularly transforms its existing assets to strengthen their leadership in their respective catchment areas. To do so, the Group focuses on renovations, extensions or restructuring operations ensuring a positive net contribution to rental income and respecting a controlled level of risks.

In addition, to capture the benefits of the urbanization trend and maximize value, a selection of mixed-use development projects is under consideration including roughly 57% of residential, 25% of office space and 10% of hotels, with the remaining space given over to logistics and other uses[(1)]. These plans aim to transform the potential of building rights notably at Økernsenteret (Oslo, Norway), Viva (Odense, Denmark), Blagnac (Toulouse region, France), Nancy (France) and Field's (Copenhagen, Denmark).

With timespans between three and seven years, these projects may be developed with local partners or, alternatively, disposed.

The Klépierre 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 and mixed-use 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).

DEVELOPMENT PIPELINE (COMMITTED AND CONTROLLED PROJECTS) AS OF DECEMBER 31, 2022 *(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)]
Grand Place	France	Grenoble	Ext. – refurb.	16,200	2022-2023	100.0%	65	36	29	
Hoog Catharijne Phase 3	Netherlands	Utrecht	Ext. – refurb.	7,512	2024	100.0%	27	7	20	
Maremagnum	Spain	Barcelona	Ext. – refurb.	5,200	2024	100.0%	15	2	13	
Other projects				34,875	2022-2023	100.0%	73	65	8	
Total committed projects				**63,787**			**181**	**111**	**70**	**8.0%**
Le Gru[(c)]	Italy	Turin	Ext. – refurb.	24,316	2022-2025	100.0%	134	14	120	
Maremagnum	Spain	Barcelona	Ext. – refurb.	8,140	2027	100.0%	35	1	34	
Odysseum[(c)]	France	Montpellier	Ext. – redev.	15,300	2023-2026	100.0%	51	9	42	
Porta di Roma[(d)]	Italy	Rome	Extension	2,500	2025	50.0%	7	0	7	
Val d'Europe	France	Paris region	Extension	9,000	2026	55.0%	61	1	60	
Blagnac	France	Toulouse region	Ext. – refurb.	3,816	2025	53.6%	13	4	9	
Grand Ouest	France	Écully	Ext. – refurb.	5,109	2025	83.0%	24	1	24	
Alexandrium	Netherlands	Rotterdam	Extension	7,000	2027	100.0%	44	1	44	
La Gavia	Spain	Madrid region	Extension	15,000	2026	100.0%	64	3	61	
Rives d'Arcins	France	Bordeaux region	Extension	6,680	2025	52.0%	24	0	24	
Mondeville	France	Caen	Extension	4,000	2026	100.0%	9	0	9	
Le Vele & Millenium	Italy	Cagliari	Extension	13,650	2025	100.0%	100	0	99	
Parque Nascente	Portugal	Porto	Extension	19,400	2026	100.0%	34	0	34	
Other projects				15,600			69	1	67	
Total retail controlled projects				**149,511**			**669**	**35**	**634**	
Økernsenteret[(e)]	Norway	Oslo	Mixed use	102,500	2025-2027	56.1%	393	50	343	
Viva	Denmark	Odense	Mixed use	90,100	2024	56.1%	328	29	299	
Blagnac	France	Toulouse region	Mixed use	111,987	2025-2031	53.6%	215	10	205	
L'Esplanade	Belgium	Brussels region	Mixed use	22,000	2026	100.0%	75	15	60	
Nancy	France	Nancy	Mixed use	30,800	2025-2028	35.0%	49	9	40	
Field's	Denmark	Copenhagen	Mixed use	67,500	2026	56.1%	209	42	166	
Val d'Europe	France	Paris region	Mixed use	15,000	2026	55.0%	54	0	54	
Total mixed-use controlled projects				**439,887**			**1,322**	**155**	**1,167**	
TOTAL				**653,185**			**2,172**	**301**	**1,871**	

(a) Estimated cost as of December 31, 2022, 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, 2022, 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.

(1) As a percentage of floor area.

As of December 31, 2022, on a total share basis, the total pipeline represented €2.2 billion of potential investments.

Committed projects remained limited, representing €70 million to cash out by delivery. Meanwhile, future spending on controlled retail and mixed-use projects was respectively €634 million and €1.17 billion.

Over 2022, €108.4 million was spent on the pipeline, mainly in France and Italy.

2.4.1.1 Extension of Grand Place (Grenoble, France)

The construction of the 16,200 sq.m. extension has started, with the first stone laid in May 2022. The extension is scheduled for completion by the end of 2023 and will reshape the retail offering and design of this leading shopping center. Preleasing has reached 89% of the projected net rental income. In addition, 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 an enjoyable gastronomic experience.

2.4.1.2 Maremagnum (Barcelona, Spain)

In early 2024, Maremagnum, a shopping and leisure destination for tourists and locals in Barcelona, is set to host the first Time Out Market in Spain. With this food and cultural market concept, the 5,200 sq.m. rooftop will become Barcelona's leisure hotspot for food & beverage with exclusive views over the city, the port and the sea. Work includes improving access to the top floor, as well as restructuring the roof and main façade to transform the emblematic mall. In addition, the recently signed deal with Inditex for the enlargement of Stradivarius, Pull & Bear, Bershka and Lefties, will provide fresh retail impetus for the mall.

2.4.2 Capital expenditure

In 2022, the Group focused on its main **development** projects:

- The extension of Gran Reno in Bologna (Italy; see below), which opened on July 7, 2022, the completion of the renovation of Créteil Soleil (France) and the redevelopment of Hoog Catharijne (Netherlands);
- The refurbishment (delivered in March 2022) and the extension of Grand Place in Grenoble (France). Work is scheduled to complete by the end of 2023; and
- Primark stores in Italy at Gran Reno (Bologna), Le Gru (Turin), Campania (Naples) and Nave de Vero (Venice) and in France at Centre Deux (Saint-Étienne).

2.4.2.1 Opening of Gran Reno extension (Bologna, Italy)

The extension of Bologna's leading mall opened in early July. Further to the opening, footfall jumped by 47% compared to the same period in 2019.

The 16,700 sq.m. extension is fully let and exceeds rent levels forecast. To enrich the retail mix, Gran Reno welcomed international brands such as Primark, Tommy Hilfiger, H&M, Bershka, Zara, Pull & Bear, Snipes and Flying Tiger Copenhagen, together with a new food and leisure destination directly connected to an indoor and outdoor events area. Following the refurbishment delivered in September 2021, the extension finalized the complete makeover of this flagship shopping center.

Development capex amounted to €108.4 million. Investments in properties in operation (excluding investments in extensions) amounted to €72.8 million.

Overall, total capital expenditure over 2022 amounted to €184.1 million (total share, see section 2.7.6 "EPRA Capital Expenditure" for more details).

2.4.3 Disposals

DISPOSALS COMPLETED SINCE JANUARY 1, 2022

Assets (city, country)	Floor area *(in sq.m.)*	Sale price[(a)] *(in millions of euros)*
Maxi Storsenter (Hamar, Norway)	20,663	
Gulskogen Senter (Drammen, Norway)	40,629	
Arkaden Torgterrassen (Stavanger, Norway)	18,844	
Shopping centers	**80,136**	**289.6**
Other retail properties	N/A	184.4
TOTAL RETAIL DISPOSALS	**N/A**	**474.0**
Other assets	N/A	115.0
TOTAL DISPOSALS	**N/A**	**589.0**

(a) Excluding transfer taxes, total share.

Since January 1, 2022, the Group has completed disposals totaling €589.0 million[1]:

- **Three shopping centers** in Norway (Gulskogen Senter in Drammen, Arkaden Torgterrassen in Stavanger and Maxi Storsenter in Hamar);
- **Other retail assets**, mainly comprising a portfolio of Buffalo Grill restaurants in France and retail parks in the vicinity of the Villiers-en-Bière and Roques-sur-Garonne shopping centers;
- **Other assets**, mainly offices located above the Hoog Catharijne (Utrecht) shopping center.

Taking into account €13.2 million of sales under promissory agreements, total Group disposals amounted to €602.2 million (excluding transfer taxes). Retail assets sold and under promissory agreements were disposed in line with December 2021 appraised values (−1.8%).

These disposals illustrate Klépierre's ability to continue to streamline its portfolio to concentrate on assets that are best positioned for future growth in line with expanding retailers' plans.

Over the last 10 years, this streamlining strategy has enabled Klépierre to refocus its portfolio on the most profitable assets located in fast-growing metropolitan areas. Coupled with targeted acquisitions and developments, this approach has enabled the Group to triple the average value of its mall since 2012.

2.5 INVESTMENT MARKET AND PORTFOLIO VALUATION

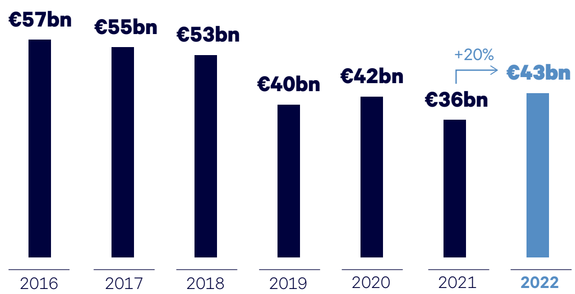
2.5.1 Investment market

In 2022, retail property investment volumes[2] increased by 20% compared to 2021 to €43 billion, in line with 2019 but still 9% below the 10-year average. After a very dynamic start to the year (investment volumes up 53% over the first nine months of the year), transaction volumes declined by 32% during the fourth quarter.

Against a backdrop of rising interest rates, retail was much more dynamic than other asset classes. As a whole, European real estate investment volumes dropped by 18% in 2022 compared to 2021, including a 58% fall in the fourth quarter of 2022.

The retail segment continued to benefit from the momentum in the food store and the retail park segments, while a number of relevant mall transactions completed in France, Scandinavia and Central Europe.

EUROPEAN RETAIL INVESTMENT VOLUME (INCLUDING UNITED KINGDOM)[2]



2.5.2 Property portfolio valuation

2.5.2.1 Property portfolio valuation methodology

2.5.2.1.1 Scope of the portfolio as appraised by external appraisers

As of December 31, 2022, 99% of the value of Klépierre's property portfolio, or €19,653 million (including transfer taxes, on a total share basis)[3], 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[4]; 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 other development projects are measured internally at fair value.

(1) Total share, excluding transfer taxes. Proceeds from sales of investment properties and shares in subsidiaries net of cash disposed (excluding assets under promissory agreements), including the repayment of loans and advances, amounted to €553.8 million, as presented on the consolidated statement of cash flows. For more information, see chapter 4 "Financial Statements" (note 1.3 Divestments).

(2) Source: CBRE.

(3) 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.

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

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	**19,653**
Acquisitions	0
Investment property at cost	160
Other internally-appraised assets (land, assets held for sale, etc.)	20
TOTAL PORTFOLIO	**19,832**

2.5.2.1.2 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, 2022, the main appraisers were Cushman & Wakefield and Jones Lang LaSalle, they valued respectively 36% and 35% of the Group portfolio, while the remaining asset valuations were allocated to CBRE (27%) 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.

BREAKDOWN BY APPRAISER OF THE APPRAISED PROPERTY PORTFOLIO AS OF DECEMBER 31, 2022

Appraiser	Countries covered	Share of total portfolio *(in %)*
Cushman & Wakefield	• France, Norway, Sweden, Denmark, Belgium and Poland	36%
Jones Lang LaSalle	• France, Italy, Spain, Portugal, Turkey and Greece	35%
CBRE	• France, Italy, Netherlands and Czech Republic	27%
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 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 (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 market transactions.

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

2.5.2.2 Valuation

2.5.2.2.1 Change in appraisers' assumptions over the second half of the year

The change in the like-for-like valuation[1] during the second half of 2022 was attributable to the following changes in appraisers' assumptions:

- The tightening credit environment and corresponding impacts on risk free rates translated into a 40 basis points increase in discount rates to 7.2% and a 20 basis points increase in exit rates to 5.6%; while
- On the back of the inflationary environment, indexation was revised upwards (to 2.4% on average), suggesting a compound annual growth rate for net rental income of 2.8% (versus 2.5% as of June 30, 2022).

From a geographical perspective, Iberia (up 0.2% over six months and up 4.0% over 12 months) and Italy (up 0.6% over six months and up 1.2% over 12 months) were the most dynamic regions, thanks to the strength of the underlying businesses.

Overall the shopping center portfolio valuation[1] was down by 1.3% over six months, on a like-for-like basis.

(1) *Excluding other countries. Hyperinflation in Turkey has been artificially driving up property valuations in that country.*

ASSUMPTIONS USED BY APPRAISERS FOR DETERMINING THE SHOPPING CENTER PORTFOLIO VALUATION AS OF DECEMBER 31, 2022[(a)]

Geography	Discount rate[(b)]	Exit rate[(c)]	NRI CAGR[(d)]
France	6.7%	5.1%	3.2%
Italy	7.9%	6.3%	2.3%
Scandinavia	7.4%	5.1%	3.4%
Iberia	7.6%	6.0%	2.3%
Netherlands & Germany	6.4%	5.4%	3.2%
Central Europe	7.3%	6.1%	1.9%
TOTAL SHOPPING CENTERS (EXCL. OTHERS)	7.2%	5.6%	2.8%
Other countries	18.1%	9.2%	8.2%
TOTAL	**7.3%**	**5.6%**	**2.9%**

(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.

2.5.2.2.2 Property portfolio valuation

12-MONTH PORTFOLIO VALUATION RECONCILIATION *(on a total share basis, including transfer taxes)*

In millions of euros	
Portfolio at 12/31/2021	20,713
Disposals	(634)
Acquisitions/developments	57
Like-for-like change	(141)
Forex	(163)
PORTFOLIO AT 12/31/2022	**19,832**

Including transfer taxes, the value of the portfolio stood at €19,832 million on a total share basis as of December 31, 2022, down 4.3% or €881 million on a reported basis compared to December 31, 2021. This decrease reflects:

- A €634 million negative impact from disposals;
- A €57 million positive impact from developments;
- A €141 million like-for-like valuation decrease (down by 0.7%); and
- A €163 million negative foreign exchange impact in Turkey and Scandinavia.

VALUATION OF THE PROPERTY PORTFOLIO[(a)] *(on a total share basis, including transfer taxes)*

			Change over 6 months			Change over 12 months		
In millions of euros	12/31/2022	% of total portfolio	06/30/2022	Reported	LfL[(b)]	12/31/2021	Reported	LfL[(b)]
France	8,031	40.5%	8,177	−1.8%	−1.6%	8,240	−2.5%	−2.2%
Italy	4,078	20.6%	4,064	+0.3%	+0.6%	4,003	+1.9%	+1.2%
Scandinavia	2,643	13.3%	3,053	−13.4%	−3.2%	3,132	−15.6%	−2.5%
Iberia	2,218	11.2%	2,214	+0.2%	+0.1%	2,133	+4.0%	+3.8%
Netherlands & Germany	1,679	8.5%	1,884	−10.9%	−3.2%	1,895	−11.4%	−3.7%
Central Europe	946	4.8%	964	−1.8%	−1.8%	960	−1.5%	−1.5%
Shopping centers excl. other countries	19,595	98.8%	20,355	−3.7%	−1.3%	20,363	−3.8%	−1.0%
Other countries	174	0.9%	147	+18.6%	+32.2%	156	+12.1%	+43.1%
TOTAL SHOPPING CENTERS	19,770	99.7%	20,502	−3.6%	−1.1%	20,518	−3.6%	−0.7%
TOTAL OTHER RETAIL PROPERTIES	63	0.3%	75	−16.0%	+0.4%	195	−67.7%	−0.4%
TOTAL PORTFOLIO	**19,832**	**100.0%**	**20,577**	**−3.6%**	**−1.1%**	**20,713**	**−4.3%**	**−0.7%**

(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 (€1,308 million as of December 31, 2022; total share, including transfer taxes). The corresponding gross value of these assets stands at €1,307 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, 2022, the average EPRA NIY[(1)] for the shopping center portfolio[(2)] stood at 5.4%, slightly up compared to the figure of 5.2% recorded as of December 31, 2021.

(1) 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).
(2) Group share for the shopping center portfolio appraised (i.e., excluding retail parks and movie theaters).

CHANGE IN EPRA NET INITIAL YIELD OF THE SHOPPING CENTER PORTFOLIO[(a)]
(on a Group share basis, including transfer taxes)

Country	12/31/2022	06/30/2022	12/31/2021
France	4.9%	4.8%	4.6%
Italy	6.0%	5.7%	5.8%
Scandinavia	4.6%	4.5%	4.5%
Iberia	5.8%	5.7%	5.8%
Netherlands & Germany	5.2%	4.8%	4.8%
Central Europe	6.8%	6.6%	6.4%
Other countries	11.6%	9.9%	7.4%
TOTAL SHOPPING CENTERS	**5.4%**	**5.2%**	**5.2%**

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

2.5.2.2.3 Other information related to December 31, 2022 valuation

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	**17,757**
Right-of-use asset relating to ground leases	(269)
Investment property at cost[(a)]	160
Fair value of property held for sale	13
Leasehold and lease incentives	39
Transfer taxes	916
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,217
TOTAL PORTFOLIO	**19,832**

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

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 from those used by the appraisers.

	Discount rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+7.6%	+3.7%	+1.8%	−1.9%	−3.6%	−7.0%
Italy	+7.3%	+3.6%	+1.8%	−1.7%	−3.4%	−6.7%
Scandinavia	+7.5%	+3.6%	+1.8%	−1.8%	−3.5%	−6.8%
Iberia	+7.4%	+3.6%	+1.8%	−1.7%	−3.4%	−6.7%
Netherlands & Germany	+10.0%	+4.9%	+2.4%	−2.3%	−4.6%	−8.9%
Central Europe	+7.0%	+3.4%	+1.7%	−1.7%	−3.3%	−6.4%
Other countries	+5.8%	+2.9%	+1.4%	−1.6%	−2.8%	−5.4%
TOTAL SHOPPING CENTERS	**+7.7%**	**+3.7%**	**+1.8%**	**−1.8%**	**−3.6%**	**−7.0%**

	Exit rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+11.7%	+5.3%	+2.5%	−2.4%	−4.7%	−8.7%
Italy	+10.7%	+4.9%	+2.3%	−2.1%	−4.1%	−7.7%
Scandinavia	+15.2%	+6.8%	+3.2%	−2.9%	−5.5%	−10.1%
Iberia	+12.9%	+5.8%	+2.8%	−2.5%	−4.9%	−9.1%
Netherlands & Germany	+14.7%	+6.6%	+3.1%	−2.9%	−5.5%	−10.1%
Central Europe	+11.0%	+5.0%	+2.4%	−2.2%	−4.2%	−7.8%
Other countries	+4.9%	+2.3%	+1.1%	−1.1%	−2.1%	−3.9%
TOTAL SHOPPING CENTERS	**+12.3%**	**+5.5%**	**+2.6%**	**−2.5%**	**−4.7%**	**−8.7%**

VALUATION OF THE PROPERTY PORTFOLIO[a] *(on a Group share basis, including transfer taxes)*

In millions of euros	12/31/2022	% of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2022	Reported	LfL[b]	12/31/2021	Reported	LfL[b]
France	6,468	37.9%	6,588	−1.8%	−1.7%	6,640	−2.6%	−2.2%
Italy	4,057	23.8%	4,042	+0.4%	+0.6%	3,979	+2.0%	+1.3%
Scandinavia	1,483	8.7%	1,713	−13.4%	−3.2%	1,757	−15.6%	−2.5%
Iberia	2,218	13.0%	2,214	+0.2%	+0.1%	2,133	+4.0%	+3.8%
Netherlands & Germany	1,652	9.7%	1,855	−11.0%	−3.2%	1,865	−11.5%	−3.6%
Central Europe	946	5.5%	964	−1.8%	−1.8%	960	−1.5%	−1.5%
Shopping centers excl. other countries	16,823	98.7%	17,376	−3.2%	−1.2%	17,334	−2.9%	−0.7%
Other countries	166	1.0%	140	+18.8%	+32.2%	148	+12.5%	+43.4%
TOTAL SHOPPING CENTERS	16,989	99.6%	17,516	−3.0%	−0.9%	17,481	−2.8%	−0.4%
TOTAL OTHER RETAIL PROPERTIES	63	0.4%	75	−16.0%	+0.4%	195	−67.7%	−0.4%
TOTAL PORTFOLIO	**17,052**	**100.0%**	**17,591**	**−3.1%**	**−0.9%**	**17,676**	**−3.5%**	**−0.4%**

(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 (€1,244 million as of December 31, 2022; Group share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,245 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.*

2.5.3 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 7.7% to 8.7% (depending on the country) based on the weighted average cost of capital of comparable listed companies managing third-party real estate investments.

As of December 31, 2022, the fair market value of the Klépierre Group management service activities stood at €313.1 million on a total share basis compared to €318.2 million as of December 31, 2021. This slight decrease mainly reflects the disposal of assets in Norway.

2.6 FINANCING POLICY

Klépierre's financing policy aims to ensure continuous access to financial resources, a strong liquidity position and a very competitive cost of capital. Pursuing an active and disciplined asset rotation policy and a selective approach to investments, Klépierre continues to reduce net debt and to maintain very conservative leverage ratios. Its comfortable liquidity and high proportion of debt at fixed rates allow Klépierre to contain the rise in its cost of debt, despite higher market volatility and rising interest-rates.

With an average debt maturity of 6.5 years, €2.8 billion of liquidity and low funding costs, the Group operates with one of the most solid balance sheet in the industry and remains committed to operating with conservative leverage metrics.

2.6.1 Financial resources

2.6.1.1 Change in net debt

As of December 31, 2022, consolidated net debt totaled €7,479 million compared to €8,006 million at the end of 2021, down €527 million. The main movements during the last twelve months were as follows:

- Cash inflows from operations and other items (foreign exchange, changes in working capital, financial instruments close-out costs), amounting to €767 million;
- Cash outflows in respect of 2021 distributions for €607 million, including the €1.70 dividend per share (€485 million) and distributions to non-controlling interests (€122 million);
- Cash outflows in respect of capital expenditure for €180 million (see section 2.7.6 "EPRA Capital expenditure"); and
- Cash inflows from disposals of €547 million.

2.6.1.2 Debt ratios

As of December 31, 2022, the Loan-to-Value (LTV) ratio stood at 37.7%, down 100 basis points compared to December 31, 2021.

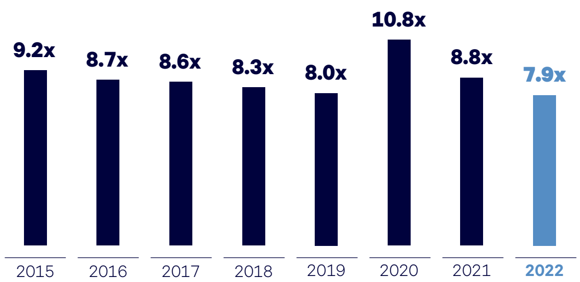
LOAN-TO-VALUE CALCULATION AS OF DECEMBER 31, 2022 *(as per covenant definitions, on a total share basis)*

In millions of euros	12/31/2022	06/30/2022	12/31/2021
Current financial liabilities	1,978	2,340	1,893
Bank facilities	0	56	16
Non-current financial liabilities	5,718	5,793	6,815
Revaluation due to fair value hedge and cross currency swap	116	82	0
Fair value adjustment of debt[a]	0	(1)	(2)
Gross financial liabilities excluding fair value hedge	**7,812**	**8,270**	**8,722**
Cash and cash equivalents[b]	(333)	(146)	(716)
Net debt	**7,479**	**8,124**	**8,006**
Property portfolio value (incl. transfer taxes)	19,832	20,577	20,713
LOAN-TO-VALUE RATIO	**37.7%**	**39.5%**	**38.7%**

(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.

The net debt to EBITDA ratio decreased to a low of 7.9x from 8.8x on December 31, 2021.

NET DEBT TO EBITDA



2.6.1.3 Main funding operations and available resources

With cash at hand amounting to more than €600 million 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). At the end of the offer period, €297 million worth of notes had been tendered, €226 million on the April 2023 issue and €71 million on the November 2024 issue. The notes were repurchased and canceled on January 18, 2022.

Over the rest of the year, Klépierre strengthened its liquidity position by extending its €1.4 billion syndicated revolving credit facility (RCF) until December 2027 and raised €203 million of medium-term debt. Notably, in July Klépierre signed a new sustainability-linked revolving credit facility for €100 million. This facility has a five-year maturity and may be extended for up to seven years at Klépierre's request, subject to the bank's consent. A five-year term loan of €75 million was also put in place in December, at very attractive financial terms.

At the end of 2022, the liquidity position[1] stood at €2.8 billion, mainly comprising €2.1 billion in unused committed revolving credit facilities (net of commercial paper), €0.4 billion in other credit facilities and €0.3 billion in cash and equivalents.

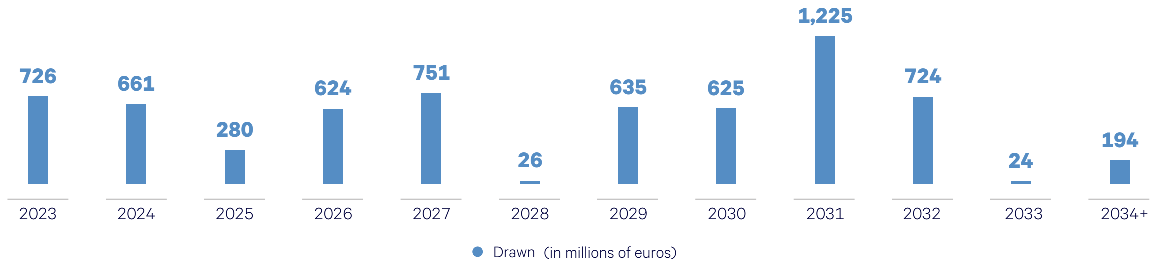
(1) The liquidity position represents the total financial resources available to a company. This indicator is therefore equal to the sum of cash at hand at the end of the period, committed and unused revolving credit facilities (net of commercial paper) and other credit facilities.

2.6.1.4 Debt structure

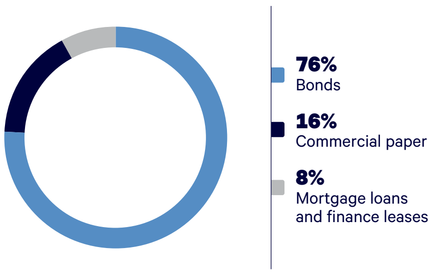
As of December 31, 2022, the share of financing sourced from capital markets in total debt stood at 92%, enabling Klépierre to benefit from deep sources of liquidity. The total outstanding amount (€1.2 billion) of commercial paper issued in euros is covered by committed back-up facilities in the same amount with a five-year weighted average maturity. 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 6.5 years at the end of December 2022.

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[1] and the high cost of currency hedging, especially over long durations, the Group has decided not to hedge these positions.

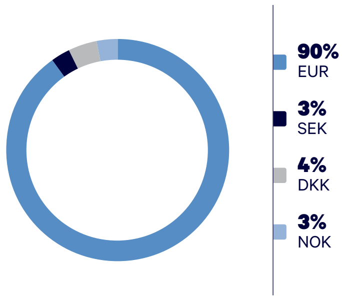
DEBT MATURITY SCHEDULE OF LONG-TERM DEBT AS OF DECEMBER 31, 2022



FINANCING BREAKDOWN BY TYPE OF RESOURCES AS OF DECEMBER 31, 2022 *(utilizations, total share)*



FINANCING BREAKDOWN BY CURRENCY AS OF DECEMBER 31, 2022 *(utilizations, total share)*



2.6.2 Interest rate hedging

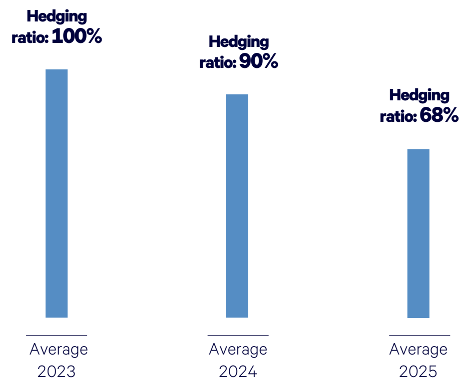
During the year exercise, Klépierre contracted €1.5 billion in medium-term interest-rate derivatives, including both caps and payer swaps, allowing it to significantly strengthen its hedging profile. As of December 31, 2022, the proportion of fixed-rate or hedged debt was 94%, with an average maturity of four years. Considering the forward transactions starting in 2023, the Group's fixed-rate position will represent 100% on average during 2023.

Accordingly, the sensitivity of the Group's cost of debt to interest rate fluctuations is likely to remain low during 2023.

The impact of a 1% increase in interest rates on financial expenses in the next twelve months is a €0.6 million positive impact.

Going forward, the Group's hedging profile will remain high in the coming years since 2024 and 2025 are already 90% and 68% hedged, respectively.

DEBT BY TYPE OF HEDGING INSTRUMENTS



(1) On a total-share basis, including transfer taxes, the Czech Republic represented 3.2% of the total Klépierre portfolio, Poland 1.5% and Turkey 0.8%.

2.6.3 Cost of debt

Despite the sharp increase in interest rates in 2022, the average cost of debt remained unchanged over the year at 1.2%[1]. Klépierre has benefited from its prudent and active hedging policy and maintains excellent access to diversified sources of liquidity while the average amount of debt decreased over the period. The interest coverage ratio (ICR) stood at 10x during the year, in line with the Group's prudent leverage policy. Going forward, Klépierre's cost of debt is expected to gradually increase at a moderate pace, as the strong fixed-rate position allows the cost of higher interest rates to be contained and spread over time. As a result, Klépierre's interest coverage ratio is expected to remain among the highest of its peers as shown in the sensitivity table below.

INTEREST COVERAGE RATIO SENSITIVITY

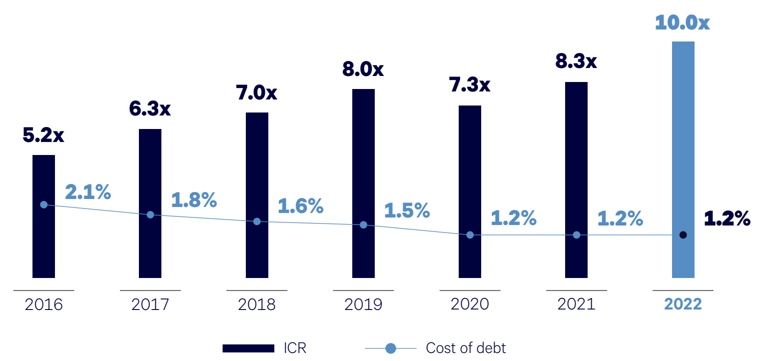
ICR		EBITDA −10%	−5%	0%	+5%	+10%
	-	9.0x	9.5x	10.0x	10.5x	11.0x
	+10 bps	8.4x	8.8x	9.3x	9.8x	10.2x
Cost of debt	**+25 bps**	7.5x	8.0x	8.4x	8.8x	9.2x
	+50 bps	6.5x	6.9x	7.2x	7.6x	7.9x
	+100 bps	5.1x	5.4x	5.6x	5.9x	6.2x

BREAKDOWN OF COST OF DEBT

In millions of euros	12/31/2022	12/31/2021
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	119.5	115.3
Non-recurring items	(13.9)	1.8
Non-cash impact	0.7	3.7
Interest on advances to associates	6.5	9.8
Liquidity cost	(7.3)	(7.6)
Interest expense on lease liabilities[(a)]	(8.2)	(12.9)
Others	(0.1)	-
Cost of debt (used for cost of debt calculations)	97.3	110.1
Average gross debt	8,120.9	8,947.8
COST OF DEBT *(in %)*	**1.2%**	**1.2%**

(a) *As per IFRS 16.*

INTEREST COVERAGE RATIO AND COST OF DEBT[(a)]



(a) *The interest coverage ratio (as per the banking covenant definition) represents the ratio of consolidated EBITDA adjusted for the share in earnings of equity-accounted companies and the change in value of investment properties of equity-accounted companies (€996.2 million), to net interest expenses (€99.5 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.*

(1) *The average cost of debt at closing date (i.e., as of December 31, 2022 and not the average over one year), reached 1.41%, as presented in chapter 4 "Financial Statements" (note 9.1 Interest-rate risk).*

2.6.4 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.

COVENANTS APPLICABLE TO KLÉPIERRE SA FINANCING

Financing	Ratios/covenants	Limit[a]	12/31/2022	06/30/2022	12/31/2021
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	37.7%	39.5%	38.7%
	EBITDA/Net interest expense[b]	≥ 2.0x	10.0x	10.0x	8.3x
	Secured debt/Portfolio value[c]	≤ 20%	0.6%	0.6%	0.6%
	Portfolio value[d]	≥ €10bn	€17.1bn	€17.6bn	€17.7bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.7%	0.7%	0.8%

(a) Covenants are based on the 2022 revolving credit facility.
(b) Excluding the impact of liability management operations (non-recurring items).
(c) Excluding Steen & Strøm.
(d) Group share, including transfer taxes.

2.7 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 and as set out in the guide available on the EPRA 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.

EPRA SUMMARY TABLE[a]

	12/31/2022	06/30/2022	12/31/2021	See section
EPRA Earnings *(in millions of euros)*	729.1	369.3	610.4	2.7.1
EPRA Earnings per share *(in euros)*	2.54	1.29	2.14	2.7.1
EPRA NRV *(in millions of euros)*	9,936	9,865	10,034	2.7.2.2
EPRA NRV per share *(in euros)*	34.70	34.50	35.10	2.7.2.2
EPRA NTA *(in millions of euros)*	8,848	8,759	8,913	2.7.2.2
EPRA NTA per share *(in euros)*	30.90	30.60	31.20	2.7.2.2
EPRA NDV *(in millions of euros)*	8,580	8,357	7,741	2.7.2.2
EPRA NDV per share *(in euros)*	29.90	29.20	27.10	2.7.2.2
EPRA Net Initial Yield Shopping centers	5.4%	5.2%	5.2%	2.7.3
EPRA "Topped-up" Net Initial Yield Shopping centers	5.7%	5.4%	5.4%	2.7.3
EPRA Vacancy Rate	4.2%	5.3%	5.3%	2.7.4
EPRA Cost Ratio (including direct vacancy costs)	18.2%	18.0%	19.9%	2.7.5
EPRA Cost Ratio (excluding direct vacancy costs)	16.1%	15.7%	17.5%	2.7.5
EPRA Loan-to-Value Ratio (excluding real estate transfer taxes)	43.7%	N/A	N/A	2.7.7
EPRA Loan-to-Value Ratio (including real estate transfer taxes)	41.6%	N/A	N/A	2.7.7

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

2.7.1 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.

EPRA EARNINGS

Group share *(in millions of euros)*	12/31/2022	12/31/2021
Net income as per IFRS consolidated statement of comprehensive income	415.2	544.7
Adjustments to calculate EPRA Earnings:		
(i) Changes in value of investment properties, development properties held for investment and other interests	337.7	402.5
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	74.2	(8.8)
(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	104.8
(vi) Changes in fair value of financial instruments and associated close-out costs	(44.1)	0.2
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments[(a)]	32.0	(329.8)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0.1	(34.7)
(x) Non-controlling interests in respect of the above	(95.2)	(68.5)
EPRA EARNINGS	**729.1**	**610.4**
Company-specific adjustments to calculate net current cash flow:		
• Employee benefits, stock option expense and non-current operating expenses	3.5	3.3
• Depreciation, amortization and provisions for contingencies and losses	8.2	8.5
NET CURRENT CASH FLOW	**740.8**	**622.3**
Average number of shares[(b)]	*286,524,518*	*285,860,024*
Per share *(in euros)*		
EPRA EARNINGS	**2.54**	**2.14**
NET CURRENT CASH FLOW	**2.59**	**2.18**

(a) In 2022, this item includes -€37 million in deferred taxes and €5 million in non-current taxes.
(b) Excluding treasury shares.

2.7.2 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. Measures of net asset value include: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (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.

2.7.2.1 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 only tangible assets 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.

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	11,478	67%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,665	21%	43%
Other portfolio	1,909	11%	50%
TOTAL PORTFOLIO	**17,052**		

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.

2.7.2.2 Calculation of EPRA Net Asset Value

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:			
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	8,364	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**

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**

EPRA NTA – 12-MONTH RECONCILIATION PER SHARE[(a)]

In euros per share	
EPRA NTA AT 12/31/2021	**31.20**
Cash flow	2.62
Like-for-like real-estate valuation change	(0.25)
Dividend (equity repayment)	(1.70)
Capex	(0.44)
Forex and other	(0.53)
EPRA NTA AT 12/31/2022	**30.90**

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

EPRA NTA per share amounted to €30.90 as of December 31, 2022, compared to €31.20 as of December 31, 2021. This slight decrease mainly reflects the payment in a single installment of the €1.70 per share distribution in respect of 2021, the decrease in the like-for-like real-estate valuation (€0.25 per share) and the impact of capex (€0.44 per share), partly offset by the 12-month net current cash flow (€2.62 per share). Foreign exchange and other items had a negative impact of €0.53 per share.

2.7.3 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 2.5.2.2 "Valuation" for the geographical breakdown of EPRA NIY.

EPRA NET INITIAL YIELDS

In millions of euros	Shopping centers	Other retail properties	Total
Investment property – Wholly owned	15,744	63	15,806
Investment property – Share of joint ventures/funds	1,244	0	1,244
Total portfolio	**16,988**	**63**	**17,051**
Less: Developments, land and other	(162)	0	(162)
Completed property portfolio valuation (B)	**16,826**	**63**	**16,889**
Annualized cash passing rental income	1,050	6	1,056
Property outgoings	(133)	0	(134)
Annualized net rents (A)	**917**	**5**	**922**
Notional rent expiration of rent free periods or other lease incentives	42	0	42
Topped-up net annualized rent (C)	**959**	**5**	**964**
EPRA NET INITIAL YIELD (A/B)	**5.4%**	**8.2%**	**5.5%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**5.7%**	**8.5%**	**5.7%**

2.7.4 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.

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	26,530	482,390	5.5%
Italy	4,860	280,870	1.7%
Scandinavia	5,980	121,600	4.9%
Iberia	6,520	146,390	4.5%
Netherlands & Germany	3,860	87,730	4.4%
Central Europe	1,990	58,220	3.4%
Other countries	700	19,300	3.6%
TOTAL	**50,440**	**1,196,500**	**4.2%**

(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, 2022, 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.*

2.7.5 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.

EPRA COST RATIO

In millions of euros	12/31/2022	12/31/2021
Administrative and operating expenses[a]	(211.1)	(206.8)
Net service charge costs[a]	(90.1)	(78.4)
Net management fees[a]	69.3	65.1
Other net operating income intended to cover overhead expenses[a]	14.5	9.4
Share of joint venture expenses[b]	(16.4)	(10.1)
Exclude (if part of the above):		
Service charge costs recovered through rents but not separately invoiced	10.1	9.6
EPRA Costs (including vacancy costs) (A)	**(223.7)**	**(211.1)**
Direct vacancy costs	(26.5)	(26.2)
EPRA Costs (excluding vacancy costs) (B)	**(197.3)**	**(184.9)**
Gross rental income less ground rents[a]	1,155.9	999.3
Less: service fee/cost component of gross rental income	(10.1)	(9.6)
Add: share of joint ventures (gross rental income less ground rents)[b]	81.6	69.7
Gross rental income (C)	**1,227.4**	**1,059.3**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**18.2%**	**19.9%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**16.1%**	**17.5%**

(a) As per the IFRS consolidated statements of comprehensive income.
(b) For more information, see section 2.3.2 "Contribution of equity-accounted investments."

As of December 31, 2022, the EPRA cost ratio came out at 18.2%, representing a significant year on year improvement, mainly attributable to the reduction in rent abatements and lower provisions for credit losses.

2.7.6 EPRA Capital Expenditure

Investments in 2022 are presented in section 2.4 "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 February 2022.

EPRA CAPITAL EXPENDITURE

	12/31/2022			12/31/2021
In millions of euros	**Group** *(excl. Joint Ventures)*	**Joint Ventures** *(proportionate share)*	**Total Group**	**Total Group**
Acquisitions	-	-	-	0.3
Development	107.1	1.3	108.4	101.3
Investment properties	70.4	2.3	72.8	65.3
Incremental lettable space	-	-	-	-
No incremental lettable space	51.0	2.2	53.2	50.9
Tenant incentives	9.7	0.1	9.7	8.7
Other material non-allocated types of expenditure	9.8	-	9.8	5.8
Capitalized interest	2.8	-	2.8	2.6
Total Capex	**180.4**	**3.6**	**184.1**	**169.6**
Conversion from accrual to cash basis	(3.6)		(3.6)	(4.0)
TOTAL CAPEX ON CASH BASIS	**176.8**	**3.6**	**180.5**	**165.6**

2.7.6.1 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. Over the period, these investments amounted to €108.4 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.

2.7.6.2 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 2022, these investments totaled €72.8 million, breaking down as follows:

- €53.2 million: technical maintenance and refurbishment of common areas. Most of this expenditure is re-invoiced to tenants;
- €9.7 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
- €9.8 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.

2.7.6.3 Capitalized interest

Capitalized interest amounted to €2.8 million in 2022.

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

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

The main overarching concepts that are introduced by EPRA LTV are:

- Any capital which 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 include the Group's share in the net debt and net assets of joint venture and material associates;
- Assets are included at fair value, and net debt at nominal value.

EPRA LOAN-TO-VALUE

				Proportionate consolidation			
In millions of euros	**LTV IFRS as reported**	**EPRA adjustements**	**Group**	**Share of joint ventures**	**Share of material associates**	**Non-controlling interest**	**Total**
Include:							
Borrowings from financial Institutions	712	(1)	711	3		(275)	439
Commercial paper	1,200		1,200			-	1,200
Hybrids (including convertibles, preference shares, debt, options, perpetuals)							-
Bond & loans	5,785	-	5,785	19	1	(88)	5,717
Foreign currency derivatives (futures, swaps, options and forwards)	-		-			-	-
Net payables		379	379		1	(47)	333
Owner-occupied property (debt)							
Current accounts (equity characteristic)	116	(116)	-				-
Exclude:							
Cash and cash equivalents	(333)	51	(281)	(52)	(6)	19	(320)
Net debt (A)	**7,479**	**314**	**7,793**	**(30)**	**(4)**	**(391)**	**7,368**
Include:							
Owner-occupied property							
Investment properties at fair value	17,527		17,527	1,100	166	(2,354)	16,438
Properties held for sale	13		13			(2)	11
Properties under development	110		110			(13)	97
Intangibles		313	313			(1)	312
Net receivables			-	17			17
Financial assets	1,266	(1,266)	-				-
Total property value (B)	**18,916**	**(953)**	**17,963**	**1,117**	**166**	**(2,370)**	**16,876**
Real Estate Transfer Taxes	916		916	51	9	(155)	820
Total property value (incl. RETTs) (C)	**19,832**		**18,879**	**1,168**	**175**	**(2,526)**	**17,696**
EPRA LOAN-TO-VALUE RATIO (EXCLUDING RETTS) (A/B)							**43.7%**
EPRA LOAN-TO-VALUE RATIO (INCLUDING RETTS) (A/C)	**37.7%**						**41.6%**

2.8 PARENT COMPANY EARNINGS AND DIVIDEND

2.8.1 Summary earnings statement for the parent company, Klépierre SA

EARNINGS STATEMENT FOR KLÉPIERRE SA

In millions of euros	12/31/2022	12/31/2021
Operating income	39.8	31.8
Operating expenses	(50.5)	(46.8)
Net operating income (expense)	**(10.7)**	**(15.0)**
Share of income from joint operations	105.7	76.0
Net financial income (expense)	259.9	(11.5)
Net income from ordinary operations before tax	**354.8**	**49.5**
Net non-recurring income (expense)	(8.8)	9.0
Income tax benefit	0.9	1.6
NET INCOME	**346.9**	**60.2**

Klépierre SA recorded **net income** of €346.9 million in 2022, versus €60.2 million in 2021. The €286.7 million increase was mainly attributable to the combined effect of:

- A €29.7 million net increase in share of income from joint operations;
- A €271.4 million improvement in net financial income, mainly due to a positive net impact from depreciation and reversals mostly attributable to impairment of equity investments and a net increase (i) in dividends from equity investments and (ii) premium distributions received; and
- A negative €17.8 million change in non-recurring items.

2.8.2 Dividend

2.8.2.1 Distribution in respect of 2022

KLÉPIERRE SA NET DISTRIBUTABLE INCOME

In millions of euros	12/31/2022	12/31/2021
Net income	346.9	60.2
Retained earnings (accumulated losses)	(86.9)	(147.1)
NET DISTRIBUTABLE INCOME	**259.9**	**(86.9)**

In 2022, Klépierre's net distributable income was €259.9 million (2022 net profit of €346.9 million minus negative retained earnings of €86.9 million).

The Supervisory Board will recommend that shareholders, at the Annual General Meeting to be held on May 11, 2023, approve a cash distribution in respect of fiscal year 2022 of €1.75 per share, representing 75.4% of the net current cash flow on a Group share basis, excluding one-off items (see section 2.3 "Net current cash flow").

The proposed €1.75 distribution for fiscal year 2022 will be paid in two installments:

- A cash distribution of €0.87 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 30, 2023; and
- The balance of €0.88 per share corresponding to:
  - A "SIIC dividend" stemming from Klépierre SA tax-exempt activities of €0.04, and
  - A share premium repayment of €0.84 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, 2023.

The total "SIIC dividend" (€0.91 per share) is not eligible for the 40% tax rebate provided for in Article 158-3-2 of the French Tax Code.

2.8.2.2 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.

Based on the net distributable income of Klépierre SA (see section 2.8.2.1), the 2022 SIIC distribution obligation amounts to €230.8 million (€0.81 per share) and will be fully executed. On top of this, in application of SIIC distribution requirements, Klépierre SA will also distribute a portion of the undistributed "SIIC dividend" deferred for 2020 and 2021 fiscal years amounting to €29.1 million (€0.10 per share).

After this distribution, the remaining portion of deferred undistributed "SIIC dividend" will amount to €302.2 million (€1.05 per share), and should be distributed in subsequent years depending on Klépierre's distribution capacity.

2.9 OUTLOOK

Over the course of 2022, Klépierre's operations grew thanks to robust fundamentals: rebound in retailer sales and footfall, high rent collection, strong cash flow generation and improved credit metrics.

In 2023, the Group expects to generate net current cash flow per share of €2.35[1], representing a growth of 5% compared to the adjusted figure for 2022 of €2.24 (i.e., €2.62 restated for €0.30 of reversals of provisions and for €0.08 in cash flow generated by disposed assets).

Assuming no major deterioration in the geopolitical and macroeconomic environment having a significant impact on household consumption, the main assumptions underpinning the guidance are:

- Retailer sales at least equal to 2022;
- Stable occupancy; and
- Stable collection rate.

The guidance also factors in the impact on costs of the projected inflation in Europe for 2023 and current funding cost levels but does not include the impact of any disposals in 2023.

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

3 SUSTAINABLE DEVELOPMENT

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Act for Good®

99.8%

average rate of achievement for the 32 commitments

1st

worldwide in GRESB, scoring 98/100

A-list

CDP's A-list

1.5°C

climate strategy approval by the SBTi

82%

of employees satisfied or very proud of the Act For Good® program

100%

assets certified with BREEAM In Use

Act for the Planet

42%

energy use reduction (*vs.* 2013, common/serviced areas)

82%

reduction in Scopes 1 and 2 emission per sq.m (*vs.* 2017, market-based)

100%

renewable electricity for common/serviced areas

100%

of recovered waste (*i.e.*, diverted from landfill)

100%

of centers accessible *via* public transport and equipped with EV chargers

Act for Territories

100%

local service providers for centers' operational management

2.2

employment multiplier coefficient : for one Klépierre employee and one job in its shopping center, 2.2 additional jobs are supported in the global economy*

100%

of centers promoted local employment

100%

of centers supported retailers' CSR initiatives

100%

of centers have given space for local actors

* Based on 2019 analysis

Act for People

20,557

average employee training hours per year at Group level, with 100% access rate

16 pts

increase in women in the top 100

100%

of employees offered to participate in charity programs

73%

employee engagement, an increase of 34% since 2016

3.1 ACT FOR GOOD®

Five years ago, Klépierre embarked on a journey with Act for Good® to take action on the most significant challenges and opportunities facing its business, industry and society. As a European leader in owning, managing and developing shopping centers, the Group's strategy established an industry-leading approach for building resilience, making a positive impact, and meeting stakeholder needs, whilst aligning to their values. In a highly competitive retail industry, this is essential to guarantee the Group's long-term success.

Act for Good® is Klépierre's ambitious sustainability program. It sets objectives and targets across three pillars: impacting positively on the environment; integrating within and developing local communities; and creating value for the brands occupying the shopping centers, for the millions of visitors, for shareholders and investors, employees, and local communities.

2022 was a defining year in this journey as it represents the final year of Klépierre's Act for Good® 2022 commitments, an opportunity to reflect on the significant strides and successes, as well as the challenges, of the past five years. Since the strategy's launch in 2017, the Group has remained determined to achieve its original commitments thanks to the dedication of staff in adopting and driving change, implementing its proven best practice approach and identifying new opportunities. This meant the Group was able to attain an average achievement rate of 99.8% for its 2022 commitments, with 29 out of 32 commitments fully achieved. Below are some of the stand-out Act for Good® achievements from the past five years.

For more information on Klépierre's 2022 CSR performance an appendix to this document entitled "2022 non-financial data" is available on the Group's website. This appendix presents all the KPIs monitored, by geographical area and by year.

3.1.1 Co-constructing Act for Good® with stakeholders

The views and expectations of stakeholders are vital to Klépierre's Act for Good® strategy. They ensure that the Group is managing the right issues and delivering a positive impact, so that its centers become a destination of choice. The Group underwent a comprehensive, multi-stakeholder materiality review in 2017 to assess environmental, social and human resource risks and opportunities based on their internal and external importance and, therefore, materiality to Klépierre.

To ensure it was capturing the most valuable input for the creation of Act for Good®, Klépierre identified its stakeholders through a mapping exercise that involved engagement across departments. This resulted in the creation of a diverse panel of stakeholders including retailers, investors, human resources and CSR experts, scientists, non-governmental organizations and public authorities, ensuring a holistic view (Klépierre's stakeholders are detailed below).

OUR STAKEHOLDER COMMUNITY

Klépierre's diverse stakeholders are at the heart of its strategic approach, from the brands occupying the shopping centers and millions of visitors to its employees and local communities. Understanding their expectations is vital for the Group's success and it has established reliable methods for facilitating continuous constructive two-way engagement on Act for Good®. The visual below outlines the Group's main stakeholders along with examples of some of the ways it interacts with each of them.

PEOPLE WORKING AT KLÉPIERRE

People who Act for Good™

Employee satisfaction survey, collaborative workshops, events and internal communication, internal policies

1,072 employees

PUBLIC AUTHORITIES AND REGULATORS

Entities we partner and comply with

Legal and extra-legal watch, regulation, participation in professional bodies, compliance with regulation

More than

10 countries and **100 cities**

RETAILERS

Klépierre's clients and tenants

Corporate level

Customer satisfaction survey, Retailer Days, meetings

Shopping center level

Daily interactions with local teams

1,362

leases signed in 2022

SHAREHOLDERS AND FINANCIAL COMMUNITY

Providers of capital and financial interests

Meetings, ESG roadshow, ESG ratings, results presentation

€19.8 bn

property portfolio

CIVIL SOCIETY

Local actors we engage with

Partnerships, communication, charitable donations

100%

of countries have a national long-term partnership signed with an NGO

BUSINESS PARTNERS

Companies we work with

Annual meeting, discussion on demand, communicating objectives and expectations as a client, meetings, sharing our respective targets and expectations

€356M operational budget

VISITORS

People we welcome and serve

Customer satisfaction survey, NPS, studies, communication and marketing campaigns

750M visitors

All identified and analyzed CSR[1] risks and opportunities are presented in a materiality matrix in section 3.5.5. Together with the panel, Klépierre developed the Act for Good® strategy to ensure it meets stakeholder expectations; realizes a positive correlation between sustainability and performance; focuses on key impact areas; reflects the Group's operating content and feels meaningful for employees. Four key themes emerged, which underpin the Act for Good® strategy:

Four key themes emerged, which underpin the Act for Good® strategy:

- **Climate change**
- **Sustainable assets**
- **Health and well-being**
- **Local value creation**

Leadership recognized by external stakeholders and benchmarks

Klépierre participates in and aligns to several external initiatives and benchmarks. It has received extensive recognition by the leading non-financial rating agencies and international organizations for its commitments and outcomes. This helps the Group to track and assess its year-on-year performance, benchmark against peers and wider sustainability leaders, promote transparent and consistent reporting to stakeholders and add credibility to its Act for Good® strategy.

GRESB REAL ESTATE	**1ST WORLDWIDE** GRESB is the world's leading environmental, social and governance benchmark for real estate and infrastructure. For the third year, Klépierre is rated number one worldwide in CSR by GRESB, recognized as top of the "Global Retail Listed", "Europe Listed", "Europe Retail" and "Europe Retail Listed" categories. In 2022, the Group maintained its five-star rating and improved its score to achieve 98 out of 100.
CDP DISCLOSURE INSIGHT ACTION	**A LIST** CDP is a global system that scores companies from A to D on their environmental impact and supports them to track and benchmark their progress against industry peers. Of the more than 18,000 companies who disclosed their data in 2022, Klépierre is one of only 139 businesses worldwide included in CDP's prestigious climate "A list", recognizing its leadership in corporate transparency and climate performance. Only 3.4% of companies scored on climate received an A this year.
MSCI	**AAA** MSCI measures companies' resilience to long-term material environmental, social and governance risks. The ESG[2] ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). In 2022, Klépierre maintained the highest score possible: AAA.
EPRA sBPR GOLD	**GOLD AWARD** Klépierre received a "Gold" award for the 11th consecutive year from EPRA, which promotes, develops, and represents the European public real estate sector. EPRA actively participates in the debate on sustainability practices through different initiatives, including the development of Sustainability BPR (Best Practices Recommendations) and guidance for European listed real estate companies.

In addition, Klépierre has embedded the following external frameworks and standards into its targets and processes:

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Klépierre's low-carbon strategy, well below 1.5°C, has been approved at the highest possible level by the Science-Based Targets initiative (SBTi), positioning Klépierre as the leading European real estate company in the fight against climate change.
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	The Task Force on Climate-related Financial Disclosures (TCFD) is a framework developed to support companies' disclosure of their climate-related risks and opportunities. Klépierre has been responding to the TCFD framework since 2020.
SASB SUSTAINABILITY ACCOUNTING STANDARDS BOARD	Since 2020, Klépierre has published its sustainability data in line with the Real Estate Sustainability Accounting Standards defined by SASB (Sustainability Accounting Standards Board).

(1) Corporate Social Responsibility (CSR).
(2) Environment, Social, Governance (ESG).

3.1.2 Governing responsibly

Act for Good® is embedded throughout the Group's management, governance structure and departments in all countries in which it operates. The strategy is supported by dedicated tools to track sustainability performance, and managed through the following governance structure:

SUPERVISORY BOARD
Responsible overall for Klépierre's sustainability performance

SUSTAINABLE DEVELOPMENT COMMITTEE
Reports to the Supervisory Board and reviews the Group's sustainability processes and performance, including those to do with climate risks and opportunities.

EXECUTIVE BOARD
The Board's objectives reflect its responsibility for implementing Act for Good® commitments.

CSR COMMITTEE
Animated by Klépierre's Secretary General, the Committee supports the Executive Board in implementing the sustainability strategy by setting targets, approving action plans and reporting results.

CSR DEPARTMENT
Under the management of Secretary General, the CSR Department is responsible for coordinating the strategy, with the support of the Engineering & Sustainable Buildings and Human Resources Departments to achieve and implement targets. Represents Group-level departments within the CSR Committee.

HUMAN RESOURCES DEPARTMENT
Oversees the HR strategy, including talent management, skills development and performance challenges, in line with the Group's values and social commitments

ENGINEERING & SUSTAINABLE BUILDINGS DEPARTMENT
Responsible for technical engineering in centers, operational investments and the environmental footprint of the assets across its portfolio.

STAFF
SUPPORT FUNCTIONS | DEVELOPMENT | OPERATIONS

The CSR Department is responsible for defining the Act for Good® strategy and coordinating its implementation across departments and countries. Country managers, Group heads of departments involved, as well as operational teams in the shopping centers (technical and marketing mostly) then manage the implementation of Act for Good®, in line with the local context. Each country determines its annual action plan regarding investment and management for all technical and sustainable development issues, including tailored targets for individual assets in collaboration with the Group Engineering & Sustainable Buildings Department. They are supported by best practices guides that define actions a country can take, based on proven initiatives on the implementation of Act for Good® pillars. The CSR Department meets quarterly with each country's Management Committee to ensure the successful implementation of the strategy and monitoring of progress. The meetings facilitate two-way engagement between country CSR teams and Group-level departments along with the dissemination of best practice and performance reviews.

This governance framework is also supported by a network of approximatively 50 delegates across Klépierre subsidiaries, who carry out local actions and report on best practices. The delegates engage with the head office teams via regular monthly meetings to increase information sharing and build robust cross-functional teams.

Klépierre also embeds the Act for Good® strategy in all company communications to increase engagement amongst employees and promote the implementation of the strategy in daily business operations.

FInally, to demonstrate commitment to the strategy at the highest level, key Act for Good® commitments are incorporated into the performance share allocation criteria for the Group's principal managers.

3.1.3 Managing key trends, risks and opportunities

Stakeholders are increasingly concerned with more than a company's products and services, with the focus shifting to its purpose, culture, environmental footprint, and the wider societal benefits it creates. This is one of several macro-trends that may affect Klépierre's business model (see its representation in section 1 for more information on the business model), leading to environmental, social and governance (ESG) risks and opportunities that it must respond to and manage.

The risks identified in the 2017 materiality assessment are reviewed annually for relevance and accuracy by the CSR Committee, drawing on internal and external research. Risks are also reviewed on an annual basis as part of the Group's overall risk assessment (described in detail in chapter 5).

3.1.3.1 Understanding the macro-trends affecting how Klépierre operates

Creating value means understanding the expectations and needs of stakeholders across the entire value chain, from health and well-being and new modes of consumption to managing climate risks and use of natural resources. Klépierre's success is dependent on its human capital, so attracting and retaining talent remains a priority issue in a highly competitive job market. Rising awareness surrounding a fair transition to low-carbon means Klépierre can make a substantial contribution to socio-economic equality through its activities addressing local challenges, whilst simultaneously nurturing its identity as a low carbon destination of choice.

3.1.3.2 Building resilience by managing key risks and opportunities

The below tables detail the key non-financial risks, their importance to stakeholders and the gross risk they present to the Group before considering the mitigation measures in place. They also include Klépierre's management approach and the key performance indicators used to track progress.

ACT FOR GOOD

Act for the Planet — Act for Territories — Act for People

CSR COMMITMENT

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Failure to take into account stakeholders' growing expectations regarding sustainability	MEDIUM	↑	› Employees › Visitors › Tenants › Local communities › Service providers › Suppliers › Shareholders › Investors › Public authorities	• Transparency on actions and results • Dialogue with stakeholders • Response to non-financial rating agencies	Act For Good key performance indicators Stakeholder engagement survey responses Ratings from external benchmarks/agencies Revenue growth Employee/tenant retention rate Visitor footfall

KEY: ↓ Decreasing = Stable ↑ Increasing

ACT FOR THE PLANET

- Act for a low carbon future
- Develop a 100% certified assets portfolio
- Contribute to a circular economy
- Innovate for a sustainable mobility

CLIMATE CHANGE (see section 3.2.1)

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Closure or deterioration of centers due to weather events	MEDIUM	= (Stable)	› Visitors › Tenants › Service providers › Shareholders › Investors	• Analysis of the portfolio's exposure to physical risks (asset by asset) • Structure audits every five years with associated CapEx plan (monthly review) • Support to tenants • Approval of the climate strategy by the Science-Based Targets initiative (SBTi)	Reduction in the carbon intensity of assets Number of assets with a net-zero carbon footprint
Regulatory tightening in building energy efficiency requirements	MEDIUM	↑ (Increasing)	› Tenants › Public authorities	• BREEAM In-Use certification of the entire portfolio • Participation in specialized industry bodies • Support to tenants through engagement and shared best practices • Piloting monthly internal digital tool for steering and monitoring deployed for all assets • Increased use of renewable energy • Analysis of the portfolio's exposure to transition risks (asset by asset) • Energy saving approach	Percentage of assets certified BREEAM In-Use Proportion of electricity consumption from renewable sources Reduction in energy consumption in common areas
Increase of CapEx & OpEx, including tension on the price of energy	HIGH	↑ (Increasing)	› Service providers › Suppliers › Public authorities › Co-owners	• Energy saving measures to limit the impact • Contractualization or renegotiation of contracts with energy providers • 10 years CapEx	Cost of energy consumption

NATURAL RESOURCES AND CIRCULAR ECONOMY (see section 3.2.2)

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Inadequate performance on waste management in operations	MEDIUM	= (Stable)	› Tenants › Visitors › Service providers	• Piloting monthly internal digital tool for monitoring deployed for all assets • Renegotiation of contracts with waste service providers to include performance targets (sorting, recovery, etc.) • Customer support and training • BREEAM In-Use certification of the entire portfolio • Pilot projects for certifications and innovative projects linked to the circular economy	Percentage of assets certified BREEAM In-Use Percentage of recovered waste Percentage of assets that have engaged their customers (brands) in a circular economy approach
Tension over materials needed for development projects	MEDIUM	↑ (Increasing)	› Service providers › Suppliers › Public authorities	• BREEAM New Construction certification (Excellent level minimum) • Use of environmentally friendly materials in construction projects • Pilot projects for certifications and innovative projects linked to the circular economy	Proportion of development projects certified by BREEAM New Construction, minimum level Excellent

KEY: ↓ Decreasing = Stable ↑ Increasing

ACT FOR TERRITORIES

- Promote local employment around our centers
- Participate in the local community
- Pursue our responsible citizenship
- Involve local actors in development projects

TERRITORIAL ANCHORING, LOCAL IMPACT (Section 3.3)

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Inadequate contribution to local social and economic development	**MEDUIM**	=	› **Public authorities** › **Local communities** › **Visitors** › **Tenants**	• Use of local service providers for the day-to-day operation of centers • Local partnerships and events to promote local employment • Offering spaces within centers to members of the local community • Solidarity-based operations in response to the needs of the territories • Support and strengthening of tenants' responsible initiatives • Local consultation for each new development project	Proportion of centers using local service providers for their day-to-day operation Proportion of centers having promoted local employment Proportion of centers having offered space to members of the local community Proportion of centers having organized a solidarity collection Proportion of centers having supported a citizen's initiative organized by a retailer in the center Proportion of development projects having organized local consultations upstream
Risk of local protest and local unacceptability of activities	**LOW**	=	› **Public authorities** › **Local communities** › **Visitors** › **Tenants**	• Use of local service providers for the day-to-day operation of centers • Local partnerships and events to promote local employment • Solidarity-based operations in response to the needs of the territories • Local consultation for each new development project	Proportion of centers using local service providers for their day-to-day operation Proportion of centers having promoted local employment Proportion of centers having organized a solidarity collection Proportion of development projects having organized local consultations upstream

KEY: Decreasing = Stable Increasing

ACT FOR PEOPLE

- Offer Group employees a positive experience
- Increase the satisfaction of visitors
- Promote health and well-being in our centers
- Champion ethics in the local communities
- Be socially conscious

HUMAN CAPITAL (Section 3.4.3)

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Lack of employee engagement	MEDIUM	=	› Employees › Managers	• Regular Group employee engagement survey and action plan monitored at all management levels based on results • Four action areas in 2022: 1. Careers more individually managed 2. Reward competitiveness measured 3. Well-being and workload monitored 4. Group rewards' competitiveness analyzed	Yearly engagement survey (full and flash) Performance ratings repartition Absenteeism rate Turnover rate Co-construction
Loss of key competencies	HIGH	=	› Employees	• Manage talent individually through development, career and retention actions • Secure succession pipelines • Reinforce employee value proposal • Mapping of key roles and competencies	Training rate Average tenure of key people Turnover on key roles
Lack of diversity in the workforce	MEDIUM	=	› Employees › Managers	• Targets for enhancing gender balance per area/level • Culture of inclusion development • Adapted HR processes to make them fair and non-discriminatory • Focus on various diversity characteristics based on country specificities (age, degrees, origins, etc.)	Female representation in management levels Pay ratio based on gender/level/function Mobility opportunities for employees 50+ Percentage of position adaptations for disabled employees

HEALTH, SAFETY AND SECURITY (Section 3.4.2)

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Terror acts, terrorism attacks and major security threats or incidents	VERY HIGH	↑	› Employees › Visitors › Tenants › Service providers	• On-site internal and external audits • Security SOPs • Alarm and/or 24/7 security agents • Video protection systems • Training and networking with local security forces • Komply tool for incident reporting and monitoring • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Security level 4 incident alert messages All incident levels from 1 to 4 are reported in Komply

KEY: ↓ Decreasing = Stable ↑ Increasing

HEALTH, SAFETY AND SECURITY (Section 3.4.2)

Fire	**LOW**	=	› **Employees** › **Visitors** › **Tenants** › **Service providers**	• On-site internal and external audits • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training and certification • Training and incident response • Comply at least with national regulations • Site visit in liaison with the insurer of the Group • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Fire safety level 3 and 4 incident alert messages All incident levels from 1 to 4 are reported in Komply
Non-compliance with national safety and security regulations	**LOW**	=	› **Employees** › **Tenants** › **Service providers**	• On-site internal and external audits • Structure audits every five years • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training • Legionella tests • Site visit in liaison with the insurer of the Group	Major incidents caused by building defaults
Pandemic	**LOW**	↓	› **Employees** › **Tenants** › **Service providers** › **Public authorities** › **Shareholders** › **Investors**	• Development and deployment of specific Covid-19 policies • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training • Close contact with our health and safety advisor partner	Percentage of shopping centers audited and certified by Bureau Veritas in the context of the health crisis Monitor national Covid-19 regulations
Damage, structural weakness and building collapse	**LOW**	=	› **Employees** › **Visitors** › **Tenants** › **Service providers**	• On-site internal and external audits • Structure audits every five years • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Major incidents caused by building defaults

BUSINESS ETHICS (Section 3.4.4)

Bribery, money laundering and non-compliance with regulations	**HIGH**	↑	› **Employees** › **Public authorities** › **Tenants** › **Suppliers** › **Service providers** › **Purchasers (assets)**	• Anti-corruption program (based on corruption risk mapping) • Code of business ethics with specific procedures (*e.g.* gifts and invitations) • Anti-corruption Code of Conduct with mandatory e-learning • Third party integrity assessment process • Bank account validation platform to avoid fraud • Whistleblowing procedure supported by dedicated reporting platform, managed by third party and accessible to all employees and external stakeholders • Disciplinary sanctions in case of breach of regulations and internal business ethics rules	Percentage of employees aware/trained on anti-corruption Number of key employees trained against fraud
Business partners with poor CSR practices	**HIGH**	=	› **Suppliers** › **Service providers**	• Code of business ethics • Responsible Purchasing Charter • Third party integrity assessment process • Annual internal audit of the sourcing and monitoring of suppliers and service providers • Prior checks of on-site workers • Whistleblowing procedure supported by dedicated reporting platform, managed by a third party and accessible to all employees and external stakeholders	Proportion of suppliers or service providers selected on the basis of CSR criteria Proportion of external stakeholders aware of business ethics

KEY: ↓ Decreasing = Stable ↑ Increasing

3.1.4 Act4Good™: the next phase

With its first Act for Good® commitments concluded in 2022, the Group has been working on a large-scale co-construction project to define the roadmap for the next phase of the Act for Good® strategy.

The project involved consulting diverse internal and external stakeholders to gather feedback on the successes, strengths and areas for improvement with the Group's strategy and performance over the past five years. This included interviews with Klépierre's top management, thematic workshops involving cross-functional collaboration, an internal survey sent to all employees, and interviews with external stakeholders such as investors, retailers and partners.

To ensure the new plan is built on robust insight, is effective in addressing today's greatest CSR risks and opportunities, and validated by recognized industry experts, the project involved the creation of a CSR Scientific Committee. This consisted of external independent subject-matter experts on topics such as building energy performance, climate change, the circular economy, biodiversity, community economic development, community engagement, urban mobility and organizational transformation. Given the Group's status as the European leader in sustainable shopping centers, the Committee presented an opportunity to scale up Klépierre's ambition and reflect the maturity of its approach towards addressing CSR topics. Through a series of one-on-one meetings and collective forums, the Committee reviewed Klépierre's past performance, provided specialist insight and resources to help define the new plan and shared feedback on the Group's proposed vision and strategy. The proposed new Act4Good™ plan then underwent a comprehensive review process between senior management and the internal CSR Committee, before being signed off by the Group's Executive Committee and the Supervisory Board.

The Act4Good™ strategy will seek to deliver, by 2030, a promise of building the most sustainable platform for commerce, achieved through four pillars:

- **Achieving net zero** will mean operating shopping centers that are low-energy, that integrate circular economy principles, that consider biodiversity and the use of natural resources, and produce renewable energy;
- **Servicing communities** means the shopping centers will be places that listen, understand and respond to the needs of local communities through extended, long-term and impactful solutions;
- **Growing people** will lead to an even stronger focus on the development of individual employees, along with the Group's partners and clients;
- **Promoting sustainable lifestyles** means dedicating dédicating human and financial resources to foster innovation, gather stakeholders and raise awareness among customers to leverage Klépierre's impact on an even bigger scale in the transition towards a more sustainable commerce.

Each pillar has a core 2030 commitment along with specific targets to define the operational roadmap.

3.2 ACT FOR THE PLANET

Five years since setting its Act for the Planet commitments, Klépierre is proud to have made important, measurable strides towards achieving a net-zero carbon portfolio. Having achieved 100% of its ambitious targets, it now operates a 100% sustainably certified and energy efficient Europe-wide portfolio that promotes a circular economy culture and remains accessible through sustainable transport.

Global challenges, including the Covid-19 pandemic and, more recently, escalating geopolitical tensions and economic instability, have impacted supply chains, energy supply and availability of talent, as well as created a need for new consumption models. Klépierre's forward-thinking culture enables it to navigate successfully through these challenges and address them with agility. Through constructive engagement with key stakeholders, collaborative improvements, and robust internal reporting mechanisms, Klépierre remained committed to its objectives and delivered an industry-leading performance.

Completing the transition to a net-zero carbon portfolio by 2030 will remain a key priority moving forward, as will accelerating reductions in Scope 3 emissions by building on strong relationships with stakeholders. In addition, the Group will work towards even more ambitious targets regarding renewable energy generation, waste management and low-carbon transport solutions.

2030 AMBITIONS	2022 COMMITMENTS	OPERATIONAL TARGETS		
TURN PROMISING ASSETS INTO AN EFFICIENT NET-ZERO CARBON PORTFOLIO	ACT FOR A LOW-CARBON FUTURE	**-40%** Energy consumption for common and serviced areas per sq.m. compared with 2013 SCIENCE BASED TARGETS Approval of the Group's climate strategy by the Science-Based Targets initiative	**100%** Percentage of electricity coming from renewable sources in the total consumption of electricity of common and serviced areas **5/5** The five biggest shopping centers in our portfolio are committed to having a net-zero carbon footprint	
OPERATE A ZERO END-WASTE BUSINESS IN COLLABORATION WITH OUR RETAILERS	CONTRIBUTE TO A CIRCULAR ECONOMY	**100%** Percentage of recovered waste	**100%** Percentage of centers that have involved retailers in a circular economy effort (joint action to repurpose products, awareness raising in shopping centers, etc.)	
SUPPORT NEW TRENDS IN MOBILITY TO ACCELERATE CUSTOMERS' SWITCH TO SUSTAINABLE MODES OF TRANSPORTATION	INNOVATE FOR A SUSTAINABLE MOBILITY	**100%** Percentage of shopping centers accessible *via* public transportation	**100%** Percentage of shopping centers equipped with charging stations for electric vehicles	
BE A RECOGNIZED LEADER IN ENVIRONMENTAL PERFORMANCE	DEVELOP A 100% CERTIFIED ASSETS PORTFOLIO	**100%** Percentage of centers that have earned a sustainable development certification	**100%** Percentage of development projects that have obtained a BREEAM New Construction certification (with a minimum level of "Excellent")	**100%** Percentage of new developments using wood from a certified forest during construction

3.2.1 Act for a low-carbon future[1]

In 2017, Klépierre set a target to achieve a net-zero carbon footprint for its entire European portfolio by 2030. Its climate strategy, aligned with limiting global temperature rise to 1.5°C, was approved by the Science-Based Targets initiative (SBTi) in 2020. Its achievements in reducing energy consumption, improving energy efficiency, and greening its portfolio, see the Group on track to achieve this ambitious target. This is evidenced by Klépierre's inclusion in CDP's prestigious climate "A list" for several years running and its recognition as Global Retail Sector Leader by GRESB, the global ESG benchmark for financial markets in the real estate sector.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT
Reduction in energy consumption for common and serviced areas compared with 2013	-17%	-29%	-43%	-45%	-42%	-40%
Percentage of electricity coming from renewable sources in the total consumption of electricity of common and serviced areas	73%	93%	93%	95%	100%	100%
The five biggest shopping centers in our portfolio are committed to having a net-zero carbon footprint	ONGOING	ONGOING	1/5	4/5	5/5	5/5 CENTERS NET-ZERO CARBON
Approval of the Group's climate strategy by the Science-Based Targets initiative	ONGOING	ONGOING	APPROVED	APPROVED	APPROVED	APPROVED

(1) *Unless otherwise specified, all 2022 figures contained in this section apply to the following scope: 111/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.*

3.2.1.1 Transitioning the portfolio to carbon neutral by 2030

Operating a net-zero carbon portfolio by 2030 means that Klépierre will reduce its Scopes 1 & 2 emissions in line with SBTi-approved targets (outlined in section 3.2.1.1.1), and then offset any residual Scopes 1 & 2 emissions. Since 2013, the Group has achieved 89% reduction in its carbon emissions intensity (Scopes 1 & 2, market-based, reported scope). Klépierre's net-zero carbon building policy additionally sets out minimum standards for green building certifications, energy efficiency, renewable energy, the circular economy, waste and transportation.

Klépierre's low-carbon strategy involves four key activities:

Reducing energy consumption

Tracking the energy efficiency performance of its portfolio and individual assets through monthly reporting and follow-ups using the Deepki reporting tool. The approach is adapted to each center's specificities to ensure a dedicated and efficient energy-saving program led by on-site managers.

Use renewable energy supply

Reducing the carbon footprint of its energy consumption and its dependence on fossil fuels by using electricity produced from renewable sources, with 100% achieved in 2022.

Install on-site renewable

Developing its own on-site renewable energy production to provide direct access to renewable energy for shopping centers.

Offset residual emissions

Using carbon offsetting as a finishing touch, once it has drastically reduced its carbon emissions through operational actions. Carbon offsets generate financing for projects that support carbon-positive actions including tackling GHG emissions and strengthening natural carbon sinks. The Group is currently investigating the most relevant projects.

PATHWAY TO A NET-ZERO CARBON PORTFOLIO BY 2030

2022 snapshot:

100%

of assets (by value) are aligned with the 2022 CRREM targets**

100%

purchased electricity coming from renewable sources

24

shopping centers with a net-zero carbon footprint (includes carbon offsetting)

3,811 MWh

of on-site renewable energy production

42%

reduction in energy intensity since 2013

82%

reduction in carbon intensity since 2017

Climate strategy

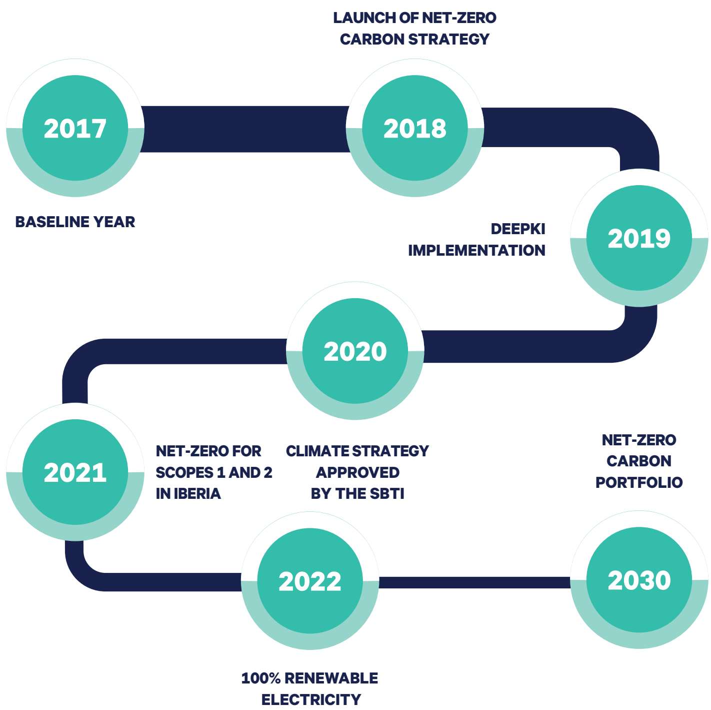
- Reduce Energy Consumption
- Use Renewable Energy Supply
- On-site Renewables energy production
- Offset Residual Emissions

Climate reduction targets for scopes 1&2

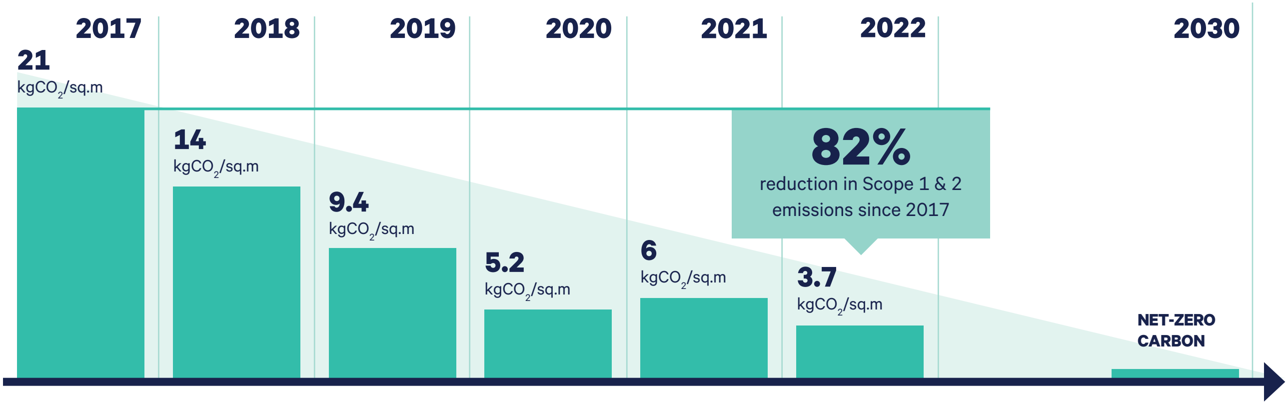
Science-Based Target : Between 2017 and 2030, reduce direct Scopes 1 & 2 GHG emissions by 80% per sq.m*

ADDITIONAL OBJECTIVE: NET ZERO CARBON FOR SCOPES 1 & 2 by 2030**

Key milestones



Portfolio carbon intensity trajectory



* These are targets for Scopes 1 & 2. The Science-Based Targets Initiative (SBTi) approval is also including scopes 3 targets: -40% on emissions linked to visitors transportation and -41% on emissions linked to tenants' energy consumptions in shops served by Klépierre.

** Market-based emissions

3.2.1.1.1 Managing direct GHG emissions performance: Scopes 1 & 2

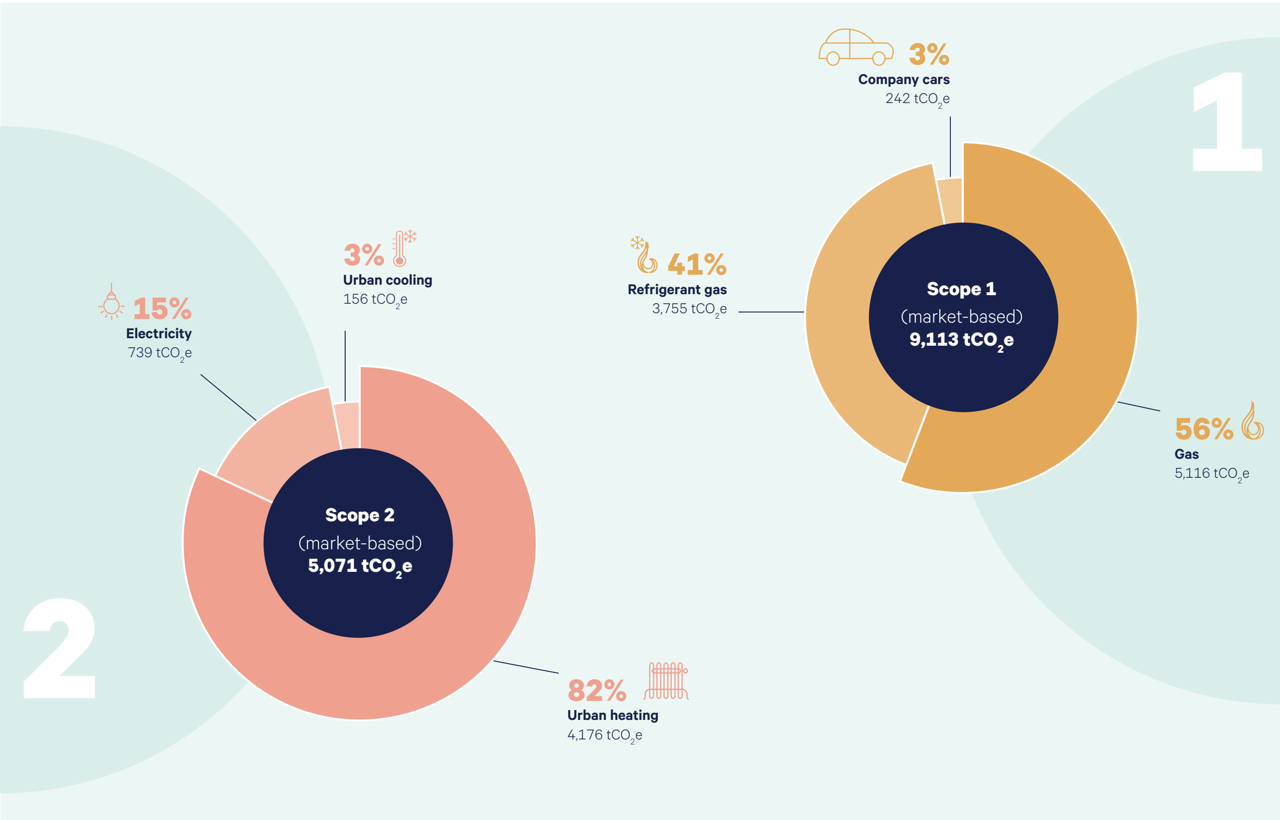
Scopes 1 & 2 emissions are those resulting from energy Klépierre directly purchases, owns, or produces.

These emissions are tracked in accordance with the GHG Protocol, using both location- and market-based methods. The latter method enables energy bought through renewable energy tariffs to be counted as lower emissions, by applying the emission factor directly from the supplier, in comparison to the national averages that are used in the location-based method. Klépierre had set an SBTi-approved target to reduce its Scopes 1 & 2 GHG emissions from centers by 80% per sq.m. between 2017 and 2030, which it has surpassed, achieving an 82% reduction from 2017 to 2022. The Group has therefore set a more ambitious commitment to reach a net-zero carbon portfolio by 2030.

In addition, the Group reduced its Scopes 1 & 2 emissions intensity (reported, market based) from building energy consumption by 38% compared to 2021, achieving 3.7 $kgCO_2$/sq.m. For more information, see section 3.2.1.2 "Energy".

At the end of 2022 and as per the Group's 2022 targets, 24 of Klépierre's shopping centers, including the five largest, achieved net-zero carbon footprint for Scopes 1 & 2[(1)].

In 2022, the carbon calculation methodology was improved to clarify and update certain emissions factors for the market-based approach. In order to reflect this change and permit reliable comparisons, we exceptionally recalculated 2021 GHG emissions for both the reported and like-for-like scope. This explains why in this year's publication, 2021 data are different from the those we published in the 2021 Universal Registration Document: Scopes 1 & 2: 17,283 tons (market-based, reported scope); Scope 3: 983,098 tons (location-based, reported scope).



3.2.1.1.2 Managing the broader carbon footprint: Scope 3

Scope 3 emissions are those that Klépierre is indirectly responsible for within its value chain i.e., they result from the activities of organizations within the chain that are not owned or controlled by the Group.

With one of the most comprehensive measurement approaches in the industry, Klépierre reports against nine of the fifteen broad Scope 3 emissions categories identified within the Corporate Value Chain Standard, which is published by the GHG Protocol. The nine categories are divided into those the Group has direct leverage over—investments, commuting, business trips, non-property fixed assets, goods/services purchased, waste—and those where it has indirect leverage. Those with indirect leverage make up most of the Group's total Scope 3 emissions: 90%[(2)] for visitor travel and 10%[(2)] for downstream leasing—emissions resulting from retailers' energy consumption in the Group's centers (location-based, reported scope). Emissions from upstream leasing (assets for which Klépierre is a tenant) are not included in the Scope 3 calculations, and represent a non-material share of Klépierre's global GHG emissions.

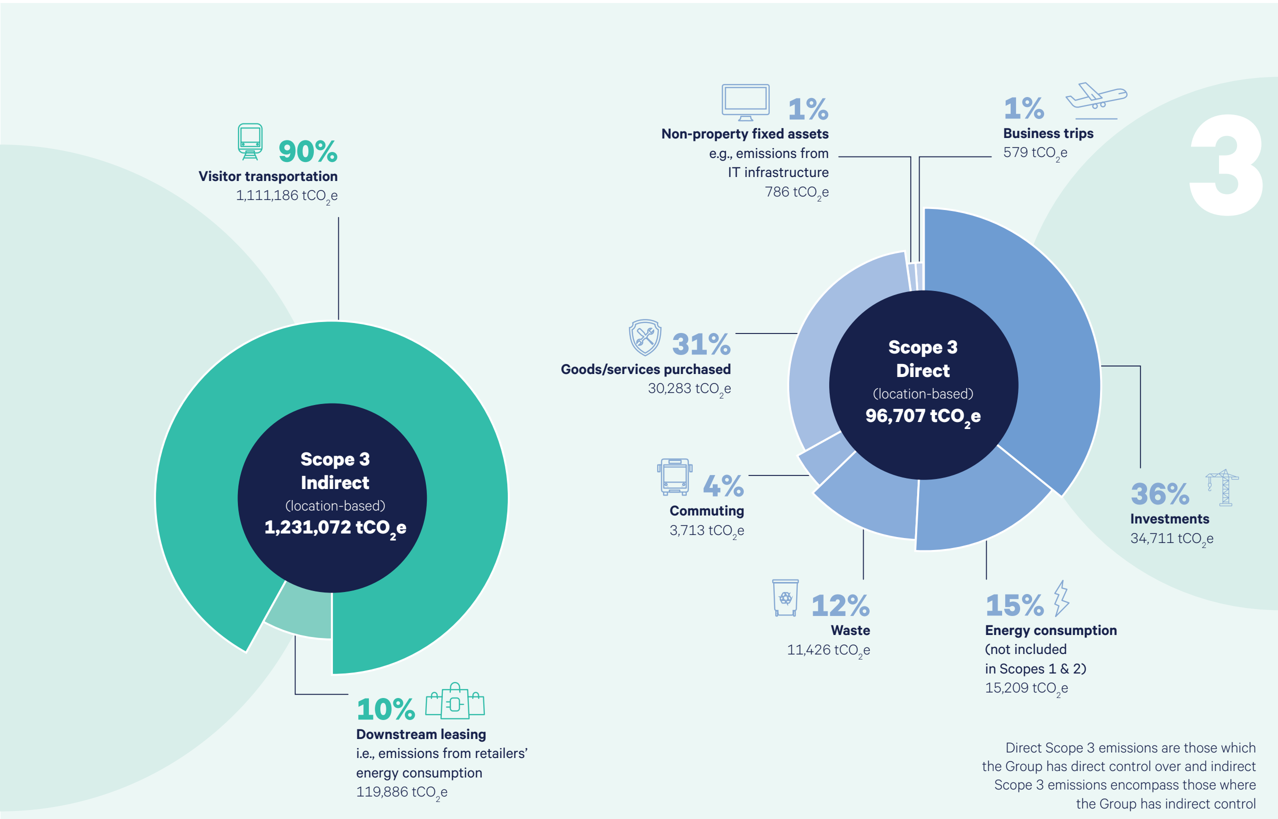
(1) *2017 five biggest shopping centers (in value): Val d'Europe (région parisienne, France), Créteil Soleil (région parisienne, France), Field's (Copenhagen, Denmark) Emporia (Malmö, Sweden), Porta Di Roma (Roma, Italy).*

(2) *Calculation based on total of Scope 3 emissions with indirect leverage..*

Visitor travel emissions, which are the largest source of the Group's carbon footprint, are calculated using a survey on visitor travel habits (to and from the shopping centers) and then extrapolated in line with the total number of visitors. In 2022, these totaled 1,111,186 tCO_2e, equivalent to 84% of the Group's total Scope 3 emissions (location-based, reported scope). Over the past five years, Klépierre has taken action to help customers choose low-emission travel, with 100% of shopping centers now accessible by public transport and equipped with electric vehicle charging stations (see section 3.2.4 for more information).

Emissions from downstream leasing are another key focus. Klépierre has an SBTi-approved target to reduce the Scope 3 emissions associated with retailers' energy consumption served by the Group's energy supply by 41% per sq.m. between 2017 and 2030[1], and has already achieved a 38% decrease. In 2022, the emissions from all downstream leasing were calculated as 119,886 tCO_2e (compared to 109,730 tCO_2e in 2021), a slight increase (9%) due to its tenants' business activity returning to normal levels. In 2022, the emissions from the energy consumption of leased areas was equal to 9% of the Group's total Scope 3 emissions (location-based, reported scope). These are calculated using available actual data and extrapolated to cover retailers' total footprints. Although Klépierre's influence over these emissions has been limited, notably due to the inherent challenges in collecting retailers' data, the Group continues to engage all its tenants on a collective journey to reduce emissions.

Given retailers' sizable contribution to the Group's Scope 3 emissions, Klépierre takes a collaborative approach to help them improve their energy use. Most recently, the Group's Sobriety Plan (see page 78), designed to safeguard energy resilience, was shared with all retailers, who were encouraged to adopt similar measures. At a local level, shopping center teams share operational guides that detail best practice activities for improving energy efficiency in stores, reducing water consumption and optimizing waste management. In addition, sustainability clauses are included in all signed lease contracts for the Group's retailers across Europe, including requirements to share waste and utility data, integrate sustainability considerations into store fit-outs and design, and adhere to practices that are consistent with each center's environmental management system and building certification.



3.2.1.1.3 Developing climate resilient assets

Well-designed and operated buildings can play a vital role in reducing vulnerabilities to climate risks. If refurbished and operated to account for changes in climate, shopping centers can safeguard their resilience and assets' valuation whilst improving the quality of customers' experience.

By reducing centers' energy consumption and reliance on fossil fuels, Klépierre's low carbon building policy supports the development of a climate resilient portfolio. At the development stage, Klépierre considers how energy management systems and building materials can be designed and optimized given different climatic conditions. During refurbishment, the Group looks to incorporate features such as green walls, and roofs and glass with a lower U-factor that can help protect assets from impacts associated with increased cooling requirements and extreme weather. For example, solar film installed on the façade at Nový Smíchov has reduced solar heat gain by almost 80%. Klépierre also participates in industry working groups such as the Federation of Trade Actors in the Territories and EPRA on reducing risks associated with climate change and changes to the regulatory regime.

(1) Scope includes the emissions from retailers' energy consumption supplied through the Group's energy supply.

Climate risk screening across the Group

In 2022, as part of a new portfolio-level study commissioned with a third-party expert, Klépierre identified its top physical and transition risks and opportunities as well as their impact on the Group's activities. Climate risk screening and trends analysis was undertaken, aligned with the TCFD guidelines. The study assessed the likelihood and impact of physical risks over various time horizons including the baseline, 2030 and 2050. They included impacts from extreme precipitation, extreme heat and cold, floods, storms, geological risks, wildfires, average temperatures, drought, and water scarcity. To consider alternative pathways for future society, the IPCCs Shared Socioeconomic Pathways (SSPs) were applied, which consider how different Representative Concentration Pathways (RCPs) meaning alternative greenhouse gas emissions over time might be achieved within the context of the underlying socioeconomic characteristics and shared policy assumptions of that world. Specifically, SSP2-4.5 and SSP5-8.5 were applied, which are described below[(1)].

SSP2-4.5:	**Average temperature rise:**	**Climate:**	**Society/Economy**	**Impacts**
“Middle of the road” scenario	Temperatures rise by 2.7°C by 2100	Emissions are stable and start to fall mid-century, and do not reach net-zero by 2100	Socio-economic factors make no notable shifts, sustainability progress is slow, and development and income grow unevenly	Associated with more transition risks e.g., leading to heightened operational costs, reputational risks and costs to meet tightening standards
SSP5-8.5:	**Average temperature rise:**	**Climate:**	**Society/Economy**	**Impacts**
“Fossil-fuelled development” scenario	By 2100 the average global temperature is 4.4°C higher	Current emissions double by 2050	The global economy grows quickly, fuelled by exploiting fossil fuels and energy-intensive lifestyles	Associated with more physical risks that can lead to, e.g., costs to repair damages, CapEx for adaptation measures and stranded asset risk

Impacts from physical climate risks were then evaluated as to their materiality level for Klépierre and those of its sites at high and moderate risk, and given a critical, high, moderate, or low rating. The results of the study show that Klépierre's assets do not present critical threats from physical risks at portfolio level. However, riverine flooding—meaning flooding from a river, lake or stream—was identified as the most significant current risk. If not managed correctly, this may result in property damage and higher CapEx/OpEx for affected sites, along with business interruption due to discontinued access to commercial centers and the potential loss of electricity, internet, water and energy supply. In the medium term (2030), the increase in average and extreme heat was identified and is likely to become a high risk, with greater impacts on sites including temporary closures, disruption of public transport operations and higher OpEx related to the increase in energy needs combined with higher/unstable energy prices. The risks identified reflect the gross risk of each asset's location without accounting for preventative measures. The Group is in the process of developing actions plans that will detail the measures required to achieve a negligible net risk, once preventative measures are considered, ensuring assets are resilient to the climate risks identified.

Transition risks and opportunities were determined based on market trends using data sets from recognized institutions including the International Energy Agency (IEA), benchmark analysis and interviews with selected internal stakeholders. The impact of these risks was assessed by combining the potential likelihood and impact and given a critical, high, moderate, or irrelevant rating. In the short term, the energy and climate performance of the Group's assets was identified as both the most relevant risk and opportunity. In terms of risk, this could impact Klépierre's activities through increased OpEx in the form of high energy costs and price fluctuations, decreased access to capital due to stakeholder concerns regarding low climate performance, planning and communication, and compliance with carbon-related legislation. At the same time, green buildings offer opportunities in the form of enhanced market demand, compliance alignment and potential to attract additional financing. In the medium term, these risks and opportunities are expected to accelerate and have a magnified impact.

Overall, Klépierre's assets appear to be well aligned to low-carbon transition scenarios. Going forward, the Group will continue to monitor the portfolio on an individual center basis, assessing which mitigation measures are already in place and which need to be implemented as part of its 10-year CapEx plan.

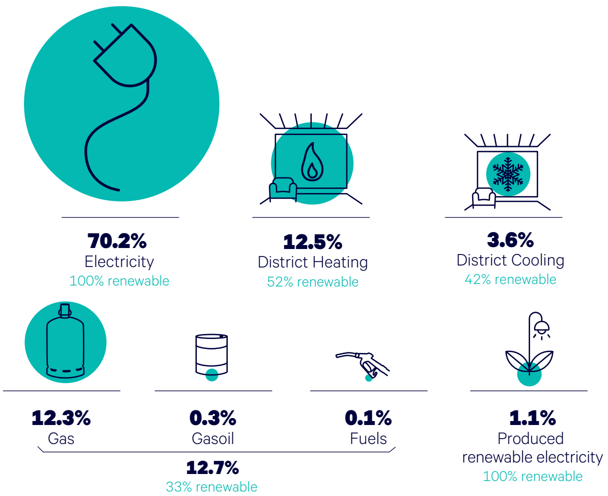
(1) *https://www.reuters.com/business/environment/un-climate-reports-five-futures-decoded-2021-08-09/.*

3.2.1.2 Energy[1]

Klépierre's shopping center teams have operated best practice processes and standards to achieve significant energy reductions and improvements in energy efficiency over the past five years. Its performance in 2022 was supported by the roll-out of a robust portfolio-wide resiliency plan to mitigate against an uncertain macro-economic climate and extreme weather events (see energy sobriety plan on page 78).

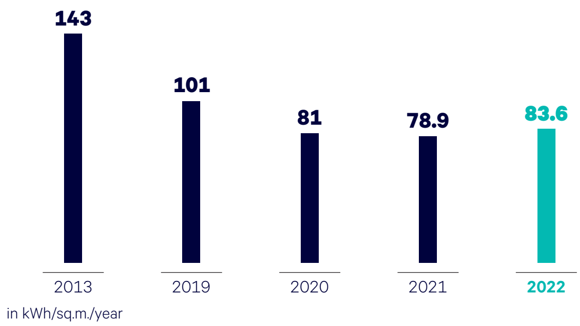
ENERGY MIX IN COMMON AND SERVICED AREAS

(reported scope)



ENERGY INTENSITY FOR COMMON AND SERVICED AREAS

(reported scope)



3.2.1.2.1 Energy efficiency

In 2017, Klépierre set an ambitious target to reduce energy intensity (kWh per sq.m.) in its shopping centers' common and serviced areas by 40% by 2022, compared to the 2013 baseline. Although 2020 and 2021 saw a significant reduction, this was partially due to pandemic lockdowns, therefore for the purposes of this report the Group will use 2019 as the last comparable year. In this context, Klépierre achieved a 17% reduction in 2022, reaching 83.6 kWh/sq.m. compared to 101 kWh/sq.m. in 2019. In France and Belgium, which are responsible for 33% of Klépierre's energy consumption, the centers consumed 77.6 kWh/sq.m. in 2022; this compares extremely favorably to an industry consumption average per shopping center of 109 kWh/sq.m.[2].

The Group's industry-leading performance is based on a robust energy reduction strategy that combines monitoring, in-depth analysis of individual shopping centers' energy performance, the sharing of best practices and investments in energy efficiency equipment.

Energy management and engagement

- Annual energy reduction targets are set for each center.
- Expert technical teams monitor consumption in each center, supported by an energy management system covering 81% of the Group's portfolio at the end of 2022.
- Quarterly Act for Good® meetings and monthly engineering webinars promote a culture of energy management optimization and positive competition, with country managers, function heads, center managers and technical managers taking stock of their energy performance, reviewing it against local and regional targets and taking accountability for it.
- Individual shopping centers are encouraged to share successful energy reduction initiatives, experiences and innovation proposals, with best practice examples collated and shared in reference guidelines so that teams can continually increase their expertise.

Energy monitoring

- Using the Deepki data collection and analysis platform, each center team monitors and reports monthly energy, water, and waste consumption data.
- The Group analyzes the data at shopping center, country, territory and portfolio levels.
- Climate variation is assessed according to external (climate effect) factors and internal performance issues, with variations compared in clusters of centers that have similar variables (e.g., retailer density, surface area).
- The Group identifies the strongest and weakest performing assets, and targets energy management interventions, including through its BOOST program.

(1) *Unless otherwise specified, all 2022 energy consumption figures contained in this section apply to the following scope: 111/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.*

(2) *Observatoire de l'Immobilier Durable, Baromètre de la performance énergétique et environnementale des bâtiments, 2021.*

Piloting energy efficiency through BOOST

- The Group's BOOST program consists of two-days assessment of the asset by specialist and on-site staff, who then develop an action plan with tailored performance targets in consultation with center teams, to be reviewed monthly.
- BOOST action plans empower shopping center teams to find opportunities for energy efficiency interventions and pilot solutions that are within their current means, relying on their expertise in managing complex building systems.
- In 2022, Klépierre committed to rolling out the BOOST program twice a year in most of its assets (with Italy first), before each heating and cooling season, so that teams can focus on the specific energy challenges of each season and fine tune their decisions accordingly.

Operational investments

- Where centers have implemented all identifiable operational measures, the Group invests in upgrading technical equipment such as heating, ventilation, air conditioning (HVAC) components and LED lighting along with new, more energy-efficient equipment such as adiabatic cooling towers, destratification fans, solar control film and reflective paints.
- The Group focuses on local conditions, for example, by building insulation and ventilation that reduces energy demand from heating and air-conditioning.

Expansions and refurbishments

- The minimum performance target for expansions and refurbishments is BREEAM Excellent, which represents a score of 70% or above against a series of sustainability measures including energy efficiency.
- Energy-related management and operational impacts are evaluated including life-cycle assessments, construction practices, energy monitoring, lighting and technical equipment specification.

IMPLEMENTING A SOBRIETY PLAN TO EMBED ENERGY RESILIENCE

In light of the current energy crisis and in line with plans announced by several European governments, Klépierre has accelerated its energy efficiency roadmap to safeguard its resilience by developing a Sobriety Plan across all assets and countries. The plan has three steps: first, the Group will ensure that all assets are operating in line with the set standards and expectations; shopping center teams will then implement changes in winter and summer to reduce energy consumption; and, lastly, resilience plans will be developed to protect against energy supply issues.

Changes to building operations will include:

- Heating and air conditioning systems will be set to keep central walkway temperatures at 17°C in winter and 26°C or 27°C in summer, and will be turned on one hour after and before opening and closing;
- Center air renewal will be optimized to minimize the need for heating and air conditioning; for example, in spring, fall and summer, "free cooling" techniques will be applied meaning outside air substitutes for air conditioning;
- 50 of the largest centers in Europe will be fitted entirely with LEDs (LEDs currently constitute two-thirds of all shopping centers' lighting);
- The light intensity of centers' interior walkways and parking lots will be reduced by 30% on average and all emergency exits, delivery areas and technical premises will be fitted with detectors for lighting, in compliance with regulations and safety requirements;
- Outdoor illuminated signs will be turned off when centers close.

3.2.1.2.2 Renewable energy supply

In 2022, 100% of electricity (reported scope) consumed in the common and serviced parts of Klépierre's shopping centers is from renewable sources. This represents a 5-percentage point increase since 2021 and 27 points since 2018.

Klépierre also procures green gas in all its French centers. In 2022, 84% of the total energy consumed in Klépierre's centers was from renewable sources compared to 78% in 2021 (like-for-like scope).

3.2.1.2.3 On-site renewable energy production

On-site renewable energy generation reduces the Group's emissions and improves the energy security of its centers. At the end of 2022, renewable energy systems have been installed at 11 centers, primarily comprising solar photovoltaic panels, with 3,811 MWh of renewable energy produced.

Following feasibility studies to identify further opportunities and agree upon on-site capacity (space in car parks and on roofs, for example), in 2023 the Group will focus primarily on projects in Iberia, Italy and France. In Spain and Portugal, works are now underway on five assets: Nueva Condomina, Meridiano, Parque Nascente, Espaço Guimarães and Aqua Portimão. These projects will include almost 15,000 sq.m. of solar photovoltaic panels, with a total generating capacity of 2,761 kWp.

3.2.2 Contribute to a circular economy and resource conservation

From the materials sourced to upgrade the building to the water required for cleaning and bathroom facilities, shopping centers use natural resources. Predominantly, today's retail sector is designed on the linear 'take-make-waste model. Klépierre wants to change this. In 2017, the Group set targets to embed a circular economy culture that seeks to eliminate final waste and pollution and keep products and materials in use.

Over the past five years, the Group has transformed its approach to waste management, supported by the hard work of its people to find improvement opportunities and execute best practice activities in its centers. It has leveraged its strong relationships with retailers to raise their awareness of sustainable commerce and influence behavior change towards circular economy practices. As a result, in 2022, the Group reached its two targets of recovering 100% of waste and involving retailers in a circular economy effort in 100% of centers.

In 2023, Klépierre will work towards even more ambitious waste management targets and continue to engage its customers in sustainable commerce.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of recovered waste*	90%	93%	96%	98%	100%	100%	✓
Percentage of centers that have involved retailers in a circular economy effort	45%	71%	86%	94%	100%	100%	✓

* *This applies to the following scope: 78/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 4/8 owned only. The corresponding coverage rate amounts to 78.5% of the total shopping center portfolio value.*

3.2.2.1 Circular economy

Across its centers, Klépierre seeks opportunities to reduce waste and extend the useful life of materials. By partnering with organizations such as Cycle Up, for example, it can find a use for fittings and materials that are deconstructed during refurbishment projects.

When considering products and materials, Klépierre applies the BREEAM certification standard to promote resource efficiency and lower emissions. The products are easier to maintain, reuse and recycle and must have an eco-label and/or lower environmental impact (such as PEFC™ or FSC®-certified timber). Throughout all stages of the building life cycle, preference is always given to suppliers with certified environmental management systems.

Engaging and educating retailers on the circular economy is key to embedding a reduce, reuse and repair culture across Klépierre centers. As with energy reduction measures, waste BOOST interventions and action plans provide the Group with deeper insight into the challenges being faced in meeting 100% landfill diversion rates. Waste and sorting standards are shared at annual meetings to ensure packaging and products used are compatible with center waste flows.

In 2022, the Group achieved its target of 100%(1) of centers involving retailers in a circular economy effort, with some stand-out examples:

A FESTIVAL OF RECYCLED FASHION

In today's retail environment, more ethical fashion choices are rapidly gaining traction. In the greater Paris region, Créteil Soleil partnered with its brands, fashionable thrift stores and second-hand specialists in a 10-day festival that offered creative upcycling and styling workshops, meetings with influencers and a fashion show. Importantly, the festival embedded circular principles throughout; for example, the furniture was recycled from materials stored in the shopping center.

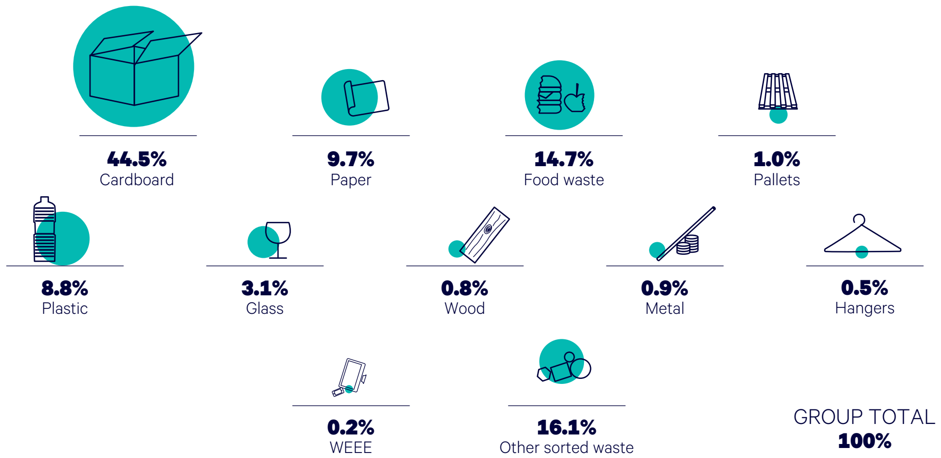
(1) *This figure applies to the following scope: 106/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned only. The corresponding coverage rate amounts to 99.1% of the total shopping center portfolio value.*

TODAY'S DINNER CAN BE TOMORROW'S LUNCH

At Parque Nascente, free take-away boxes were introduced in food courts to influence customer behavior and promote sustainable consumption by encouraging visitors to utilize leftover meals. Since their introduction in 2021, more than 14,000 meals have been saved. The boxes are also made of nano-micro corrugated cardboard, which means they are stronger, lighter, and more thermal whilst being recyclable and biodegradable. In recognition of its impact, this initiative won an award at the European Week for Waste Reduction and was the only Portuguese project represented at the European awards.

3.2.2.2 Waste management[1]

BREAKDOWN OF SORTED WASTE BY TYPE



These figures apply to the following scope: 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned only (excluding Greece). The corresponding coverage rate amounts to 99.1% og the total shopping center portfolio value.

Managing waste through recycling and reuse is key to a circular economy approach. Klépierre monitors and analyzes each shopping center's monthly waste data using specific performance indicators, enabling it to set suitable targets for each asset. Due to the daily efforts of shopping center teams and engagement with retailers and contractors, in 2022, Klépierre was able to reach its target of 100% recovered waste. This comprises 98.1% non-hazardous and 1.9% hazardous waste, the latter consisting of used lightbulbs and fluorescent tubes, electrical appliances and paint, which are separated on site and processed through special recovery channels.

Through the Group's BOOST program, Klépierre also engages shopping center teams, suppliers, waste contractors and technical experts at Group and country level to deep dive into individual shopping center waste practices over a 24-hour period, then creates an asset-specific action plan. The effective sorting of waste is promoted at all levels. Centers' employees and retailers are trained on effective waste segregation, while multi-compartment waste bins promote waste awareness amongst visitors. To reinforce best practice waste management, local teams host regular meetings with employees and retailers on procedures, with new joiners provided with guides or induction meetings, and performance updates are shared with staff. In addition, waste contractors are engaged to set key performance indicators.

As an example of best practice, Hoog Catharijne manages 17 types of waste for reuse, composting, recycling and incineration for energy recovery. The waste facilities include dedicated food waste containers and two ensemble points with extra-large containers to reduce the frequency of transport, which lowers costs and reduces CO_2 emissions. The center also provides a multi-compartment recycling station to encourage visitors to give used materials and goods a second life. Visitors can recycle their clothes, batteries, electronics, mobile phones, light bulbs, cartridges, bottles and cans, and the station itself is sustainably developed from 100% recycled plastic waste. The center collaborates with organizations such as The Salvation Army and Made Blue to find these items a second life.

(1) *Unless otherwise specified, all 2022 waste figures contained in this section apply to the following scope: 78/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 4/8 owned only. The corresponding coverage rate amounts to 78.5% of the total shopping center portfolio value.*

3.2.2.3 Water use[1]

Compared to other real estate assets, Klépierre does not have a significant water footprint. However, as part of its industry-leading sustainability strategy, the Group nevertheless seeks opportunities to improve its water efficiency, given that global demand for fresh water could exceed viable resources by 40% by 2030[2] at the current rate.

Monitoring consumption data is key. The Group uses the Deepki reporting platform to collect data while center teams benchmark and analyze water consumption, with centers grouped according to the amount of greenery present, their cooling tower characteristics, and the proportion of floor space dedicated to more water intensive services such as restaurants and hairdressers. In 2022, 2,868,891 cu.m. of water (reported scope) was consumed across the centers, including retailers' consumption.

Water management awareness-raising interventions are primarily targeted at air-conditioning, toilets and cleaning, as these are the largest water-consuming systems. Interventions can include drought-tolerant plant species in green areas, rainwater recovery and reuse, and more efficient equipment such as adiabatic cooling towers and low-flow sanitary fittings when replacements are required. In the Gran Reno shopping center extension, for example, a 400 cu.m. tank under the multi-story parking lot collects rain that is used for the irrigation of outdoor areas whilst a second 600 cu.m. tank, located under the shopping center, captures rainwater for the irrigation of outdoor event space as well as toilets in the center's extension. All rainwater captured is filtered before use and helps to limit water consumption from the main supply.

3.2.3 Develop a fully certified portfolio

Klépierre has the largest BREEAM In-Use certified real estate portfolio by value in the world. With 100% of operational centers and developments achieving a BREEAM certification since 2019, Klépierre has been able to validate its performance externally and differentiate its portfolio from competitors whilst improving long-term asset value. For example, a study between 2008 and 2016 showed that green building certifications yielded a rent and sales premium of 6% and 7.6% respectively[3].

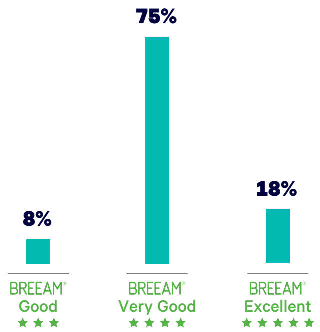
BREEAM provides a consistent and comparable framework for assessing impacts and costs from a lifecycle perspective as well as for enhancing the environmental quality of the building and its socio-economic contribution to the local area. At the same time, ISO 14001 provides a framework to target, deliver and monitor environmental improvements at each center, and establish procedures for continuous improvement.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT
Percentage of centers that have a sustainable development certification (BREEAM In-Use, ISO 14001, etc.)*	74%	100%	100%	100%	100%	100% ✓
Percentage of development projects that have obtained BREEAM New Construction certification (with a minimum level of "Excellent")	100%	N/A	100%	N/A	100%	100% ✓
Percentage of new developments using wood from a certified forest during construction	100%	N/A	100%	N/A	100%	100% ✓

* *This figure applies to the following scope: 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). The corresponding coverage rate amounts to 98.8% of the total shopping center portfolio value.*

(1) *Unless otherwise specified, all 2022 water figures contained in this section apply to the following scope: 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). The corresponding coverage rate amounts to 99.6% of the total shopping center portfolio value.*
(2) *https://nextgenwater.eu/wp-content/uploads/2018/10/Water_and_circular_economy-Co.Project_White_paper.pdf.*
(3) *https://www.jll.co.uk/en/trends-and-insights/cities/how-are-green-building-certifications-moving-with-the-times.*

3.2.3.1 Operating a fully sustainability certified portfolio[1]



Klépierre favors BREEAM In-Use for centers in operation, BREEAM New Construction or Refurbishment and Fit-out for centers undergoing development or renovation, and ISO 14001 certification for operational centers' environmental management systems.

The Group reached its long-term target to certify 100% of the assets in its portfolio according to BREEAM In-Use three years ahead of its 2022 commitment. The portfolio-wide approach, jointly developed with BRE (who own BREEAM, the leading certification system for a sustainable built environment), allows Klépierre to manage its certificates at Group rather than asset level. This means it can reinvest and concentrate its efforts on asset optimization instead.

The entire portfolio holds a Part 1 BREEAM In-Use certification covering asset performance as a minimum. 67% (by value) of the centers have achieved an additional Part 2 building management certification. Finally, 43%[2] of the Group's properties operate ISO 14001 certified and/or ISO 50001 environmental management systems (compared to 40% in 2021).

3.2.3.2 Adding value through developments

Given that an estimated 11% of global emissions comes from the construction of the built environment[3], Klépierre focuses on expanding and/or refurbishing existing standing assets, rather than building from scratch. As well as limiting additional embodied carbon emissions, the Group's development strategy seeks to transform and improve the existing urban landscape. The strategy has four objectives:

- Better integration of the assets, and adding value to the surrounding district;
- Positioning projects towards mixed-use themes, whilst maintaining retail as the predominant activity;
- Extending existing assets when sufficient potential is identified;
- Implementing the Group's operational initiatives to fine-tune the retail mix and introduce new concepts to enhance customer-centricity.

Klépierre applies the BREEAM standards for New Construction or Refurbishment and Fit-Out, as applicable, to all development projects. These set out requirements to enhance energy performance and the customer experience including indoor air quality and accessibility. One of the target for development projects, as part as the Group's Act for Good® strategy, is to obtain a BREEAM Excellent rating for all projects that create over 10,000 sq.m. of new development area.

OBTAINING BREEAM EXCELLENT AT SHOPVILLE GRAN RENO IN ITALY

In 2022, the Group conducted an extension and a refurbishment for Shopville Gran Reno, obtaining BREEAM Excellent for its refurbishment and fit-out and BREEAM Excellent New Construction for the extension. Key stakeholders, including tenants and the public authority, were engaged throughout the project to ensure they remained informed about the works and strategic choices and to provide a forum for two-way engagement.

From the outset, life cycle assessment (LCA) analysis was undertaken to measure the environmental impact and carbon footprint of the works at each building stage. This ultimately influenced design choices and limited additional embodied carbon emissions. Key highlights for achieving the BREEAM Excellent ratings include:

- **Health and well-being:** a high-quality sound system with different zones according to their purpose, with mixed-use spaces including several relax areas and an outdoor area for shows, concerts, cinema or other events;
- **Energy:** a 230 kWp solar photovoltaïc system on the roof of the center;
- **Transport:** customers are informed about public transport stops and timetables *via* the center's website and helpdesks; 80 bicycle parking spaces were installed, and a home-to-work travel plan gives center employees mobility vouchers to use alternative means of transport to cars;
- **Materials:** all wood used in the project is certified PEFC or FSC and all locally sourced materials, such as marble, natural stone, metal and glass, are recyclable;
- **Land use and ecology:** the project has avoided the increased use of greenfield land.

(1) Unless otherwise specified, all 2022 certification figures contained in this section apply to the following scope: 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). Coverage rate: 98.8% of the total shopping center portfolio value.

(2) This figure applies the following scope: 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.

(3) https://worldgbc.org/advancing-net-zero/embodied-carbon/.

3.2.4 Innovate towards sustainable mobility

Urban mobility is undergoing significant change, with zero emission areas anticipated to be a revolution at a technological, economic and social level(1). With around 750 million visitors each year, Klépierre is making its centers ready for the shift to low-emission transport and is influencing customers to choose more sustainable options such as cycling, walking, public transport and electric vehicles.

The location, urban density and transport connectivity of the Group's assets are key to this aim. By diversifying the transportation and mobility offering, it ensures centers are integrated within surrounding communities, and supports efforts to increase footfall and accessibility whilst contributing to cleaner air, less pollution and lower emissions.

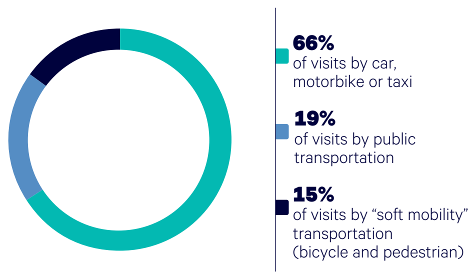
Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of centers accessible *via* public transport	97%	98%	98%	100%	100%	100%	✓
Percentage of centers equipped with charging station for electrical vehicles*	56%	60%	68%	72%	100%	100%	✓

* *This figure applies to the following scope: 64/111 owned and managed shopping centers + 0/7 managed only shopping centers + 5/8 owned only shopping centers. This corresponds to a coverage rate equal to 79.9% of the total shopping center portfolio value.*

3.2.4.1 Transport solutions(2)

To ensure shopping centers are successfully integrated within neighborhood master plans and the community fabric, the Group engages with local authorities and services. In this way, it not only ensures safe community accessibility, but future-proofs its assets in the context of evolving trends including sustainable mobility, logistics and supply chains, and new retail and distribution models.

Specific examples of the Group working in conjunction with local authorities include the Espaço Guimarães shopping center team in Portugal. With no public transport in place to access the center, the team worked with the local authorities to introduce new routes that will increase accessibility to the center following the announcement of an open tender for a new public transport operator. There are now two electric buses that serve Guimarães city and its approximately 158,000 inhabitants, providing low-emission accessibility and a positive impact on footfall.



The success of the Group's transport strategy has seen Klépierre achieve its ambitious 2022 target of all shopping centers being accessible via public transport and equipped with charging stations for electric vehicles. Initiatives such as car-sharing and bicycle renting help reduce the use of private heat-engined vehicles to access the centers, and Klépierre actively supports this by providing meeting places for carpooling, private shuttle bus services when public transport is not available and live displays of public transport timetables. In 2022, 34% of visits to Klépierre's centers were made using soft mobility or public transport.

(1) *https://www.mckinsey.com/~/media/mckinsey/featured%20insights/wef%20mckinsey/knowledge%20collaborations/the%20future%20of%20sustainable%20mobility/zero%20emission%20area%20handbook/GNMC-Zero-Emission-Area-Handbook.pdf*

(2) *Unless otherwise specified, all 2022 travel mode figures contained in this section apply to the following scope: 111/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.*

3.3 ACT FOR TERRITORIES[(1)]

Klépierre's portfolio spans more than a hundred shopping centers in fast-growing metropolitan areas across 12 European countries. This breadth and reach give the Group significant potential to generate positive socio-economic impacts for the surrounding communities.

Over the past five years, the Group's Act for Territories commitments have seen it nurture relationships with local actors and establish the processes needed for its centers to be seen as part of the social and economic community fabric. Klépierre has immersed itself in addressing community challenges and needs, from contributing to local economic development by promoting local suppliers and employment to amplifying local organizations and retailers' responsible initiatives. Its ability to achieve 100% of its 2022 commitments is due to the determination of shopping center teams to embed the Act for Good® strategy whilst respecting the unique differences of each center's community and, therefore, tailoring their approach.

From 2023, the focus will be on continuing to service local communities by building the capacity to quantitatively measure, and therefore manage, Klépierre's impact on the community needs that matter most to them.

2030 AMBITIONS	2022 COMMITMENTS	OPERATIONAL TARGETS
MAKE OUR CENTERS A BENCHMARK IN LOCAL VALUE CREATION	PROMOTE LOCAL EMPLOYMENT AROUND OUR CENTERS	**100%** Percentage of local service providers for operational management of the centers (security, maintenance, cleaning services) **100%** Percentage of centers that have contributed to local employment (by holding a job fair, advertising and sharing job offers, partnering with training centers, etc.)
	PARTICIPATE IN THE LOCAL COMMUNITY	**100%** Percentage of centers that have made space available for a local initiative (local entrepreneur, community organization, artist, etc.)
INCORPORATE SOCIAL RESPONSIBILITY INTO OUR SPHERE OF INFLUENCE	PURSUE OUR RESPONSIBLE CITIZENSHIP	**100%** Percentage of local centers that have organized a drive (clothes, toys, furnitures, etc.) to profit a local charity **100%** Percentage of centers that have supported a citizen's initiative organized by a retailer in the center
JOINTLY DEVELOP THE SHOPPING CENTERS OF THE FUTURE	INVOLVE LOCAL ACTORS IN DEVELOPMENT PROJECTS	**100%** Percentage of development projects that have included local cooperation as part of the early planning process **100%** Percentage of development projects certifying that suppliers sign a "sustainability charter" governing construction site supply and management **100%** Percentage of development projects that have implemented a biodiversity action plan

(1) *Unless otherwise specified, all 2022 figures contained in this section apply to the following scope: 108/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 1/8 owned-only shopping centers. The corresponding coverage rate amounts to 97.9% of the total shopping center portfolio value.*

3.3.1 Promote local employment in the communities

Over the past five years, the Group has been working to:

- Ensure all service suppliers behind the day-to-day operations of its centers are recruited from the local community;
- Facilitate employment opportunities by working with tenants, employment agencies and local employment actors.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of local service providers for operational management of the centers (security, maintenance, cleaning services)	65%	78%	87%	98%	100%	100%	✓
Percentage of centers that have contributed to local employment	48%	85%	95%	100%	100%	100%	✓

3.3.1.1 Encourage procurement from local suppliers

In 2017, when setting out its five-year Act for Good® strategy, Klépierre set a target for 100% of its shopping centers to use local suppliers (defined as regional and/or within 300km) by 2022. With procurement activities managed at country level, when contracts approach renewal, teams have been actively prioritizing local suppliers during tender processes. Now 100%(1) of security, maintenance, and cleaning service providers meet the Group's definition of local.

3.3.1.2 Partnerships to boost local employment

Due to the nature of its business, most of Klépierre's operational job opportunities are created indirectly by its diverse tenants. The Group facilitates employment opportunities by:

- Collaborating with recruitment agencies and specialized NGOs to connect retailers and job seekers;
- Integrating local employment within each center's marketing plan by sourcing relevant partners to propose events and initiatives adapted to each center's needs;
- Promoting regional initiatives including recruitment fairs, posting job offers on shopping center websites and within the centers;
- Working with local and national recruitment organizations.

The return to in-person events in 2022 brought opportunities to re-engage job seekers and tenants. For example, 32 tenants in Nový Smíchov and Plzen Plaza in the Czech Republic attended a job fair to present their employment opportunities in the centers. Center teams distributed 1,500 flyers containing a list of jobs on offer and tens of candidates attended the fair. Candidates were supported by special training videos available through TikTok and Instagram, with views topping over 137,000.

ADDRESSING UNEMPLOYMENT IN SPAIN THROUGH THE KLEMPEA PROJECT

With an estimated 6% of Europeans unemployed in 2022, levels vary significantly from country to country, with the highest rate being Spain at 12.4%. With this figure being so significant and enduring, Klépierre's local Spanish teams actively responded to help populations at risk of job seekers by launching the Klemplea project.

The project has two objectives: to promote the integration of people at risk of social exclusion into the labor market and to encourage the social commitment and awareness of the Group's employees. Given Klépierre's diverse network, job seekers stand to benefit from its strong relationships with companies such as retailers and service providers. The project involved training on preparing for interviews and how to write a cover letter or resume. Job interviews were then organized to connect companies and job seekers. As the experiment was successful, the project will be continued and expanded in 2023.

(1) *This figure applies the following scope: 111/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.*

3.3.2 Participate in the local economy

Klépierre's shopping centers are integral to the economic and social fabric of their communities. Through their direct operations, supply chain and connections with local organizations and visitors, they can have positive socio-economic impacts, including the direct and indirect creation of jobs, payment of tax, support of local businesses and community partnerships, and attraction of new customers for retailers. For example, a 2021 study of the impact of its centers in 2019 (the most recent year not to be affected by Covid-19 lockdowns) showed that for 1 job in Klépierre and its centers, 2.2 jobs are created in the economy, and for €1 generated by the Group and its centers, €2.1 of additional wealth are generated worldwide.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of centers that have made space available for a local initiative	76%	97%	98%	100%	100%	100%	✓

Following the achievement of its target in 2021 to have 100% of centers make space available for a local initiative, the Group continues to use an overarching guidance framework to help centers identify relevant initiatives. This includes comparable metrics that can be used to calculate overall value creation, such as footfall and social media reach. In 2022, best operational practice examples included:

- At Beau Sevran shopping center, an information point had been set up in 2020 for female victims of violence. Recognizing its value, a partnership agreement was signed in 2022 between the National Federation of Information Centers on the Rights of Women and Families (FNCIDFF) and Klépierre to create 15 to 20 similar information points across the Group's French centers by 2023, using shared resources. To date, four information points have been set up;
- At the Jaude center, the site team has been working on providing permanent spaces for local leaders and their activities. Located within a reception area on the second floor, the 'Maison Jaude' corner has welcomed the town's football club, the French Red Cross, Emmaüs and a student film festival. This initiative offers visibility to diverse local organizations whilst providing an exciting, unexpected experience for visitors. Its success is demonstrated through the impressive satisfaction survey results, which found 9.6/10 would recommend Maison Jaude to other local leaders, and the quality of the partnership between the organizations and local teams was rated 5/5.

3.3.3 Pursue corporate citizenship

Over the past five years, the Group has worked hard to amplify its social impact, and make on-site local charity drives and citizens' initiatives part of its identity.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of centers that have organized a drive (clothes, toys, furniture, etc.) for a local charity	61%	84%	96%	100%	100%	100%	✓
Percentage of centers that have supported a citizens' initiative organized by a retailer in the center	53%	79%	98%	99%	100%	100%	✓

3.3.3.1 Promoting charitable giving among shopping center visitors

Having already achieved the Group's target for 100% of centers to organize a drive for a local charity one year ahead of schedule, the focus in 2022 was on intensifying these activities.

Klépierre is inspired by the solidarity and generosity of its centers in all countries to come together as one team and provide emergency goods for those affected by the ongoing conflict in Ukraine. First, Klépierre Poland cooperates with its key NGO partner, SOS Children's Villages, by promoting its initiative 'SOS For the Children of Ukraine' through the territory's communication channels. The initiative seeks to help abandoned and orphaned children with safe shelter, food and transport, as well as medical and psychological assistance. Tenants were invited to support thecampaign and were given the opportunity to donate much needed clothes and products.

Then in Germany, Centrum Galerie Dresden provided a vacant shop to support the collection of urgent supplies. The shop has become one of the major hubs in the city for emergency support, and is not planning on ending activity for the foreseeable future due to its impact and important work. Lastly, across France, 20 shopping centers organized donation drives for clothes, food and personal hygiene products. The outpouring of kindness from visitors helped the Group provide 25 palettes of goods to a European Hub in Poland, where the Group's Polish colleagues distributed them to people in need.

3.3.3.2 Partnering with tenants to amplify the collective impact

Klépierre partners with retailers on responsible citizens' initiatives to amplify the collective impact. In 2022, 100% of centers supported at least one initiative organized by their tenants with center space, media coverage or logistic support. The centers further increased their support in particular to highlight retailers' CSR-focused products through multi-channel and more frequent communication campaigns and helping visitors make informed choices.

Centrum Galerie Dresden in Germany organized the Green Week campaign to highlight Klépierre's Act for Good® strategy, reinforce retailers' initiatives and promote special offers on green products. Retailers' CSR initiatives included offering a complimentary sustainable bottle when customers spent a certain amount, whilst another hosted a workshop for visitors to create their own vegan soap. These joined-up campaigns help to promote more sustainable forms of consumption whilst seeking to increase customer satisfaction.

3.3.4 Involve local actors in development projects

Each of Klépierre's centers takes a customized approach towards any expansion, repurposing or modernization works, to ensure they achieve maximum positive impact for local communities. The Group executes a consistent best practice standard in addressing local needs through engagement with local actors. Since the launch of its 2022 Act for Good® commitments, it has consistently ensured that 100% of development projects have included local cooperation within the early planning process, has certified that suppliers sign the Sustainability Charter and has implemented a biodiversity action plan.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of development projects that have included local cooperation as part of the early planning process	100%	N/A	100%	N/A	100%	100%	✓
Percentage of development projects certifying that suppliers sign a sustainability charter governing construction site supply and management	100%	N/A	100%	N/A	100%	100%	✓
Percentage of development projects that have implemented a biodiversity action plan	100%	N/A	100%	N/A	100%	100%	✓

The Group ensures it is meeting local needs in its development projects through three main activities:

3.3.4.1 Actively integrating local stakeholder engagement

Input from and consultation with local stakeholders shapes the design, purpose, facilities and retail mix of Klépierre centers. The Group is committed to meeting the distinct interests of each area and creating mutually beneficial outcomes including local support, a compelling commercial and leisure offer, and long-term project success. Engagement takes place at regular intervals, including traffic impact studies, market research and surveys, and center managers regularly consult community members regarding local issues in advance of proposed developments.

3.3.4.2 Embedding responsibility into the supply chain

Klépierre ensures that its approach to ethics and sustainability is adhered to throughout supply chain activities (see section 3.4.4.2 for more information). Suppliers are required to sign a sustainability charter for all development projects, which sets out expectations regarding material selection, employment conditions and broader community impacts, and commits them to minimizing the adverse impacts of their activities. Each service provider is briefed on integrating the three Act for Good® pillars into each project action.

3.3.4.3 Enhancing biodiversity value

Klépierre actively protects and improves the biodiversity value of its assets by assessing biodiversity impacts and mitigation measures in accordance with BREEAM Excellent level standards, and by implementing biodiversity action plans that account for unique local conditions. Ecologists and landscape architects are involved in design and development activities to guide architects and developers on existing ecosystems and selecting the best species to protect local wildlife.

In 2022, only one development project was over 10,000 sq.m. and therefore within the scope of the Group's commitments regarding development projects. This involved the extension and refurbishment of Shopville Gran Reno, which achieved 100% of Klépierre's commitments to include local cooperation as part of the early planning process, certify that suppliers sign a sustainability charter governing construction site supply and management, implement a biodiversity plan, achieve BREEAM certification and source wood from a certified forest during construction (full details of the project are available on page 81).

ENGAGEMENT WITH LOCAL ACTORS

During the extension and refurbishment project at Shopville Gran Reno in Italy in 2022, local stakeholders were consulted and involved in several ways:

- For tenants, Klépierre organized periodic meetings with the center's management team before and throughout the development works;
- Regular meetings took place with the public authorities, their technical teams and the management of the surrounding commercial area to discuss progress on public works agreed as part of the extension and to share strategic choices during design, construction and completion;
- Lastly, workers were trained on occupational health and safety standards through update meetings and monthly results sharing.

For more information, see section 3.2.3.2.

3.4 ACT FOR PEOPLE

Klépierre is driven by people. The millions of visitors to its centers, its retailers and tenants, its trusted providers and its own employees are at the core of every action and decision. The Group is committed to making its centers safe, accessible, attractive places where people want to meet. It believes in treating tenants and providers fairly and working co-operatively. And it wants its employees to grow, to benefit from the best working conditions and get the most positive experience.

Over the past year, Klépierre has made significant strides to achieve these aims. The Group made further improvements to customer feedback mechanisms, launched a comprehensive employee engagement survey, defined its cultural pillars, refreshed its end-to-end HR experience and continued launching impactful social and ethical initiatives at Group and local levels.

The achievement of 99.8% of its 2022 targets reflects the success of its Act for Good® strategy and the reach of its impact across such a large scope of stakeholders. Over the last five years, Klépierre has enhanced its competitive advantage as a destination of choice for leading customer care and responsible business, whilst building its reputation as an exemplary employer, committed to continuously evolving its offering to improve the employee experience.

2030 AMBITIONS	2022 COMMITMENTS	OPERATIONAL TARGETS		
BE THE LEADER OF OUR INDUSTRY IN CUSTOMER CARE	INCREASE THE SATISFACTION OF VISITORS	**+3 pts** Increase in the Group's Net Promoter Score (NPS)	**100%** Percentage of customer feedback on social media handled	
	PROMOTE HEALTH AND WELL-BEING IN OUR CENTERS	**100%** Percentage of centers that have promoted health and well-being	**100%** Percentage of centers that have offered dedicated services to their retailers' employees	
BE RECOGNIZED AS AN EXEMPLARY EMPLOYER	OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE	**100%** Rate of access to training for Group employees **100%** Percentage of recent graduates who have been given the opportunity to receive personalized career guidance	**100%** Percentage of employees who have contributed to the co-construction of the Group's future **100%** Percentage of employees concerned by measures aimed at achieving work-life balance	
PROMOTE MORE ETHICAL BUSINESS PRACTICES	CHAMPION ETHICS IN THE LOCAL COMMUNITIES	**100%** Percentage of employees who have been made aware of ethical business practices	**100%** Percentage of external stakeholders who have been made aware of ethical business practices	**100%** Percentage of suppliers selected on the basis of CSR criteria
PUT CHARITY AT THE HEART OF OUR STRATEGY	BE SOCIALLY CONSCIOUS	**100%** Percentage of employees who have been given the opportunity to take part in a philanthropic initiative	**NGO** One long-term partnership signed in each country with an NGO committed to employability and/or family	

3.4.1 Increase visitors' satisfaction

Klépierre aims for its centers to be the preferred shopping destination in their catchment area, a place for visitors to shop, meet and connect. Consumer feedback and insights are essential, the 360-degree feedback approach helps enhance customer's experience at every touchpoint to increase satisfaction, loyalty and footfall whilst enhancing brand reputation and the lifetime value of visitors. The Group also values sound partnerships with tenants, its first-tier customers, and continuously engages with retailers to support this.

This year marks the culmination of Klépierre's five-year Act for Good® strategy. Post-pandemic, the Group has been paving the way in readiness for the competitive new retail arena, where new technologies and digitalization of the customer experience will unlock new opportunities. To inform its operational decisions in 2022, the Group has been listening to and understanding what the key levers are for success in meeting customer needs and expectations.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT
Increase in the Group's Net Promoter Score (NPS, baseline 2017)*	+2pts	+10pts	+8pts	+18pts	+26pts	+3pts ✓
Percentage of customer feedback on social media handled*	50%	68%	92%	87%	98%	100%

* *These figures apply to the following scope: 48/111 owned and managed shopping centers + 2/7 managed only shopping centers + 0/8 owned only shopping centers. This corresponds to a coverage rate equal to 64% of the total shopping center portfolio value.*

3.4.1.1 Embedding a customer centric approach

Clubstore®, Klépierre's customer experience charter, sets standards for 16 critical touchpoints before, during and after a visit to its centers i.e., the complete customer journey - to provide a seamless experience. Built on customer insight (see section 3.4.1.2 for more information), best practice and a strong understanding of the market, Clubstore® principles are applied to online and in-person services, parking and signage, center design, lighting, acoustic and aromatic experience, amenities, events and entertainment, and digital connectivity. Clubstore® best practices are shared internally via a platform and country-wide meetings that promote continuous improvement.

CLUBSTORE® IN PRACTICE—NOISY ARCADES CENTER

To enhance its omnichannel strategy, Klépierre's Noisy Arcades located a new Welcome & Services hub at the heart of the center, creating new vertical links and ease of access to strategic points including the pharmacy and restaurant area and Regional Express Network. The new center provides a dedicated one-stop area for visitor services, promoting convenience and efficiency. As well as offering traditional information, gift cards and stroller and wheelchair rentals, new services have been introduced including a live stream of Regional Express Network traffic, sorting areas for visitors' recyclable waste such as lighting and batteries, lockers where visitors can collect their packages and loyalty program information and registration.

To assess the success of the new hub, a satisfaction survey was launched that found:

- 71% of respondents decided to visit the center due to the new service hub;
- 23% are using the hub's services once a week and 22% twice a month;
- The new hub has a 4.87 out of 5 satisfaction rating.

Clubstore® works in synergy with Klépierre's Act for Good® strategy, not only to improve customers' experience but to address their social and environmental needs and expectations. Electric vehicle charging infrastructure, biophilic design and community-focused events, including charity fundraising and environmental awareness campaigns, provide visitors with the solutions they're looking for and give them the opportunity to get involved.

These local events position Klépierre's centers as community hubs and help raise awareness of Act for Good® topics. Following the pandemic, the Group's marketing teams worked hard to understand how consumer needs had changed and to adapt the event strategy so that it is tailored to the new retail reality.

Another key tool in increasing the Act for Good® reach is the Group's loyalty app, launched towards the end of 2021. The first Europe-wide project of its kind , the app is now available in more than 30 centers and has over 450,000 members to date, offering them access to exclusive benefits in real time, from in-store experiences to members-only discounts, events, and competitions.

ACT FOR GOOD®—SPREADING THE WORD

Act for Good® is well understood by the Group's employees and retailers. With the growth of conscious consumers and their propensity to take an active stance on social and environmental topics, Klépierre launched a new marketing campaign in 2022 to raise awareness amongst consumers. The campaign seeks to provide proof points for the Group's Act for Good® activities, whilst showing consumers that they play an active role in sustainability by visiting the centers.

The campaign itself was designed in an environmentally responsible way, with illustrations used rather than photography to avoid travel between photoshoots, thereby reducing the carbon footprint on digital and print formats, and also to reduce solid colors that have a greater environmental footprint. The illustration-centric campaign brings to life more than 50 different scenes, each showcasing the positive impact at play in Klépierre's centers. To date, the majority of shopping centers in the portfolio have implemented the solution.

Each scene can be adapted locally, so centers can feature their own results, both in the right way and the right places.

The campaign was particularly effective in communicating the Group's energy sobriety plan in the second half of the year (see section 3.2.1.2.1 for more details). The plan's mandatory measures, such as setting temperature levels and reducing air conditioning, could be perceived only as negative cost-saving initiatives but through the campaign, centers have been able to link these to the Group's environmental commitments and create a more socially-conscious and responsible perception.

The eco-friendly characteristics of the campaign as well as the impact of the messaging was recognized by Les Cas d'Or, which honored Klépierre with an award for the solution's success in responsible digital communication.

3.4.1.2 Embracing customer insights

The better the customer insight, the better their journey. Klépierre uses Critizr, a multi-functional tool that collates and monitors visitor feedback from multiple social media and online channels, as well as from customer surveys across a variety of mediums for individual shopping centers, giving them each a dashboard view of customer feedback. Key issues are highlighted on a weekly basis to shopping center managers by the marketing team, who are responsible for taking the necessary actions to rectify them. In 2022, Klépierre began quarterly webinars with the Heads of Territories, Heads of Shopping Center Management and Heads of Marketing to delve further into the results of customer feedback and share best practices. In 2023, the Group will be launching two new tools to manage customer satisfaction. One of the tools will provide new analysis regarding customers' and retailers' needs whilst the KLUB! App will support enhanced communication with retailers.

Net Promoter Score (NPS) is used as the quantitative measure of customers' satisfaction, measuring how likely they are to recommend the shopping center to friends and family. Visitors can be promoters (loyal and enthusiastic), passive or detractors, who say they are unlikely to return and may discourage others from shopping at the center too. The 26-point increase in Klépierre's NPS compared to the 2017 baseline evidences the tangible progress it has made to outperform its initial target of a 3-point increase.

The marketing team also periodically completes more comprehensive analyses of individual customer groups. Most recently, this included a study of Generation Z, as they enter the workforce and become both customers and employees.

3.4.2 Promote health, safety and well-being

Klépierre is committed to providing safe and secure places to visit and work for its staff, its retailers' employees, its visitors, and providers. Duty of care is at the heart of its policies and management systems and is key for minimizing incidents and risks of non-compliance.

With visitors spending most of their time inside, the ability of shopping centers to positively contribute to their well-being through their design and offerings can significantly impact the user experience.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of centers that have promoted health and well-being	56%	89%	99%	100%	100%	100%	✓
Percentage of centers that have offered dedicated services to their retailers' employees	60%	87%	94%	100%	100%	100%	✓

3.4.2.1 Safeguarding health and safety standards

The Group's health and safety policies and management systems are reviewed continuously to ensure compliance with local regulations and the highest international standards. Each shopping center takes responsibility for identifying, assessing, monitoring and managing safety risks in accordance with the standards. The Group supports its centers through site visits, reviews, action plans and tools. In 2022, this support included:

- CCTV upgrades across the portfolio, with each center now in either the design or implementation phase;
- Reviewing and updating the Group's security documents, including:
  - Drafting an internal Group Security Charter,
  - Adding KPIs to assess the service delivery of Security and Safety providers,
  - Reviewing and updating the Holistic Security Approach classroom and providing an Italian translation to the e-learning module, following existing French and English versions;
- Continuing the roll-out of the Group's compliance tool, Komply, which provides local teams with comprehensive information on regulatory requirements based on their technical inventory. Klépierre has updated and enhanced Komply, making it more user-friendly by performing:
  - A review of the categories and sub-categories of incident,
  - A review of the severity levels when creating a security or safety incident,
  - A glossary of standard terms, so that each user understands the same meaning for a similar situation;
- Carrying out site visits and reviews, with action tracking plans to implement any identified measures;
- Internal training (totaling 1,893 hours in 2022 for 418 employees), including first aid and fire emergency training, plus the addition of a dedicated Security & Safety element to the new joiners' induction;
- Presenting to the Group's retailers' Security & Safety departments and resuming training and exercises with centers' local security forces.

3.4.2.2 Managing security risks

Klépierre has a comprehensive security strategy designed to anticipate, mitigate and thwart the risks from crime, antisocial behavior, civil unrest and terror acts that face the Group's people, assets and operations.

The Group has a set of Standard Operating Procedures (SOPs), implemented through CapEx validation at shopping center level. Each SOP answers to a particular risk. When performing site visits, the Group Security & Safety Department ensures that each center's security and safety provider has a knowledge of the SOPs and is scheduling regular reminder sessions for all its employees.

To ensure its security strategy is properly embedded and understood right across the portfolio, in 2022 the Group created a new position of Security Director of France-Belgium to enhance monitoring procedures, support to Shopping Center Managers and to the local security network. Additional security and safety responsibilities were also added to the Country Heads (pilot phase in one of the Territories) and each Shopping Center Manager's job descriptions.

In 2022, the Group improved Komply, which records incidents and provides access to information regarding compliance management, to enable the extraction of KPIs for SOPs relating to improvements to materials or equipment. The Security & Safety Department can now pull up a dashboard of incidents to monitor trends by center or country and then define the measures needed to mitigate the associated risks.

Co-operation with local authorities and security services is key to managing security risks. As part of the Group's security strategy, each center manager has the responsibility to build and maintain this network, making sure the center is well known and contacts are established.

3.4.2.3 Promoting health and well-being for visitors and tenants

With people focused on improving their wellness more than ever before, Klépierre implements approaches that support the physical, mental, and social health of its customers and tenants, in both the design and operational phases. Its success is demonstrated through its achievement of its 2022 commitment, ahead of schedule for 100% of centers, to promote health and well-being and offer dedicated services to their retailers' employees. For example, visitors and tenants are provided with access to and information on good quality care through initiatives such as meetings with healthcare professionals. Healthy lifestyles are promoted, for example through fitness and childcare services, and centers are positioned as communal venues where visitors can meet, experience, learn and discover in welcoming spaces including urban gardens. For example, in 2022, the local team in Sadyba Best in Poland organized a zero-waste workshop for local children during the European Week for Waste Reduction. Within the workshops, the children learned about how to correctly sort waste at home and how they can help to take care of the planet, supported by organized challenges and prizes.

COLOR IS FOR ALL

Klépierre is always mindful of its customers' differences. At Espaço Guimarães, to promote the well-being of people with color blindness, the center has introduced the ColorADD symbol, a universal color identification system. Through non-intrusive symbols, the system helps people to identify the colors present on the signage, thereby aiding people's orientation, accessibility, and ability to identify services and spaces, even those who struggle to distinguish between colors.

The Group's wellness culture also includes:

- Using materials with low volatile organic compound content, effective ventilation systems and biophilic design features such as natural light and vegetation in all developments and refurbishments;
- Achieving BREEAM New Construction certification for all assets in the portfolio, along with new developments with a gross leasable area of more than 10,000 sq.m, which validates the centers' high performance across ventilation, thermal and visual comfort, and air quality.

3.4.3 Offer Group employees a positive experience

For the final year of the Group's 2022 Act for Good commitments, almost all HR targets have been met:

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Rate of access to training for Group employees	92%	98%	100%	100%	100%	100%	✓
Percentage of employees concerned by measures aimed at achieving work-life balance	96%	100%	100%	100%	100%	100%	✓
Percentage of recent graduates who have been given the opportunity to receive personalized career guidance	100%	100%	100%	100%	100%	100%	✓
Percentage of employees who have contributed to the co-construction of the Group's future	15%	36%	38%	38%	96%	100%	

Klépierre's HR teams are focused on providing the resources the Group needs to deliver its strategy and promoting an inspiring, client-centric culture for its employees.

Following the pandemic, 2022 has been a rebound year for HR. As well as intense activity focused on rebuilding teams and recreating a sense of togetherness, it has been an opportunity to spend time reflecting more widely on HR processes, roles and responsibilities, policies, methods and tools, in preparation for the new global HR Information System (HRIS) that will be implemented in 2023 (see section 3.4.3.2 for more detail).

2022 also marked a milestone in Klépierre's cultural journey, with its four cultural pillars Commit, Explore, Develop and Care being unveiled and communicated across the Group.

3.4.3.1 Defining Klépierre's culture

More than ever, an organizational culture can be the asset for attracting and retaining key talent in today's fast-changing market. Klépierre's culture defines the values, behaviors and expectations that guide all employees' actions, from how they approach their tasks to engaging with stakeholders.

In 2022, the Group put its four cultural pillars into words and images that express what Klépierre is in a way that's easily understandable to its employees and stakeholders. Defining these values was a Group-wide co-construction project, which involved engaging and listening to management teams to understand their vision for the future as well as hearing from employees about their day-to-day experiences. These findings were then compared to external trends in employee expectations.

Four cultural pillars were identified, of equal importance:

Next, Klépierre set up workshops across all 12 countries in which it operates, with over 920 employees in attendance, to collaborate on setting a common language and turning the four values into a daily behavioral compass. Attendees were able to suggest and select initiatives that would help embed the values in day-to-day work for today and tomorrow.

As a result, 96% of employees have contributed to the co-construction of the Group's future, a substantial improvement of 58% since 2021. The roll out of the co-construction workshop on values will end in 2023, allowing all Klépierre employees to benefit from the same workshop by taking ownership of the four cultural pillars and participating in the co-construction of the company's future.

MEASURING EMPLOYEE ENGAGEMENT

&YOU KLÉPIERRE

For Klépierre, engagement means employees believe in the organization's goals, objectives, and values, they feel an emotional connection and sense of pride and they are willing to provide extra effort in supporting the Group's success. In 2022, at the end of Klépierre's ambitious Act for Good® strategy, the Group conducted a Group-wide survey to measure employee engagement. This was the first survey of its kind since the launch of the strategy and the results were extremely positive, validating its approach and the hard work of the HR department over the past five years. Since 2016, employee engagement has substantially improved from 39% to 73%. Key highlights are included below:

- 90% participation rate;
- 12 topics covered including health and well-being, CSR, diversity and inclusion, performance management and career development, management and leadership, customer orientation, communication, work-life balance and rewards;
- 8 of the 12 topics achieved a score of 65%+;
- The survey was offered in seven languages.

The survey revealed that Klépierre's approach to management, health and well-being, communication and performance management were seen as strengths by employees. However, it also identified opportunities for the Group to improve regarding work-life balance, career management, customer orientation and rewards.

Following an in-depth analysis of the results, Klépierre has further engaged teams to develop an action plan that will define activities for improvements. The actions will be supported by KPIs to monitor their progress.

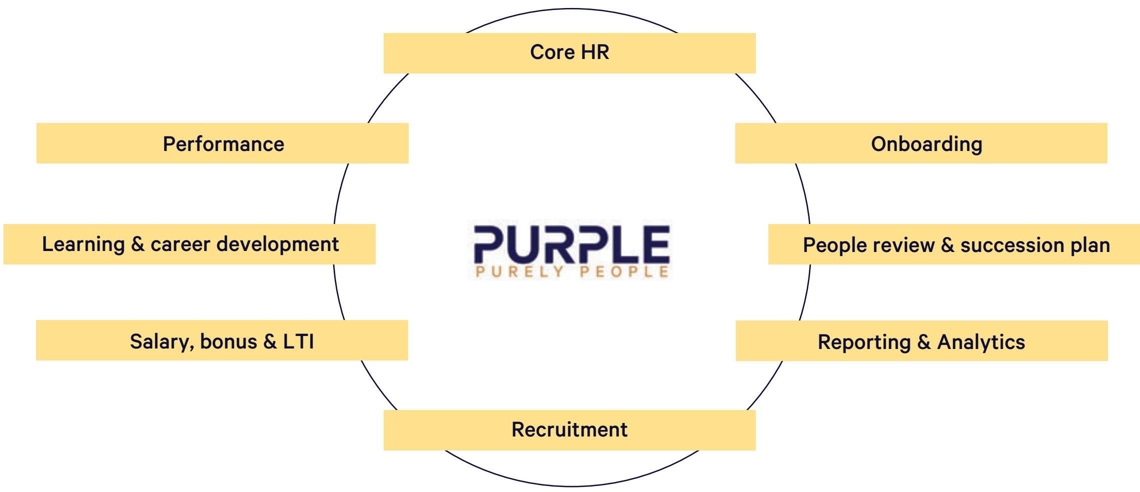
3.4.3.2 Talent management

Klépierre primary talent management objectives are to attract, retain and inspire talent, to develop group capabilities, engage teams and build a diverse and inclusive environment.

Significantly, HR teams went back to basics in 2022 by reviewing core processes, policies and tools. This was a key milestone to prepare for the launch of the new HRIS in 2023. All talent management processes including recruitment, onboarding, mobility, people review, performance management and learning and development have been mapped to design an improved end-to-end experience for HR managers and employees.

The new HRIS will bring all processes together under one solution and promote the automation, digitalization and transparency of processes and policies. For example, HR will be able to monitor risks and employees will be able to access a complete onboarding program and training, set objectives, complete self-assessments and share career ambitions. Importantly, the new system will be data driven, business oriented, and will provide key HR indicators to measure performance and progress.

SCOPE OF THE NEW HRIS



3.4.3.2.1 Attraction

Klépierre's ability to attract employees is essential to support its growth and strategic ambitions, whilst ensuring it has the right people in place. Over the past year, there has been a high rate of mobility across the Group, resulting in significant recruitment activity. HR teams have devoted time to promoting the employer brand and strengthening relations with universities and business schools in the areas in which they operate. With low unemployment rates across Europe, a highly competitive job market and the wider inflationary context, 2022 has seen significant pressure around employment.

The Group looks to hire diverse employees, investing in external recruitment activities such as job boards, school forums and graduate recruitment platforms such as Jobteaser and, internally, by posting jobs on its in-house site and encouraging employees to refer qualified candidates. Overall, there were 225 recruitments across the Group in 2022 (21% of the permanent headcount at the start of the year), 10% higher than in 2021.

In an effort to find young talent, Klépierre also offers students a wide range of internships, apprenticeships and full-time opportunities across the Group. In 2022, 91 internships and apprenticeships took place.

3.4.3.2.2 Onboarding

New joiners benefit from Klépierre's onboarding program, coordinated at Group and local levels, to provide a personalized introduction to the company based on their role and location.

The Group-level onboarding program introduces the Group, its corporate culture and business strategy, as well as the roles and responsibilities of key people, and includes presentations by members of the Executive Board. It also provides an opportunity to network and meet the senior management team. In 2022, two successful sessions of the Group induction program were organized in Paris for new managers and operational functions.

Local onboarding programs also continued, specifically paying attention to 'field onboarding' to make sure that new entrants are rapidly connected to core business lines and shopping centers. For one week, the new employees visit one asset and learn how it operates.

3.4.3.2.3 Learning and career development

Performance management remains central to Klépierre's talent management strategy, based on strong employee cycles and the support of managers applying their people management skills. The quality of people management was confirmed in the engagement survey, where satisfaction regarding 'my manager' achieved a 72% score at Group level. This was also achieved for 'performance evaluations', confirming the quality of the way the Group manages performance.

However, the 2022 employee engagement survey also highlighted the need for greater career management support and communication. As a result, HR teams have been working to target specific career support actions for particular employee groups: female, long tenured, younger and more senior employees.

All development and career management activities are decided through regular people reviews and customized career development plans. In 2022, people review sessions were organized for all key functions and management teams. Due to the Group's size, opportunities for systematic career opportunities are limited, however, the HR and management teams are continuously identifying internal offerings, both nationally and internationally.

The French International Internship Program (VIE) scheme was reinstated as an effective way to integrate young graduates into the company. There are currently, on average, 3 VIE roles offered yearly, all of which have been offered with a permanent role in the most recent rotation. The Group is keen to continue relying on this scheme to source young profiles.

The Group also launched a two-and-a-half-day development program, which helps participants harness their strengths to reach their full potential and support personal leadership development and future career steps. The program has a goal of integrating 60% of women in its 'employees with potential' group (see section 3.4.3.3.1 for further details on Klépierre's gender balance actions). A mentoring program for employees identified as having fast-track potential has also been launched, with mentoring from a senior manager. Following a successful pilot in France and the Czech Republic, the program will be extended across the Group from 2023.

2022 has once again seen a major training effort throughout the Group and within individual countries to support continuous technical and behavioral development, with 100% of employees having access to training (the third consecutive year this target has been met). The Group is committed to providing employees with development pathways customized by role and activity type. Klépierre University has 50 internal trainers and offers more than 150 courses in three key subject areas: adapting to business needs, serving employee development, and fostering engagement and motivation.

Regarding soft skills, Klépierre has developed a core competency model based on the cultural pillars that were formed in 2022. The model will be rolled out in 2023 and is designed to define behavioral standards on how Klépierre does business, to monitor and assess competencies to meet business needs, to support learning and development by finding and addressing gaps, and to act as a recruitment tool to assess internal and external candidates. Managers and employees will be able to access programs aimed at developing four key competencies:

- Results orientation e.g., strives to improve results and operational effectiveness;
- Innovation and creation e.g., open-minded without being afraid of testing and learning;
- Customer orientation e.g., understands and meets customer needs;
- People and team leading e.g., behaves as a role model.

More broadly in 2023, the new HRIS will allow employees to set career goals for themselves, track their progression, report on their performance, and develop their skills.

KNOW YOUR STRENGTHS TO BETTER DEPLOY YOUR POTENTIAL

A strength-based development program pilot was launched this year to support employees with identifying and valuing their strengths. Participants were asked to take an online strength test and received 360-feedback before the sessions, which aimed to help employees name their strengths and vulnerabilities, gain flexibility in rational and behavioral terms, clarify their area of potential and adjust their management style. During the sessions, employees developed a personal action plan and received individual coaching. Overall, 16 participants took part, with 60% of participants being female.

3.4.3.2.4 Internal mobility

The last twelve months have been marked by a high rate of mobility amongst Klépierre's teams. This reflects positively on the success of the Group's mobility policies, though other factors including management changes, organizational movement and, more broadly, post-pandemic employee volatility have also contributed.

Overall, in 2022, there were 107 permanent internal hires, compared to 92 in 2021 and 28 in 2020. 14% internal mobility was achieved in the Group's French operations teams – excluding corporate functions – of which 58% were promotions. This was calculated as the number of French operations employees moving roles internally as a proportion of the total number of French operations employees.

3.4.3.3 Diversity and inclusion

With 1,072 employees representing over 30 nationalities, differences amongst Klépierre's employees offer unique perspectives to achieve the Group's objectives and foster growth and creativity.

Klépierre is committed to promoting equal opportunities for all employees and prohibiting discrimination based on age, disability, family status, race, religion or gender. The Group's diversity and inclusion strategy aims to address various characteristics of diversity with a focus on gender, spread an inclusion mindset, ensure non-discriminant company processes at all levels, raise awareness and address diversity and inclusion through its culture, set locally adapted global targets and promote strong support from top management and its network of ambassadors.

The strategy is supported by three key objectives:

- To promote an inclusive culture;
- To ensure gender balance;
- To provide support during parenthood.

The Group's Diversity and Inclusion Board manages and promotes diversity and inclusion throughout the business and a network of 50 volunteer ambassadors further advocate for it by working on national action plans, implementing roadmaps, and helping to raise awareness within processes and Klépierre's company culture.

In 2022, for the second year, Klépierre held a Group-wide Diversity & Inclusion week, focusing on two topics that were selected by employees: unconscious bias and intercultural awareness. Organized by the Group's network of ambassadors, the week kicked off with a video reflecting employees' thoughts about the meaning of diversity and inclusion, supported by emails and posts on Workplace (the internal social network) to spread awareness about the activities. On a global level, workshops, e-learnings, videos and communication campaigns dove deep into the two chosen focus areas, with four training courses deployed in four different languages. On a local level, over 740 employees participated in initiatives planned by individual countries. For example, in Iberia, employees installed a gratification wall, writing encouraging messages to enhance work relationships and teamwork, and multiple countries held a discussion about diversity and inclusion and the action plan to promote it.

3.4.3.3.1 Gender balance

While the Group's total workforce is currently predominantly female (62% women, 38% men), top management remains mostly male: the proportion of women in the management team is 38%[1] as well as 38% in the Group's 100 most senior positions. This share of women within the top 100 positions has grown by 9% over the last two years, showing the effectiveness of the Group's diversity and inclusion policy and initiatives.

	End-2022	End-2021	End-2020
Women representation in the Management Team[(a)(b)]	38%	43%	38%
	(3/8)	(3/7)	(3/8)
Women representation in top 100 positions[(c)]	38%	33%	29%

(a) Prior to March 9, 2023, the senior management team was known as the Corporate Management Team (CMT). Since 2022, Klépierre no longer includes the members of the Group's Executive Board in the senior management team scope based on the French Ministry of Labour's interpretation of the Rixain Law (loi Rixain), as it does not deem the Executive Board to be a governing body. See section 6.1.3 for more details.
(b) Calculations based on the composition of the Corporate Management Team as of December 31, 2022. Changes that have taken place since then will be taken into account in 2023.
(c) The Group's 100 most senior positions are the positions with the highest level of responsibility and compensation (in reference to the base salary level, adjusted with the Parity of Purchase Power as calculated by OECD), excluding the Management team.

(1) Calculations based on the composition of the Corporate Management Team as of December 31, 2022. Changes that have taken place since then will be taken into account in 2023.

Gender balance is now anchored in the Group's culture. Numerous actions were taken to raise awareness and train managers and employees on gender diversity and the benefits of parity. In addition:

- Unconscious bias was specifically addressed through awareness and training programs;
- A female territory manager was appointed in Iberia, enabling Klépierre to achieve the objective of having at least two female territory managers before 2025;
- All HR processes have been reviewed to make them non-discriminatory, with particular attention paid to recruitment and mobility methods and tools;
- A talent review was conducted with a specific focus on gender issues;
- Development decisions have been taken to support the progression of young female talent, for example, a strength-based program centered on a collective and individual coaching method was launched, with two sessions involving 16 employees, 60% of whom were women, conducted this year;
- A women's network AllConnected has been set up in France with female senior managers and top managers (see below for further details);
- The Chief Human Resources Officer spoke alongside other professionals on the theme "How to retain and develop female talents?" for the "Alliance pour la mixité en entreprise" at their annual event, "Evidences 2022;
- The Group has signed the Equality Charter, along with other real estate firms, to promote better professional parity between men and women in the industry. The charter strives to advance equal pay, increase the visibility of women and female talent in critical roles and make performance equality a crucial part of business policy.

LAUNCHING THE WOMEN'S NETWORK

ALLCONNECTED

Klépierre launched AllConnected in France, a women's network which aims to:

- Support employees' development and professional journeys with adapted training and programs;
- Promote inclusion and boost the cultural shift to more diverse and balanced ways of working;
- Explore new initiatives likely to be good for the company;
- Measure progress on gender balance and diversity as a whole.

To support the delivery of these aims, the network has defined KPIs to monitor progress and drive performance. It also ran a six-month mentoring program involving 16 mentors, all of whom (along with their mentees) benefitted from training to make this pilot as effective as possible. The program focused on three areas: (i) networking, (ii) behavior and leadership and (iii) business acumen.

The program was given a 100% recommendation rating.

3.4.3.4 Well-being in the office

The recent employee engagement survey (see section 3.4.3.1) reflected that 80% of staff members are satisfied with the Group's wellness efforts in the office, but Klépierre wants to push this even further. It continues to strengthen and refine its well-being policies in 2022, the Group released a stakeholder survey on topics including protection from harm, connection and communication at work, work-life balance, recognition and opportunity for growth. As the results from the survey are bound by medical confidentiality, answers will only informally influence the company's well-being policies.

In June this year, Klépierre held its fifth Well-being @ Work Week. As with Diversity & Inclusion week, this was Group-wide, with both global and local events. Global e-learning modules guided employees on everything from how to handle stress to preserving well-being in remote settings, while local initiatives included the promotion of healthy eating, sports and well-being awareness training. In total, 170 learners participated in this year's e-learning sessions.

3.4.3.4.1 Health and safety

Klépierre promotes occupational health and safety through initiatives, awareness-raising campaigns, and training programs.

Serious health and safety problems, including fatalities, are uncommon in the Group's industry. However, similar to all workplaces, it faces issues such as mental health threats, which can cause employee absence. The Group regularly hosts lectures with International SOS to provide guidance on how to cope with workplace changes and stressors. Online modules and in-person training on mental health and well-being are included in Klépierre University courses. In collaboration with Axis Mundi, the Group also offers its French and Belgian employees a free, confidential mental health helpline. A similar aid service has already been established in Turkey.

This year, employees could continue to work from home up to twice a week to promote a healthy work-life balance and the Group offered additional mental health care to those who require services. In 2023, the focus will be on continuing to support employees' mental health needs and promoting a happier, more collaborative office environment.

3.4.3.4.2 Benefits and work-life balance

Klépierre offers a variety of non-financial benefits to create a fulfilling work environment and help to boost engagement and retention levels. The majority of these are managed at the country level: additional parental leave and part-time employment options are offered in France and Sweden for example, whilst benefit allowances are provided to staff members for health and wellness pursuits in Italy and Spain. In accordance with a collective bargaining agreement created in France in 2017, the Group enforces a right to disconnect policy outside of working hours.

In 2022, Klépierre's Executive Board and leadership team provided a €2,000 inflation premium to employees earning at or under a specific annual salary to assist with rising inflation. The scheme impacted more than 90% of the Group's employees.

3.4.4 Champion ethics in the local communities

Klépierre has a strong track record of ethical conduct, built on robust governance, policies and procedures and engagement with internal and external stakeholders. This approach is continuously reviewed and updated to ensure evolving and emerging risks are effectively managed and that opportunities for championing ethics within the business and throughout its community of suppliers are seized.

Klépierre's employees, first-tier suppliers and service providers are based in countries that have ratified the eight fundamental conventions of the International Labor Organization (ILO), and human rights standards are supported by strict national and European regulations. As a signatory to the United Nations Global Compact since 2012, the Group conducts an annual review of human rights risks, policies, monitoring and reporting procedures across all countries where it operates, using the UN Global Compact's analysis tool.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of employees who have been made aware of ethical business practices	100%	100%	100%	100%	100%	100%	✓
Percentage of external stakeholders who have been made aware of ethical business practices*	58%	63%	50%	64%	99%	100%	
Percentage of suppliers selected on the basis of CSR criteria**	100%	100%	100%	100%	100%	100%	✓

* *Suppliers, service providers (France and Belgium) & M&A teams.*
** *Calculated on the scope managed by the France and Belgium Procurement Department i.e., 36% of Klépierre OpEx spend.*

3.4.4.1 A culture of business ethics

In line with France's Sapin II law, large businesses must establish an anti-corruption program to identify and mitigate relevant risks. Obligations include a risk map, a dedicated Code of Conduct, an internal whistleblowing system, third-party due diligence, accounting controls, a compliance training program, a disciplinary mechanism, and internal evaluation controls (see section 5.2.5.1 for more information). To ensure these obligations are understood across the organization, Klépierre provided the leadership team with training on the Sapin II law, facilitated by an external law firm.

The Group-wide Risk Management Committee, established in 2022, enhances knowledge-sharing and perception of key risks among top managers, creates stronger governance and coordination of initiatives, and improves the allocation of resources and responsibilities. The committee meets quarterly and consists of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Secretary, Group Head of Internal Audit and Group Head of Risk Management, with selected guest executives invited based on the topics being discussed. To learn about the Group's internal control and risk management system, see section 5.2.

Two ethical codes underpin Klépierre's approach, the Code of Professional Conduct and the Anti-Corruption Code of Conduct (see section 5.2.5.1 for more information). The codes are available on the Group's corporate website and are regularly reissued to all personnel. In 2022, local Compliance Officers were appointed in each business unit to ensure the deployment of anti-corruption and business ethics rules as well as compliance with local laws, to identify and report compliance risks, propose and implement prevention measures, and to help clarify potential compliance violations.

In 2022, the Group also launched an Ethics Day for all employees. The event included communication from the Chairman of the Executive Board on relevant ethical rules and a filmed Q&A session between the Chief Operations Officer and General Secretary. This event is part of ongoing efforts to ensure 100% of employees are made aware of ethical business practices.

Klépierre's whistleblowing platform supports anonymous reporting of business ethics violations and ensures strict confidentiality of the identity of the reporter (see section 5.2.5.1 for more information). These procedures were updated in 2022 to align with France's law on the protection of whistleblowers and the platform has been redesigned to facilitate the user experience. This included clarifying the timeframe for processing an alert, providing access to the platform to external stakeholders through the Group's Ethics & Compliance webpage and guaranteeing complete anonymity to whistleblowers who choose not to be named. Whistleblowers can raise alerts internally, through a confidential reporting procedure, or externally, through an independent specialist service provider. Extensive communication—during the Ethics Day, for example—has been made to employees to increase their awareness of the platform.

3.4.4.1.1 Money laundering and terrorism financing

The Group's Know Your Business Partner procedures ensure compliance with the anti-corruption aspects of the Sapin II law and the 4th and 5th European directives on money laundering and terrorist financing. This concerns business relationships with retailers, buyers and sellers of assets, key suppliers and service providers, and intermediaries recruited as part of development transactions.

The procedures encompass an electronic tool containing a list of sanctions, convictions, politically exposed persons, and negative press articles to assess the probity risk of third parties and identify beneficial owners and external stakeholders. The selection criteria were agreed in 2022 and shared with all Compliance Officers. To learn about the Group's complete prevention program against money laundering, see section 5.2.5.1.

Klépierre wants to embed a strong ethics culture across its supply chain and in 2022, 99% of external stakeholders were made aware of ethical business practices. For example, the Chairman of the Board will be sending an email to all active customers detailing Klépierre's business ethics principles and providing a link to its Ethics & Compliance webpage.

3.4.4.2 Responsible purchasing

Klépierre's first-tier supply chain for purchasing goods and services comprises approximately 13,000 suppliers from 12 countries, ranging from small local businesses to large international companies. Utilities (energy and water), general operations, cleaning, maintenance and safety and security represent approximately 70% of the Group's operating budget. The Group prioritizes suppliers with management systems certified to ISO 9001, or 14001 for technical services. At the end of 2022, 80% were certified against at least one of these standards.

The Group sees its relationships with major suppliers as partnerships, built on trust, that create mutual value beyond each formal contract. These suppliers are evaluated and monitored based on their social and environmental policies and practices. Country procurement teams manage procurement and service provision with an acute understanding of the local context, supported by local multi-disciplinary teams and overseen by Country Heads, Operational Departments and Procurement Departments.

The Group aims to select 100% of suppliers on the basis of CSR criteria. Since 2018, the target has been consistently met for Klépierre's suppliers managed by the France-Belgium Procurement Department (equivalent to 36% of Group total OpEx).

All suppliers and service providers of the Group are required to formally commit and sign the Procurement Responsible Charter, which is regularly reviewed and updated, and sets standards relating to human rights, ethics, security, energy performance, waste management, sustainable behavior, local development and building certifications. By the end of 2022, 99% of top suppliers had signed the charter.

The Group continually seeks to reduce costs on behalf of its tenants, an example being by consolidating energy and waste management contracts at regional and national level. The signing of framework agreements and continuous on-site monitoring ensures that risks in relation to operating expenses are identified and minimized. The financial sustainability of suppliers is also considered, with the proportion of suppliers' total revenue that is derived from business with Klépierre not exceeding 22%.

Two fundamental principles guide the purchasing teams: (i) neutrality, to ensure fair, ethical, objective and transparent processes, and (i) consideration of the life-cycle cost of purchased products. The Group's social and environmental commitments have also been progressively incorporated into contractual agreements.

3.4.5 Be socially conscious

Philanthropic initiatives can create stronger connections with local communities and give employees a more rewarding and meaningful experience at work.

Target Description	2018	2019	2020	2021	2022	2022 COMMITMENT	
Percentage of employees who have been given the opportunity to take part in a philanthropic initiative	61%	90%	100%	100%	100%	100%	✓
One long-term partnership per country signed with an NGO committed to employability and/or family*	NOT YET	NOT YET	NOT YET	ONGOING	100%	100%	✓

Over the past five years, Klépierre has worked to create a culture of philanthropy both amongst its staff and at the country and shopping center levels. In 2020, it achieved its target for 100% of Group employees to be given the opportunity to take part in a philanthropic initiative, two years ahead of schedule. For example, in 2022, 574 employees across the Group's countries of operation took part in a solidarity walk. Their collective efforts raised money for a Polish NGO, SOS Children's Villages, which is supporting those affected by the Ukrainian conflict. In addition, boxes filled with warm clothes, shoes and other essential goods were collected across Klépierre's shopping centers and headquarters, which were then sent to the Group's Polish operations where employees ensured the boxes were donated to Ukrainian refugees.

The Group believes that the greatest social impact can be achieved when local conditions are considered, so Klépierre amended its commitment to obtain a Group-level partnership so that each country could develop their own long-term partnership with an NGO dedicated to employability and family. In 2022, this was achieved by 100% of countries. As an example of best practice, in 2022, the Group's shopping centers in Italy partnered with an NGO called Generation Italy, with a focus on children's education. The organization aims to reduce youth unemployment by helping young people to acquire the skills necessary to start a professional career that would otherwise be inaccessible. It also helps companies to identify people with the right skills and motivation. Through this it aims to reduce the mismatch between demand and labor supply. The program was launched in two phases, the first involving face-to-face and virtual training sessions for candidates across four shopping centers. Klépierre advertised the program through various channels, including via its social networks and within its centers. Students were screened using an online test and interviewed before being selected for the training program. In total, 80 students were trained with the involvement of 135 retailers from the four centers 87% of students were hired as a result. As part of the second phase, a talent identification and attraction platform for shopping center retailers has been integrated across 18 shopping centers in Italy. The platform uses a selection of attitudinal and logic tests developed in partnership with Generation to screen candidates. Successful candidates upload their CVs, which are then accessible to retailers. 2,100 CVs had been uploaded by the end of 2022, with over 5,000 downloads by retailers.

3.5 SUMMARY OF PERFORMANCE AGAINST LONG-TERM COMMITMENTS, EU TAXONOMY AND CROSS-REFERENCE TABLES

3.5.1 Summary of performance against 2022 Act for Good® commitments[1]

For all indicators, the reference year is 2017 as this corresponds to the baseline of the current Act for Good® strategy, except for energy, for which the Group has chosen a target in relative terms (40% decrease versus 2013).

ACT FOR THE PLANET

	2021	2022	2022 objectives
ACT FOR A LOW-CARBON FUTURE			
Reduction in energy consumption for common and serviced areas compared with 2013[(a)]	–45%	–42%	–40%
Percentage of electricity from renewable sources in common and serviced areas	95%	100%	100%
The five biggest shopping centers in our portfolio to be net zero carbon (Scopes 1 & 2)	4/5	5/5	5/5
Certification of the Group's climate strategy by the Science-Based Targets initiative	Approval obtained	Approval obtained	Approval obtained
CONTRIBUTE TO A CIRCULAR ECONOMY			
Percentage of recovered waste	98%	100%	100%
Percentage of centers that have involved retailers in a circular economy effort	94%	100%	100%
DEVELOP A FULLY-CERTIFIED PORTFOLIO			
Percentage of centers that have operational sustainable development certification (BREEAM In-Use, ISO 14001, etc.)	100%	100%	100%
Percentage of development projects that have obtained BREEAM New Construction certification (with a minimum level of "Excellent")	N/A[(b)]	100%	100%
Percentage of new developments using wood from a certified forest during construction	N/A[(b)]	100%	100%
INNOVATE FOR SUSTAINABLE MOBILITY			
Percentage of centers accessible via public transport	100%	100%	100%
Percentage of centers equipped with electric vehicle charging stations[(c)]	72%	100%	100%

(a) 2013 baseline: 143 kWh/sq.m.
(b) No development projects of more than 10,000 sq.m. were delivered in 2021.
(c) Indicator calculated on the scope of centers for which Klépierre owns the car park. For more information, see the methodological note in section 3.5.4.1.

ACT FOR TERRITORIES[(a)]

	2021	2022	2022 objectives
ENCOURAGE LOCAL EMPLOYMENT AROUND OUR CENTERS			
Percentage of local service providers for operational management of the centers (security, maintenance, cleaning services)	98%	100%	100%
Percentage of centers that have contributed to local employment	100%	100%	100%
PARTICIPATION IN THE LOCAL COMMUNITY			
Percentage of centers that have made space available for a local initiative	100%	100%	100%
PURSUE OUR CORPORATE CITIZENSHIP			
Percentage of centers that have organized a drive (clothes, toys, furniture, etc.) for the benefit of a local charity	100%	100%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer in the center	99%	100%	100%
INVOLVE LOCAL STAKEHOLDERS IN DESIGNING NEW DEVELOPMENTS			
Percentage of development projects that have included local cooperation as part of the early planning process	N/A	100%	100%
Percentage of development projects certifying that suppliers sign a sustainability charter governing construction site supply and management	N/A	100%	100%
Percentage of development projects that have implemented a biodiversity action plan	N/A	100%	100%

(a) All Act for Territories targets are measured by share of portfolio value.

(1) *Details regarding the scope composition are available in the Methodological note, on page 107.*

ACT FOR PEOPLE

	2021	2022	2022 objectives
CONTINUOUSLY INCREASE VISITOR SATISFACTION			
Increase in the Group's Net Promoter Score (NPS)[(a)]	+18 pts	+26 pts	+3 pts
Percentage of customer questions asked on social media handled	88%	98%	100%
PROMOTE HEALTH AND WELL-BEING IN THE CENTERS			
Percentage of centers promoting health and well-being	100%	100%	100%
Percentage of centers offering dedicated services to the employees of their retailers	100%	100%	100%
OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE			
Rate of access to training for Group employees	100%	100%	100%
Percentage of employees concerned by measures aimed at achieving work-life balance	100%[(b)]	100%	100%
Percentage of recent graduates who have been given the opportunity to receive personalized career guidance	100%	100%	100%
Percentage of employees who have contributed to the co-construction of the Group's future	38%	96%	100%
SPREAD ETHICS IN OUR COMMUNITIES			
Percentage of employees who have been made aware of ethical business practices	100%	100%	100%
Percentage of external stakeholders who have been made aware of ethical business practices	64%	99%	100%
Percentage of service suppliers selected based on CSR criteria[(c)]	100%	100%	100%
BE SOCIALLY CONSCIOUS			
Percentage of employees who have had the opportunity to take part in a philanthropic initiative	100%	100%	100%
One long-term partnership per country signed with an NGO committed to employability and/or family	Ongoing	Signature	Signature

(a) 2017 baseline.
(b) 99.8%
(c) Calculated on the scope managed by the French Procurement Department, i.e., 36% of Klépierre's total OpEx.

3.5.1.1 Employee data

The Group's employee data in 2021 and 2022 has been disclosed below, according to territory, contract type, age and gender. In total, the number of Klépierre employees increased to 1,072 in 2022 from 1,068 in 2021. Full details on the Group's HR activities in 2022, including its gender balance efforts, can be found in section 3.4.3.3.1

TOTAL HEADCOUNT

	2022			2021		
Territory	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
France	292	169	461	270	169	439
Italy	106	73	179	100	77	177
Scandinavia	64	38	102	74	50	124
Iberia	71	40	111	67	43	110
Central Europe	54	25	79	52	23	75
Netherlands and Germany	50	45	95	54	51	105
Other	29	16	45	24	14	38
GROUP TOTAL	**666**	**406**	**1,072**	**641**	**427**	**1,068**

HEADCOUNT AT YEAR-END, BY TYPE OF CONTRACT

	Women	Men	Total	Women	Men	Total
Permanent	650	395	1,045	621	412	1,036
Temporary	16	11	27	20	15	35
TOTAL	**666**	**406**	**1,072**	**641**	**427**	**1,068**

HEADCOUNT AT YEAR-END, BY AGE

	Women	Men	Total	Women	Men	Total
<30	98	48	146	79	48	127
30-39	226	103	329	217	114	331
40-49	200	130	330	216	142	358
≥50	142	125	267	129	123	252
TOTAL	**666**	**406**	**1,072**	**641**	**427**	**1,068**

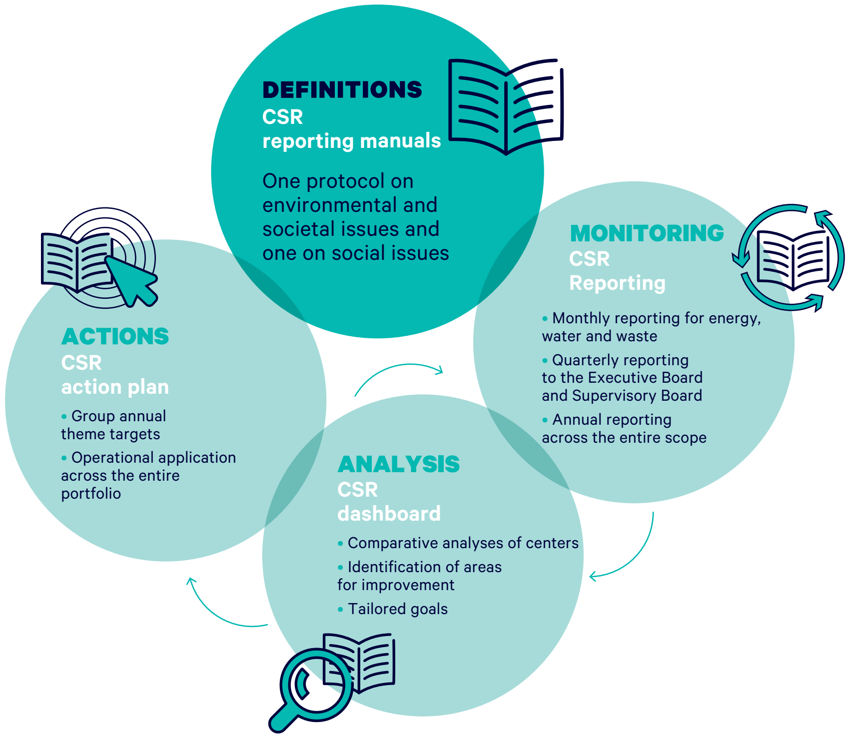
HEADCOUNT AT YEAR-END, BY PROPORTION OF WOMEN

	2022			2021		
	Women	Men	Total	Women	Men	Total
Management team[(a)(b)]	3	5	8	3	4	7
Top 100[(c)]	38	62	100	30	60	90
Mid/senior management	31	26	57	32	34	66
First-line management	125	155	280	104	156	260
Staff	469	158	627	472	173	645
ALL EMPLOYEES	**666**	**406**	**1,072**	**641**	**427**	**1,068**

(a) Prior to March 9, 2023, the senior management team was known as the Corporate Management Team (CMT). Since 2022, Klépierre no longer includes the members of the Group's Executive Board in the senior management team scope based on the French Ministry of Labour's interpretation of the Rixain Law (loi Rixain), as it does not deem the Executive Board to be a governing body. See section 6.1.3 of the 2022 Universal Registration Document for more details.
(b) Calculations based on the composition of the Corporate Management Team as of December 31, 2022. Changes that have taken place since then will be taken into account in 2023.
(c) The Group's 100 most senior positions are the positions with the highest level of responsibility and compensation (according to the base salary level, adjusted with the purchase power parity as calculated by the OECD), excluding the Management team members.

3.5.2 Management system and tools

The Group uses a suite of tools and processes to integrate environmental and societal issues into all its operational procedures. These are organized into four groups:



3.5.2.1 Definitions: CSR reporting manuals

The Group has established standard definitions, grouped into two reporting protocols, for the environmental, social and societal impacts that all shopping centers and Group operations are expected to monitor:

- Social aspects, which are sent to Human Resources Managers in each country and include both quantitative and qualitative data;
- Environmental and societal aspects, which are communicated to each country and asset, and contain approximately 120 data points to be collected for each shopping center in the portfolio.

These documents are updated annually to reflect developments in the business of the Group and changes to regulation in each of the Group's operating countries.

3.5.2.2 Monitoring: CSR reporting

3.5.2.2.1 Internal reporting

Klépierre monitors environmental, social, and societal data covering 99.3% of its portfolio of owned shopping centers by value and all of its staff against the defined impacts and key performance indicators (KPIs) (for full details on reporting scope, please refer to section 3.5.4).

Center Managers and Technical Directors monitor utility consumption (energy and water) and waste production at least once a month. 81% of centers are also equipped with energy measurement systems that enable automated reporting (by directly hooking up to utility suppliers, for example) and provide real-time analysis of the actual performance of assets. The Group uses Deepki to standardize its monthly reporting of energy, water and waste data.

The tool enables data analysis at shopping center and portfolio level, control for climate factors and allows for a robust shopping center performance benchmarking assessment. Social data relating to Act for People activities are monitored using an information system shared with all Group Human Resources teams, enabling standardized and structured management of data based on a single source. Progress against Act for Territories activities is monitored on a country and shopping center basis using Deepki, enabling a quarterly review of each commitment, as well as during quarterly meetings (see below), which are supported by regular communications between relevant teams and the Group's CSR Department. Both data sets and supporting qualitative information are compiled and reported quarterly to the Executive Board and to the Supervisory Board's Sustainable Development Committee.

The Management Committee of each country attends quarterly meetings to share progress against each Act for Good® pillar and to monitor KPIs. The meetings also identify areas where individual countries and/or shopping centers may need additional support, aided by best practice guidelines (see section 3.1.2 "Governing responsibly").

3.5.2.2.2 External reporting

The Group reports performance against its Act for Good® commitments, KPIs, non-financial risks, and opportunities annually through its universal registration document. The report is prepared in accordance with the provisions of Article R .225-105 of the French Commercial Code.

Klépierre also chooses to report its environmental, social and governance performance using voluntary reporting standards including the EPRA Sustainability Best Practices Recommendations (sBPRs), the Global Reporting Initiative (GRI) standards, the Task Force on Climate-related Financial Disclosures (TCFD), the CDP, the Real Estate Sustainability Accounting Standards defined by SASB and the UN Sustainable Development Goals. These disclosures are available in section 3.5.7.

A separate supplementary report of the Group's CSR performance against the third edition of the EPRA sBPR is available for download from the CSR section of the Klépierre website (https://www.klepierre.com/en/nos-engagements).

A cross-reference table with the relevant GRI Standards covered by the contents of this report is available in section 3.5.7.

3.5.2.2.3 Actions: CSR action plan

The performance analysis described above means the Group CSR, Engineering & Sustainability and Human Resources Departments can identify improvement areas at all levels, particularly at the beginning of the year, and:

- Share Group goals; each country then implements them within its own organization, in line with the most suitable local processes, and regularly reports on them during the year;
- Propose individual goals for shopping centers; these are discussed with each country department for possible readjustment based on local conditions. Once jointly approved, these goals are implemented in each center and progress is monitored monthly.

All these goals are first approved by the internal CSR Committee, chaired by the Executive Board.

3.5.3 Industry initiatives and charters supported by Klépierre

Klépierre is an active member of the following national and international trade associations that it considers strategic for its business. In several of them, it holds a position on the governance body and/or sits on their key committees, including those dealing with sustainable development issues.

European Public Real Estate Association (EPRA)

EPRA's members include more than 280 European listed real estate companies. The EPRA Sustainability Best Practices Recommendations (sBPR) aim to establish a standardized approach to reporting on the environmental and social impacts that are important for publicly traded real estate companies. Klépierre is a member of the Sustainability Committee.

Federation of Actors of Commerce in the Territories (FACT)

FACT promotes and represents the shopping center industry in France. Klépierre is notably involved in the Sustainable Development Commission, which is tasked with the oversight, sharing of best practice and coordination of industry players.

Federation of Real Estate Companies (FEI)

FEI promotes and represents the shared business interests of French real estate companies, including sustainability through awards and member discussions.

GRESB

GRESB's primary purpose is to assess the environmental and social performance of private and publicly listed real estate companies and funds. Klépierre is a member and has participated in this benchmark since its creation.

United Nations Global Compact

As signatory to the United Nations Global Compact since 2012, Klépierre issues an annual Communication on Progress summarizing its commitment to implementing the 10 universal principles promoted by the Global Compact (covering human rights, labor standards, the environment, and the fight against corruption). In 2022, the Group reached the advanced level.

Charter for energy efficiency of tertiary buildings

This Charter provides a framework for real estate companies to improve the energy efficiency of their portfolios and anticipate future regulatory obligations related to tertiary buildings' energy performance. The Group has been a signatory since November 2013 and signed up again following publication of the new version of the Charter.

Diversity Charter

This Charter commits signatories to promote diversity in their workplaces and confirm their commitment to non-discrimination and equal opportunities. Klépierre has been a signatory since 2010.

Charter for Parenthood

Enacted by the French Monitoring Agency for Parenthood in the Workplace (OPE), this Charter promotes better work-life balance and has three objectives: to bring about a change in attitudes towards working parents, to create a favorable environment for working parents, and to respect the principle of non-discrimination in career development for such employees. The Group has been a signatory since 2009.

The Palladio Foundation

Klépierre is a founding member of the Palladio Foundation. The Palladio Foundation was created in 2008 (under the umbrella of the *Fondation de France*) to promote sustainable urban development with a focus on construction and buildings. It is a unique organization that brings together all sectors involved in the building and development of towns and cities to make urban environments as human and habitable as possible.

Association pour le développement du Bâtiment Bas Carbone (BBCA)

BBCA's goal is to reduce the carbon footprint of buildings, and to promote approaches that help develop low-carbon buildings. Since its creation, it has developed several low carbon labels for construction and real estate professionals.

3.5.4 Methodological note

Group CSR reporting is one of the key methods of monitoring, organizing and overseeing Klépierre's CSR initiatives. Klépierre uses a comprehensive management system to quantify and pinpoint the main environmental, societal and social impacts of the Group and its activities.

The key reporting principles are as follows:

- Relevance: material sources of impacts and opportunities for each topic are considered;
- Representativeness: selected indicators are representative of the Group's sites and activities;
- Consistency: a guarantee that data comparisons by region and period are relevant;
- Transparency: assumptions and calculation methods are clearly defined;
- Accuracy and reliability: records are kept at site and sub-group level to ensure traceability.

3.5.4.1 Methodological note for environmental and societal indicators

3.5.4.1.1 Key industry indicators

Definitions of key indicators

A reporting protocol for environmental and societal indicators has been circulated Group-wide for more than 15 years to ensure the consistency and reliability of the CSR reporting procedure and the qualitative and quantitative data published by the Group. The protocol is updated annually to remain relevant to Klépierre's CSR commitments and strategy, regulatory changes and evolving industry practices and standards, and to account for feedback received following each reporting period.

Above all, it sets out the method for collecting and calculating the data underlying the indicators, including definitions, scopes, units, formulas, contributors involved, data entry processes, etc.

Units of measurement

- Portfolio coverage rates are mostly expressed as percentages of the value of the underlying assets (as opposed to the number of assets, for example) to better reflect their contribution to the Group's overall portfolio.
- Energy, carbon, and water data are presented both in gross terms (kWh, tCO_2e, cu.m.) for the purposes of assessing volumes, and as ratios (gross value divided by floor area or footfall) to discern the performance of assets on each of the given topics.
- The reference surface for non-financial indicators is the surface that the Group directly manages (common areas and private areas served by common facilities for heating and cooling). It is different from the total surface area of the portfolio, which includes private portions and other outdoor areas.

Additional clarifications

- Energy efficiency of common and serviced areas and shared equipment: consumption intensity and energy performance indicators expressed in kWh or kWh/sq.m. reflect the heating and air conditioning consumption of serviced areas, which include the common areas of the shopping centers and the private areas (shops, storage rooms, etc.) that are connected to shared equipment without a sub-metering system.
- Greenhouse gas emissions are presented using location-based and market-based methods. For location-based data, emissions factors used in the calculations are sourced from the French Environment and Energy Management Agency's (ADEME) Bilan GES database (average national factors). For market-based data, emissions factors are sourced directly from each energy supplier
- For energy and water consumption, the Group uses meter reading data (as opposed to invoices) to ensure shorter data collection lead times and greater relevance.
- Where Klépierre neither owns nor manages the head office buildings it occupies, the related consumption data are not included in this report.
- Water consumption corresponds to drinking water consumption for the entire building in question (both common and private areas), exclusive of water used for heat pumps.
- Development projects included in the 2022 reporting scope correspond to projects delivered during the year except for carbon data, for which emissions relating to project construction are spread over the years of the corresponding work.
- All key indicators are calculated based on actual and exhaustive data. Where certain data were missing, Klépierre has systematically provided estimates detailed in the charts or tables concerned.

International and industry frameworks

The environmental and societal management system considers the recommendations included in the leading industry and/or international frameworks, namely:

- GRI standards;
- EPRA sBPRs;
- FACT—CSR industry reporting guide/Non-financial performance statement;
- United Nations (UN) Sustainable Development Goals (SDGs);
- TCFD recommendations;
- SASB standards;
- EU Taxonomy.

Cross-reference tables with the non-financial information presented by Klépierre in this document covering the EU Taxonomy, GRIs, TCFDs and SASBs are provided in sections 3.5.6 and 3.5.7.

3.5.4.1.2 Reporting scope

2022 reporting scope and coverage rate

Acquisitions, disposals, and developments (extensions and/or new constructions) may alter the reporting scope and distort period-on-period comparisons for the various indicators.

To provide data that is both exhaustive and comparable, Klépierre distinguishes between "reported" and "like-for-like" scopes for most of its indicators.

In addition, the notion of operational management, which is specific to the shopping center industry, is used to determine which assets are included in the scope.

The Group's scope aggregates assets owned and managed by Klépierre, and assets managed but not owned by the Group (where data are available), to reflect its activities as accurately as possible. Assets owned but not managed by Klépierre are included in the Group's reporting scope where data are available. For these assets, the Group is only responsible as a delegate. However, as owners of these assets, Klépierre strives to increase the information collected each year and include more in its coverage scope.

Section	Reporting Scope rules	Scope & coverage rate
All KPIs—except the ones mentioned below	All assets under Klépierre's operational control are included in the scope. All exclusions are specified in each section of the document.	Scope (123/126): 111/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). Coverage rate: 99.9%
% of recovered waste	All assets under Klépierre's operational control are included in the scope. However, when municipality or local authorities are responsible for waste management, the Group does not have leverage over the final destination strategy and utilities; shopping centers in this situation are excluded from the scope.	Scope (89/126): 78/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). Coverage rate: 78.50%
Waste—other KPIs	All assets under Klépierre's operational control are included in the scope. A shopping center is excluded when a third-party (i.e., a hypermarket) is managing the waste contract and consumption data.	Scope (122/126): 106/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). Coverage rate: 99.1%
Water—all KPIs	All assets under Klépierre's operational control are included in the scope. A shopping center is excluded when a third-party (i.e., a hypermarket) is managing the water contract and consumption data.	Scope (122/126): 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). Coverage rate: 98.9%
Sustainable certification	All assets under Klépierre's operational control are included in the scope.	Scope (122/126): 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). Coverage rate: 98.8%
% of shopping centers equipped with charging stations	All assets whose parking is owned by Klépierre are included in the scope.	Scope (69/126): 64/111 owned and managed shopping centers + 0/7 managed-only shopping centers + 5/8 owned-only shopping centers. Coverage rate: 79.2%
Act for Territories section — except local providers' KPIs	All assets under Klépierre's marketing control are included in the scope; centers are excluded from this scope when the Group is not in charge of the marketing operations, as in this case it is unable to impose its strategy.	Scope (116/126): 108/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 1/8 owned-only shopping centers. Coverage rate: 97.3%

Reported scope

The reported scope is used to assess the CSR impact of the property portfolio over a calendar year. It reflects the impacts of management, renovation, and arbitrage (acquisitions and disposals) policies. In 2022, it includes:

- All shopping centers owned and managed by Klépierre (111 assets);
- Shopping centers not owned by Klépierre but managed by the Group on behalf of third parties, and for which operating data are available (7 assets, 6 in France, 1 in Germany);
- Shopping centers owned by Klépierre but managed by a third party, and for which operating data are available (8 assets: 2 in France, 3 in Greece, 2 in Italy and 1 in Turkey).

Shopping centers acquired and operated by the Group are included in the scope from the first full year following the acquisition. Certain centers under redevelopment, extension and/or renovation may be excluded from the reported scope when these data impair the reading and comparability of the calculations.

This configuration may vary slightly for assets managed on behalf of third parties. Depending on the situation, Klépierre may have full management of electricity, for example, but be charged by a third party (hypermarket, etc.) for fuel usage. Waste may also be collected by a third-party (such as a local authority) on a flat-rate basis, for example. Some of these configurations may hinder the collection of reliable quantitative data and lead the Group to exclude the corresponding shopping centers from the reported scope for certain items. Typically, only data from centers that Klépierre manages outright and over which it has full control of energy, water and waste consumption are included in the reported scope, which explains the difference in coverage rates between the various indicators.

Coverage rates are expressed in terms of the total value of owned and managed shopping centers. Shopping centers which are only managed are not included in the coverage rate calculation as their values are unavailable.

The 2022 reported scope represented 99.9% of the Group's total shopping center portfolio value as of September 30, 2022, which comprises all owned shopping centers. The remaining 0.1% represents shopping centers which Klépierre does not manage.

Like-for-like scope

The like-for-like scope is used to assess changes in performance across an identical scope on a comparable basis and reflects the Group's ability to manage and optimize its asset portfolio. It excludes the impact of acquisitions and disposals and includes all owned and managed shopping centers. It also excludes shopping centers acquired or completed during the year and those not managed for the entire period.

The 2022 like-for-like scope (versus 2021) represents 99.9% of the Group's portfolio as of December 31, 2022. Differences with 2021 consist in the disposal of four assets in Scandinavia and one in Turkey.

Lastly, where assets are excluded from the scope of a given indicator, they are stipulated in the footnotes to the tables and charts in this chapter.

Reporting periods

The Group wants to minimize the use of estimates and focus on collecting and consolidating real data; hence, it uses two different reporting periods, depending on the indicator. For consumption, including all energy, carbon, waste, water and transportation indicators, the reporting period corresponds to a rolling 12 months from October 1 of the prior year to September 30 of the current year (i.e., October 1, 2021 to September 30, 2022 for the 2022 reporting scope). Social impact indicators, such as NPS data, suppliers and initiatives carried out by centers, are also included within this period.

All other indicators (including building certifications, human resources data, etc.) are calculated based on the calendar year, i.e., from January 1, 2022 to December 31, 2022 for the 2022 reporting scope.

3.5.4.1.3 Data collection process

Data collection tool

The Group operates an online data collection tool for its entire reporting scope aimed at automating and improving the reliability of data collection for the environmental and societal impacts of its activities. This is accessible remotely and in real time by all on-site teams in the shopping centers, the head offices of the national subsidiaries and by Klépierre's corporate teams.

The tool was selected for its ability to meet the reporting requirements of the Group's annual publications process, and especially for its functionality in terms of the daily monitoring of the buildings owned and/or managed by the Group.

Collection frequency

Consumption and billing data for energy, waste and water are collected monthly for all assets. Data for certain additional indicators are collected quarterly (Act for Good® follow-up meeting per country) and/or annually, to produce the universal registration document.

3.5.4.2 Methodological note for social indicators

3.5.4.2.1 Period and reporting scope

For all social indicators, the reporting period is the calendar year, from January 1 to December 31 of the year under review.

The data collection and reporting scope covers all Group subsidiaries as of December 31, 2022, in which the employees hold employment contracts with the Group.

Changes in scope arise from acquisitions of new entities and disposals of existing entities. Employees within these entities are included in or removed from the Klépierre reporting scope with effect from the month following the transaction date.

HR KPIs	This relates to all employees who were already present for all or a portion of the period, whether or not they are still under contract with the entity at the end of the reporting period.	Eligible workforce: open-ended and fixed-term contracts (1,072 employees). Coverage rate: 100%

3.5.4.2.2 Definitions and clarifications

Workforce: total number of employees as of December 31 on open-ended and temporary contracts, regardless of the number of hours worked or duration of employment during the year.

Average workforce: average number of employees as at the end of each month during the year.

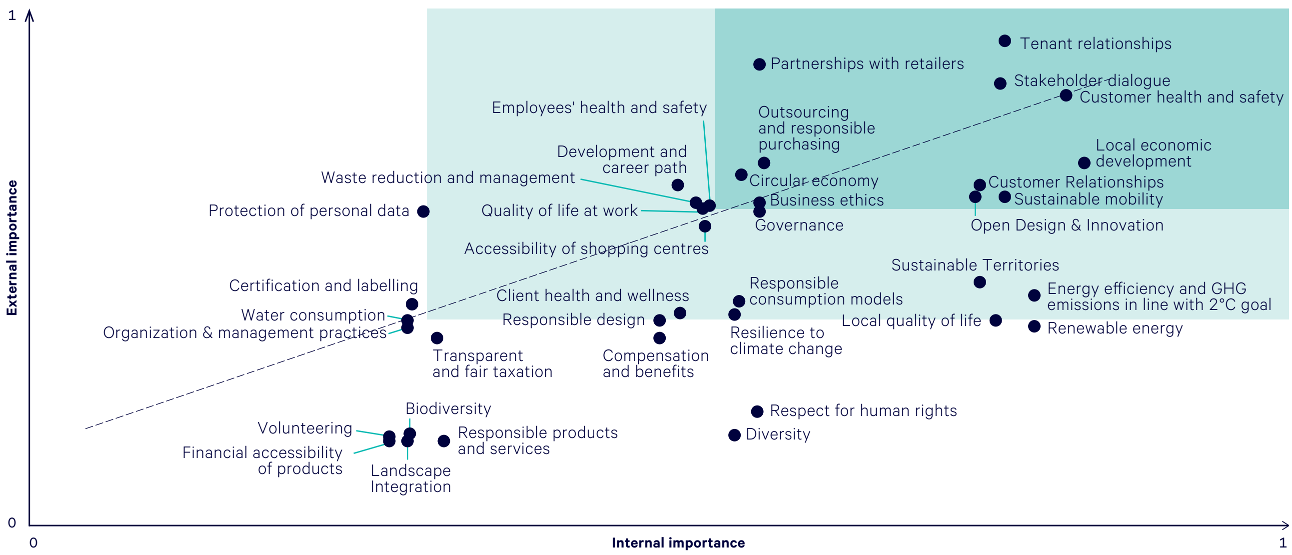
Average gross wages: sum of contractual fixed annual salaries of employees in the Group as of December 31, on a full-time equivalent basis excluding variable compensation, divided by the workforce as of December 31 (excluding Executive Board members).

3.5.4.3 Audit by the independent third-party verifier

All non-financial information is independently verified. This external audit is carried out each year, based on the Group's regulatory obligations and industry best practices. See section 3.5.8 for the Statutory Auditors report.

3.5.5 Materiality analysis

Materiality analysis helps to define and prioritize issues that are most important to an organization and its stakeholders, identifying both risks and opportunities that can be used to guide strategy. Klépierre's materiality analysis in 2017 (shown below) is at the heart of the Act for Good® strategy, supporting the Group to identify environmental, human and social issues where it should take action as well as define projects in compliance with NFRD requirements and 2021 guidelines from the Global Reporting Initiative (GRI) and the European Public Real Estate Association (EPRA).



3.5.6 Reporting on the EU Taxonomy

The European Union has established a taxonomy (the **"EU Taxonomy"**) to help direct investments towards sustainable projects and activities. From the viewpoint of companies, the taxonomy is a classification system meant to provide investors and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable according to the following six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control; and
6. The protection and restoration of biodiversity and ecosystems.

As of the publication date of this non-financial statement, the full set of regulations pertaining to the EU Taxonomy had not yet been passed. In accordance with the ones applicable to 2022 disclosures[(1)], in this section Klépierre reports only on the proportion of its economic activities that are "taxonomy-eligible" and "taxonomy-aligned" with respect to the first two objectives above.

3.5.6.1 Reporting scope

Turnover, capital expenditure (CapEx) and operating expenditure (OpEx) considered for this report cover the full array of Klépierre's activities and correspond to the scope of consolidation of its financial statements as described in note 4 to the 2022 consolidated financial statements (see page 138 of this document).

The financial data presented here are extracted from said financial statements so that the turnover and expenditure figures given below coincide with the consolidated accounts (see section 4.1 of this document). Accordingly, equity-accounted companies are excluded from the calculation of the ratios presented below.

This reporting scope differs from that for non-financial data described in section 3.5.4.1 of this document. The main difference is that the scope of non-financial data includes assets managed but not owned by the Group and assets owned by equity-accounted investments. Conversely, assets owned but not managed by the Group are included in the reporting scope of the taxonomy and excluded from the scope of non-financial data.

(1) See Regulation (EU) 2020/852 and Article 10.2 of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.

3.5.6.2 Eligibility and alignment of Klépierre's activities to the EU Taxonomy

3.5.6.2.1 Eligibility

Taxonomy-eligible activities are those listed as such by the European Union(1).

As described in the business model section of this document (see page 22), Klépierre has the following three main activities:

- Owning and operating shopping centers on a daily basis;
- Developing and refurbishing shopping centers
- Acquiring and selling shopping centers.

All these pertain to "acquisition and ownership of buildings" as per the EU Taxonomy. Klépierre's only activity that is not taxonomy-eligible is the management of buildings owned by third parties, which however represents a very marginal part of the Group's business (see section 3.5.6.3 below).

3.5.6.2.2 Alignment

To determine the portion of its activity that is environmentally sustainable according to the EU Taxonomy (or "aligned" with it), Klépierre screened its portfolio of assets as of December 31, 2022, against the technical criteria of the substantial contribution to climate change mitigation. It then ensured that it respects the "do no significant harm" principle by demonstrating that the same assets were not significantly harming other environmental objectives (adaptation to climate change in this case) and that its activity was compliant with the minimum safeguards regarding human and labor rights and standards(2).

Substantial contribution to climate change mitigation

To be considered as substantially contributing to climate change mitigation, Klépierre's assets must meet the following criteria:

- have at least a class A Energy Performance Certificate (EPC), or be within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand and demonstrated by adequate evidence(3); and
- be efficiently operated through energy performance monitoring and assessment where the effective rated output is superior to 290 kW (which is the case for all Klépierre's assets).

As for the first criterion, Klépierre used EPCs for its shopping centers with a class A certificate. For its other shopping centers, Klépierre compared their primary energy consumption for 2022(4) against different sources of benchmark, depending on the country of operation(5) ; the data used were provided by the Sustainable Real State Observatory (*Observatoire de l'Immobilier Durable*) for France and Deepki (national values when available and significant or European value otherwise) for all other countries of operation.

As for the second criterion, Klépierre has been using a monitoring tool, called Deepki, for the energy consumption of 99% of its assets in value.

DNSH criteria

In 2022, Klépierre commissioned a study to identify its top climate physical and transition risks and opportunities as well as their impact on its activities. Exposure and impacts on Klépierre activities have been assessed based on scenarios consistent with the IPCC (SSP 4-5 et 8-5) and the TCFD. The study evaluated the likelihood and impact of ten physical risks over various time horizons (2030 and 2050) and led to the identification of the most vulnerable assets for each physical climate risk. The results of the study, as summarized in section 3.2.1.1.3, show that Klépierre has extensively considered the requirements of climate change adaptation by designing a general adaptation plan with local plans that are being implemented across all countries of operation.

Minimum safeguards

Given the industry and the countries Klépierre operates in, as well as its main clients and providers, the risks for the Group of violating the basic human and labor rights defined by the United Nations, the International Labor Organization, and the OECD, are considered very low. The Group has defined policies and put in place processes to ensure high standards of business ethics, including an adequate whistleblowing mechanism and strong communication efforts towards internal and external stakeholders (for more details, see sections 3.4.4 and 5.2.4.1)

(1) *See Annex 1 to the Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021.*
(2) *OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.*
(3) *Klépierre used these criteria applicable to buildings constructed before December 31, 2020, as none of its assets were built after this date.*
(4) *The reporting year for energy consumption runs from October 1 to September 30 (for more details, see section 3.2.1.2 of this document).*
(5) *National benchmark will be updated annually when possible.*

3.5.6.3 Turnover

Klépierre's total turnover consists of gross rental income, service charge income, and management, administrative and related income.

In 2022, total turnover amounted to €1,480 million, 99% of which was eligible for the EU Taxonomy; the remaining 1% corresponds to the management fees of assets owned by third parties. 64% of this total turnover is generated by assets that are taxonomy-aligned.

				Substantial contribution criteria						"Do not significant harm" (DNSH) criteria									
		Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Category (enabling)	Category (transitional)
Economic activities	**Codes**	*(EUR millions)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
Acquisition and ownership of buildings	7.7	1,480	99	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	N/A	Y	64	N/A	N/A
Turnover of eligible activities		1,480	99	100	0	0	0	0	0	–	–	–	–	–	–	–	64	–	–
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		18	1																
TOTAL (A+B)		**1,498**	**100**																

3.5.6.4 CapEx

All capital expenditure incurred by Klépierre and defined as such by the EU Taxonomy is associated with the acquisition and ownership of its shopping centers. It encompasses the following:

- Acquisitions of intangible assets (see note 5.2 to the consolidated financial statements);
- Acquisitions of property, plant and equipment, and work in progress (see note 5.3 to the consolidated financial statements);
- Acquisitions of, and capital expenditure in investment properties at fair value (see section 5.4.1); and
- Acquisitions of, and capital expenditures in investment properties at cost (see section 5.4.2).

These amounted to €196 million for 2022, of which 69% was spent on assets aligned with the EU taxonomy. CapEx spent on non-aligned assets as part of a plan to get them aligned has not been included.

				Substantial contribution criteria						"Do no significant harm" (DNSH) criteria									
Economic activities	Codes	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx 2022	Category (enabling)	Category (transitional)
		(EUR millions)	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
Acquisition and ownership of buildings	7.7	196	100	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	N/A	Y	69	N/A	N/A
CapEx of eligible activities		196	100	100	0	0	0	0	0	–	–	–	–	–	–	–	69	–	–
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of non-eligible activities (B)		0	0																
TOTAL (A+B)		**196**	**100**																

3.5.6.5 OpEx

Operating expenditure as defined by the EU Taxonomy relates to *"building renovation measures, short-term lease, maintenance and repair, and any other direct expenditure relating to the day-to-day servicing"* of Klépierre's assets[1]. As such, it corresponds to the share of service charge expenses recognized in the consolidated statements of comprehensive income which encompasses the non-capitalized costs incurred for the general maintenance and renovation of buildings and equipment.

While they relate to the eligible activity of acquiring and owning buildings, service charge expenses incurred for operating Klépierre's assets—such as energy costs, cleaning costs, safety and security costs, marketing fees and tax—are not included in the OpEx as defined by the EU Taxonomy. For the same reason, payroll and other general expenses, which are usually considered as OpEx and contribute to Klépierre's eligible activity of acquiring and owning buildings, are also not included in the table below.

For 2022, OpEx as defined by the EU Taxonomy amounted to €41.8 million, all of which corresponding to Klépierre's taxonomy-eligible activity of acquiring and owning buildings. The proportion of this OpEx spent on assets aligned with the EU Taxonomy was 69%.

				Substantial contribution criteria						"Do not significant harm" (DNSH) criteria									
		Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx 2022	Category (enabling)	Category (transitional)
Economic activities	**Codes**	*(EUR millions)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(Y/N)*	*(%)*		
A. TAXONOMY ELIGIBLE ACTIVITIES																			
Acquisition and ownership of buildings	7.7	41.8	100	100	0	0	0	0	0	Y	N/A	N/A	N/A	N/A	N/A	Y	69	N/A	N/A
OpEx of eligible activities		**41.8**	**100**	**100**	**0**	**0**	**0**	**0**	**0**	–	–	–	–	–	–	–	69	–	–
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of non-eligible activities (B)		**0**	**00** **0**																
TOTAL (A+B)		**41.8**	**100**																

(1) *See point 1.1.3.1 of Annex I of Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.*

3.5.7 Cross-reference tables (GRI, TCFD, SASB)

The following tables include cross-referencing between the information published by Klépierre in this document and the main (European and Global) reporting standards for non-financial information: the Non-Financial Reporting Directive, the GRI standards, TCFD recommendations and SASB standards.

A separate report of the Group's performance against the third edition of the EPRA sBPR is available to download from the CSR section of Klépierre's website: https://www.klepierre.com/en/nos-engagements. Links between the UN SDGs and CSR risks and opportunities can be identified in the graphic included in section 3.1.3.

Non-financial statement

Topics	Universal Registration Document
Description of the business model	1
Description of the principal non-financial risks relating to the Group's business	3.1.3
Description of the policies to identify, prevent and mitigate non-financial risks and their outcomes, including key indicators	3
Respect for human rights	3.4.3/3.4.4
Anti-corruption measures	3.4.4
Climate change (contribution and adjustments)	3.2.1
Circular economy	3.2.2
Food waste	3.2.2
Collective bargaining agreements and their impacts	3.4.3
Measures taken to combat discrimination and promote diversity	3.4.3
Societal commitments	3.3/3.4

Global Reporting Initiative (GRI) standards (2021)

GRI STANDARD	DISCLOSURE	Universal Registration Document
GRI 2: General Disclosures 2021	2-1 Organizational details	8.1-General information - page 366
	2-2 Entities included in the organization's sustainability reporting	3.5.2-Management system and tools – page 104
	2-3 Reporting period, frequency and contact point	3.5.2-Management system and tools – page 104
	2-4 Restatements of information	3.5.4-Methodological note - page 106
	2-5 External assurance	3.5.8-Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement - page 121
	2-6 Activities, value chain and other business relationships	8.1.2-Corporate purpose - page 366
	2-7 Employees	1-Business Model - page 22
	2-8 Workers who are not employees	3.4-Act for People – page 88
	2-9 Governance structure and composition	6-Supervisory Board's report on corporate governance - page 255
	2-10 Nomination and selection of the highest governance body	6-Supervisory Board's report on corporate governance - page 255
	2-11 Chair of the highest governance body	6-Supervisory Board's report on corporate governance - page 255
	2-12 Role of the highest governance body in overseeing the management of impacts	6-Supervisory Board's report on corporate governance - page 255
	2-13 Delegation of responsibility for managing impacts	6-Supervisory Board's report on corporate governance – page 255
	2-14 Role of the highest governance body in sustainability reporting	6-Supervisory Board's report on corporate governance - page 255
	2-15 Conflicts of interest	6-Supervisory Board's report on corporate governance - page 255
	2-16 Communication of critical concerns	6-Supervisory Board's report on corporate governance - page 255
	2-17 Collective knowledge of the highest governance body	6-Supervisory Board's report on corporate governance - page 255
	2-18 Evaluation of the performance of the highest governance body	6-Supervisory Board's report on corporate governance - page 255
	2-19 Remuneration policies	6-Supervisory Board's report on corporate governance – page 255
	2-20 Process to determine remuneration	6-Supervisory Board's report on corporate governance - page 255
	2-21 Annual total compensation ratio	6-Supervisory Board's report on corporate governance - page 255
	2-22 Statement on sustainable development strategy	1-Group overview - page 3
	2-23 Policy commitments	3-Sustainable Development - page 57
	2-24 Embedding policy commitments	3-Sustainable Development - page 57
	2-25 Processes to remediate negative impacts	3-Sustainable Development - page 57 5-Risk and Control - page 223
	2-26 Mechanisms for seeking advice and raising concerns	3-Sustainable Development - page 57 5-Risk and Control - page 223
	2-27 Compliance with laws and regulations	5-Risk and Control – page 223
	2-28 Membership associations	3.5.3-Industry initiatives and charters supported by Klépierre - page 106
	2-29 Approach to stakeholder engagement	3.1-Act for Good® - page 60
	2-30 Collective bargaining agreements	3.1-Act for People - page 60
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.1-Act for Good® - page 60
	3-2 List of material topics	3.1-Act for Good® - page 60
	3-3 Management of material topics	3.1-Act for Good® - page 60
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1-Business Model - page 22
	201-2 Financial implications and other risks and opportunities due to climate change	3.2-Act for the Planet - page 70 5-Risk and Control - page 223
	201-3 Defined benefit plan obligations and other retirement plans	6-Supervisory Board's report on corporate governance - page 255
	201-4 Financial assistance received from government	N/A
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2 Proportion of senior management hired from the local community	N/A
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	1-Group overview - page 3
	203-2 Significant indirect economic impacts	1-Group overview – page 3
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.3.1.1-Encourage procurement from local suppliers - page 85 3.4.4.2-Responsible purchasing - page 100
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.4.4-Champion ethics in local communities - page 99 5-Risk and Control - page 223
	205-2 Communication and training about anti-corruption policies and procedures	3.4.4-Champion ethics in local communities - page 99 5-Risk and Control - page 223
	205-3 Confirmed incidents of corruption and actions taken	3.4.4-Champion ethics in local communities - page 99 5-Risk and Control - page 223

GRI STANDARD	DISCLOSURE	Universal Registration Document
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.4.4-Champion ethics in local communities - page 99 5-Risk and Control - page 223
GRI 207: Tax 2019	207-1 Approach to tax	4-Financial statements - page 125 8.1.3-Tax regime - page 366
	207-2 Tax governance, control, and risk management	4-Financial statements - page 125 8.1.3-Tax regime - page 366 5-Risk and Control - page 223
	207-3 Stakeholder engagement and management of concerns related to tax	5-Risk and Control - page 223
	207-4 Country-by-country reporting	4-Financial statements - page 125
GRI 301: Materials 2016	301-1 Materials used by weight or volume	N/A
	301-2 Recycled input materials used	N/A
	301-3 Reclaimed products and their packaging materials	N/A
GRI 302: Energy 2016	302-1 Energy consumption within the organization	3.2.1-Act for a low carbon future - page 71
	302-2 Energy consumption outside of the organization	3.2.1-Act for a low carbon future - page 71
	302-3 Energy intensity	3.2.1-Act for a low carbon future - page 71
	302-4 Reduction of energy consumption	3.2.1-Act for a low carbon future - page 71
	302-5 Reductions in energy requirements of products and services	3.2.1-Act for a low carbon future - page 71
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.2.2.3-Water use - page 81
	303-2 Management of water discharge-related impacts	N/A
	303-3 Water withdrawal	N/A
	303-4 Water discharge	N/A
	303-5 Water consumption	3.2.2.3-Water use - page 81
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.3.4.3-Enhancing biodiversity value - page 88
	304-2 Significant impacts of activities, products and services on biodiversity	3.3.4.3-Enhancing biodiversity value - page 88
	304-3 Habitats protected or restored	3.3.4.3-Enhancing biodiversity value - page 88
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.2.1-Act for a low carbon future - page 71
	305-2 Energy indirect (Scope 2) GHG emissions	3.2.1-Act for a low carbon future - page 71
	305-3 Other indirect (Scope 3) GHG emissions	3.2.1-Act for a low carbon future - page 71
	305-4 GHG emissions intensity	3.2.1-Act for a low carbon future - page 71
	305-5 Reduction of GHG emissions	3.2.1-Act for a low carbon future - page 71
	305-6 Emissions of ozone-depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	3.2.2-Contribute to a circular economy and resource conservation - page 79
	306-2 Management of significant waste-related impacts	3.2.2-Contribute to a circular economy and resource conservation - page 79
	306-3 Waste generated	3.2.2-Contribute to a circular economy and resource conservation - page 79
	306-4 Waste diverted from disposal	3.2.2-Contribute to a circular economy and resource conservation - page 79
	306-5 Waste directed to disposal	3.2.2-Contribute to a circular economy and resource conservation - page 79
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.4.4-Champion ethics in the local communities - page 99
	308-2 Negative environmental impacts in the supply chain and actions taken	3.4.4-Champion ethics in the local communities - page 99
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3.4.3-Offer Group employees a positive experience - page 93
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.4.3-Offer Group employees a positive experience - page 93
	401-3 Parental leave	3.4.3-Offer Group employees a positive experience - page 93
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	N/A

GRI STANDARD	DISCLOSURE	Universal Registration Document
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.4.3-Offer Group employees a positive experience - page 93
	403-2 Hazard identification, risk assessment, and incident investigation	3.4.3-Offer Group employees a positive experience - page 93
	403-3 Occupational health services	3.4.3-Offer Group employees a positive experience - page 93
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.4.3-Offer Group employees a positive experience - page 93
	403-5 Worker training on occupational health and safety	3.4.3-Offer Group employees a positive experience - page 93
	403-6 Promotion of worker health	3.4.3-Offer Group employees a positive experience - page 93
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.4.3-Offer Group employees a positive experience - page 93
	403-8 Workers covered by an occupational health and safety management system	3.4.3-Offer Group employees a positive experience - page 93
	403-9 Work-related injuries	3.4.3-Offer Group employees a positive experience – page 93
	403-10 Work-related ill health	3.4.3-Offer Group employees a positive experience - page 93
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3.4.3-Offer Group employees a positive experience - page 93
	404-2 Programs for upgrading employee skills and transition assistance programs	3.4.3-Offer Group employees a positive experience - page 93
	404-3 Percentage of employees receiving regular performance and career development reviews	3.4.3-Offer Group employees a positive experience - page 93
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.4.3-Offer Group employees a positive experience - page 93
	405-2 Ratio of basic salary and remuneration of women to men	3.4.3-Offer Group employees a positive experience - page 93
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	3.4.3-Offer Group employees a positive experience - page 93
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.4.4-Champion ethics in the local communities - page 99 5-Risk and Control - page 223
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	3.4.4-Champion ethics in the local communities - page 99 5-Risk and Control - page 223
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.4.4-Champion ethics in the local communities - page 99 5-Risk and Control - page 223
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	3.4.3-Offer Group employees a positive experience - page 93
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	3.3-Act for Territories - page 84
	413-2 Operations with significant actual and potential negative impacts on local communities	3.3-Act for Territories - page 84
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.4.4-Champion ethics in the local communities - page 99 5-Risk and Control - page 223
	414-2 Negative social impacts in the supply chain and actions taken	3.4.4-Champion ethics in the local communities - page 99 5-Risk and Control - page 223
GRI 415: Public Policy 2016	415-1 Political contributions	N/A
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.4.2-Promote health, safety and well-being - page 92
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.4.2-Promote health, safety and well-being - page 92
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.4.2-Promote health, safety and well-being - page 92
	417-2 Incidents of non-compliance concerning product and service information and labeling	3.4.2-Promote health, safety and well-being - page 92
	417-3 Incidents of non-compliance concerning marketing communications	3.4.2-Promote health, safety and well-being - page 92
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

Task Force on Climate-related Financial Disclosures

TCFD recommendations	Commentary	Cross-Reference
1. Governance Describe the organization's governance of climate-related risks and opportunities		
1. a) Describe the Board's oversight of climate-related risks and opportunities	The Supervisory Board retains oversight of climate-related risks and mitigation measures and assesses the effectiveness of the Group's risk management and internal control systems. It is assisted by the Sustainable Development Committee which reviews the Group's sustainability processes and performance, including those to do with climate risks and opportunities.	5.1 Risk Management—Main risk factors 5.2.3 Risk Management—Organization 3.1.2 Governing responsibly
1. b) Describe the role of management in assessing and managing climate-related risks and opportunities		5.2 Risk Management 3.2.1 Act for a low carbon future
2. Strategy Describe the existing and potential impacts of climate-related risks and opportunities on the organization's operations, strategy and financial planning, to the extent that the information is relevant		
2. a) Describe the climate-related risks and opportunities that the organization has identified for the short, medium and long term	With support from a third-party, Klépierre conducted a portfolio-level assessment to identify its top physical and transition climate risks over various time horizons, considering alternative climate pathways (SSP2-4.5 and SSP5-8.5). The results found the Group's assets do not present material critical threats from physical risks at portfolio level. The top risks and opportunities identified are:	5.3 Risk Management 3.1.3 Managing key trends, risks and opportunities 3.2.1.1.3 Developing climate-resilient assets
2. b) Describe the impacts of climate-related risks and opportunities on the organization's operations, strategy and financial planning	Short term (current – 2025): • Riverine flood risk (Physical risk) • Increased cost of energy (Transition risk) Medium term (2030): • Increase in average and extreme heat (Physical risk) • Market preference for green buildings (Transition risk) • Investors' expectations on climate performance (Transition risk) • Low emission goods & services (Opportunity) • Optimization of the use of resources (Opportunity) • Compliance regulations and anticipation (Opportunity) Long-term (2050): • Increase in average and extreme heat (Physical risk)	3.2.1 Act for a low carbon future 3.2.1.1.3 Developing climate – resilient assets
2. c) Describe the resilience of the organization's strategy, taking into consideration different climate scenarios, including a scenario at 2°C or less		3.2.1 Act for a low carbon future 3.2.1.1.3 Developing climate-resilient assets
3. Risk management Describe how the organization identifies, assesses and manages climate-related risks		
3. a) Describe the organization's processes for identifying and assessing climate-related risks	Climate-related risks affecting the Group's business model and core activities are reviewed annually as part of Klépierre's overall risk assessment. It has identified key risks presented by climate change to the business and has outlined comprehensive mitigation strategies to manage each risk and secure greater resilience. The Group's diversified geographic footprint mitigates the exposure to extreme weather-related events, and major environmental risks are factored into acquisition and disposal decisions. For its operational portfolio, the Group applies a net-zero carbon building policy including energy management tools, audits, and other procedures to reduce energy consumption, improve environmental efficiency, and reduce its reliance on fossil fuels. All assets undergo an audit every five years to check their structural condition.	5.2.3 Risk Management—Organization 3.1.3 Managing key trends, risks, and opportunities
3. b) Describe the organization's processes for managing climate-related risks		5.1 Risk Management—Main risk factors 5.2.3 Risk Management—Organization 3.1.2 Governing responsibly
3. c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's risk management		5.2 Risk Management 3.1.3 Managing key trends, risks, and opportunities 3.2.1 Act for a low carbon future
4. Metrics and targets Describe the indicators and targets used to assess and manage climate-related risks and opportunities, to the extent that the information is relevant		
4. a) Describe the indicators used by the organization to assess climate-related risks and opportunities in relation to its strategy and risk management process	The Group tracks a range of metrics to assess its exposure to climate-related risks and opportunities: • Energy demand in MWh, in both absolute and intensity terms • Scopes 1, 2 and 3 carbon emissions • Water consumption and intensity • Waste • Visitor travel modes • Green building certifications	3.2 Act for the Planet (indicators)
4. b) Publish greenhouse gas (GHG) emissions from Scope 1, Scope 2, and, where relevant, Scope 3, and the corresponding risks		3.2.1 Act for a low carbon future
4. c) Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against these objectives		3.2 Act for the Planet (indicators and objectives)

Real Estate Sustainability Accounting Standards defined by the SASB (Sustainability Accounting Standards Board)

Energy management

Indicators	SASB code	2022
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	99%
Total energy consumed by portfolio area with data coverage, by property subsector	IF-RE-130a.2	1,152,281 GJ/99% in floor area
Percentage grid electricity, by property subsector	IF-RE-130a.2	99%
Percentage renewable, by property subsector	IF-RE-130a.2	84%
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	IF-RE-130a.3	+5%/99% in floor area
Percentage by floor area of eligible portfolio that has an energy rating, by property subsector	IF-RE-130a.4	93%
Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	Not eligible in Europe
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	3.2.1 Act for a low carbon future

Scope (123/126): 111/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). This corresponds to 99.9% coverage rate in value.

Water management

Indicators	SASB code	2022
Water withdrawal data coverage as a percentage of total floor area, by property subsector	IF-RE-140a.1	98%
Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	38%
Total water withdrawn by portfolio area with data coverage	IF-RE-140a.2	2,868,891 m^3
Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.2	42%
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	IF-RE-140a.3	26%
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	3.2.2.3 Water use

Scope (122/126): 110/111 owned and managed shopping centers + 7/7 managed-only shopping centers + 5/8 owned-only shopping centers (excluding Greece). This corresponds to 98.9% coverage rate in value.

Management of tenant sustainability impacts

Indicators	SASB code	2022
Percentage (by floor area) of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, and associated leased floor area, by property subsector	IF-RE-410a.1	100% 2,336,002 sq.m.
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	1) 79% 2) 0%
Description of water management risks and discussion of strategies and practices to mitigate those risks		3.2.1.1.2 Managing the broader carbon footprint: Scope 3

Climate change adaptation

Indicators	SASB code	2022
Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	793,681 sq.m.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	3.2.1.1.3 Developing resilient assets

3.5.8 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

Year ended December 31, 2022

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of KLEPIERRE SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical quantitative and qualitative information in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*) and as chapter 3 of the Universal Registration Document.

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Responsibility of the Company

The Executive Board is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires *aux Comptes*) relating to this engagement.

Means and resources

Our work engaged the skills of five people between November 2022 and March 2023 and took a total of eighteen weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten or so interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important[(1)]; our work was carried out on the consolidating entity.
- We verified that the Statement covers the consolidated scope, i.e., all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[(2)] that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto.
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities[(3)] and covered between 9% and 67% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 30, 2023
One of the Statutory Auditors,

DELOITTE & ASSOCIÉS

Jean Vincent Coustel
Partner, Audit

Julien Rivals
Partner, Sustainability Services

---

(1) *Existence of formalized procedures regarding the following issues addressed in the Statement: CSR risk mapping, safety and security incident prevention and management policies, customer satisfaction assessment, responsible purchasing policy, scope 3 greenhouse gas emission assessment methods, Five Largest Net Zero Centres, percentage of shopping centres that organised a charity event, percentage of shopping centres that supported a community initiative, Breeam certification.*

(2) *Environmental data: Energy consumption, production and consumption of renewable energy, greenhouse gas emissions scope 1 & 2, share of waste recovered.*
Social data: Total workforce by age group, gender, diversity (share of women by management level), turnover rate, number of hours and access rate to training.

(3) *Shopping centres audited (environmental and societal indicators): France - Créteil, Toulouse - Saint Orens, Clermont Ferrand - Jaude; Spain - Madrid - Principe Pio, Madrid - La Gavia; Italy - Rome - Porta Di Roma*


NOVÝ
SMÍCHOV
SHOPPING CENTER
TESCO
CINEMA CITY
DECATHLON
RESERVED
eobuv.cz
Hervis
16 Kotlářka
9365

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4.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

4.1.1 Consolidated statements of comprehensive income

In millions of euros	Notes	12/31/2022	12/31/2021[(a)]
Gross rental income	6.1	1,162.4	1,006.4
Land expenses (real estate)	6.2/8	(6.5)	(7.1)
Service charge income	6.3	266.1	244.0
Service charge expenses	6.3	(356.2)	(322.4)
Building expenses (owner)	6.4	(30.5)	(41.4)
Net rental income		**1,035.3**	**879.5**
Management, administrative and related income	6.5	69.3	65.1
Other operating income	6.6	14.5	9.4
Survey and research costs		(4.7)	(0.2)
Payroll expenses	11.1	(112.7)	(107.6)
Other general expenses	6.7	(46.7)	(39.5)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	6.8/8	(16.6)	(18.1)
Provisions		(0.6)	0.3
Change in value of investment properties	6.9/8	(312.0)	(402.5)
Income (loss) from the disposal of investment properties and equity investments		(74.2)	8.8
• Proceeds from disposals of investment properties and equity investments	6.10	465.0	534.0
• Carrying amount of investment properties and equity investments sold	6.10	(539.2)	(525.2)
Goodwill impairment	5.1	(9.1)	(104.8)
Operating income		**542.5**	**290.4**
Net dividends and provisions on non-consolidated investments		0.0	0.0
Financial income		38.9	32.3
Financial expenses		(150.3)	(139.3)
Interest expense on leases liabilities	8	(8.2)	(8.3)
Cost of net debt	**6.11**	**(119.6)**	**(115.3)**
Change in the fair value of financial instruments		50.1	(0.4)
Gain (loss) on net monetary position	6.12	(25.7)	
Share in earnings of equity-accounted companies	5.5	53.3	84.3
Profit before tax		**500.6**	**259.0**
Income tax benefit (expense)	7	(70.8)	313.0
Consolidated net income		**429.8**	**572.0**
Of which			
• Attributable to owners of the parent		415.2	544.7
• Attributable to non-controlling interests		14.6	27.3
Average number of shares – undiluted		**285,442,230**	**285,312,972**
UNDILUTED EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**		**1.45**	**1.91**
Average number of shares – diluted		**286,524,518**	**285,860,024**
DILUTED EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**		**1.45**	**1.91**

In millions of euros	12/31/2022	12/31/2021[(a)]
Consolidated net income	**429.8**	**572.0**
Other items of comprehensive income recognized directly in equity	**11.8**	**(24.9)**
• Effective portion of gains and losses on cash flow hedging instruments	46.4	17.9
• Translation gains and losses	(28.5)	(37.0)
• Tax on other items of comprehensive income	(7.6)	(3.3)
Items that will be reclassified subsequently to profit or loss	**10.3**	**(22.4)**
• Gains and losses on sales on treasury shares	(2.0)	(3.7)
• Actuarial gains and losses	3.5	1.2
Items that will not be reclassified subsequently to profit or loss	**1.5**	**(2.5)**
Share of other items of comprehensive income attributable to equity-accounted companies		
Total comprehensive income	**441.6**	**547.1**
Of which		
• Attributable to owners of the parent	414.6	500.1
• Attributable to non-controlling interests	27.0	47.1
UNDILUTED COMPREHENSIVE EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**	**1.45**	**1.75**
DILUTED COMPREHENSIVE EARNINGS PER SHARE *(in €)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**	**1.45**	**1.75**

(a) Due to rounding, some amounts may have changed since the last published version.

4.1.2 Consolidated statements of financial position

In millions of euros	Notes	12/31/2022	12/31/2021[a]
Goodwill	5.1	469.6	480.5
Intangible assets	5.2	25.3	21.9
Property, plant and equipment	5.3	16.1	18.7
Investment properties at fair value	5.4	17,757.1	18,728.6
Investment properties at cost	5.4	110.2	77.7
Investments in equity-accounted companies	5.5	994.4	979.0
Other non-current assets	5.6	296.7	280.6
Long-term derivative instruments	9.1/9.3	51.3	8.7
Non-current deferred tax assets	7	12.7	11.8
Non-current assets		**19,733.4**	**20,607.5**
Investment properties held for sale	5.4	13.1	15.8
Trade and other receivables	5.7	141.8	159.9
Other receivables	5.8	265.3	333.1
• Tax receivables		64.3	74.8
• Other		201.0	258.3
Short-term derivative instruments	9.1/9.3	111.4	12.2
Current deferred tax assets	7	4.6	14.4
Cash and cash equivalents	5.9	281.6	640.0
Current assets		**817.8**	**1,175.4**
TOTAL ASSETS		**20,551.2**	**21,782.9**
Share capital		401.6	401.6
Additional paid-in capital		3,585.9	4,071.2
Legal reserves		44.0	44.0
Consolidated reserves		3,917.5	3,343.2
• Treasury shares		(28.6)	(33.5)
• Hedging reserves		24.9	0.1
• Other consolidated reserves		3,921.2	3,376.6
Consolidated net income		415.2	544.7
Equity attributable to owners of the parent		**8,364.2**	**8,404.7**
Equity attributable to non-controlling interests		2,094.8	2,188.7
Total equity	**5.11**	**10,459.0**	**10,593.4**
Non-current financial liabilities	5.12	5,717.8	6,815.1
Non-current leases liabilities	8	266.6	353.4
Long-term provisions	5.13	29.1	23.9
Pension obligations	11.3	7.2	10.0
Long-term derivative instruments	9.1/9.3	116.6	2.9
Deposits		145.7	142.3
Deferred tax liabilities	7	1,074.1	1,082.6
Non-current liabilities		**7,357.1**	**8,430.2**
Current financial liabilities	5.12	1,978.0	1,893.1
Current leases liabilities	8	12.6	13.5
Bank overdrafts	5.9	0.1	15.5
Trade payables		165.7	219.1
Due to suppliers of fixed assets		52.6	49.1
Other liabilities	5.14	337.3	377.1
Short-term derivative instruments	9.1/9.3	2.7	1.5
Payroll and tax liabilities	5.14	186.1	190.4
Current liabilities		**2,735.1**	**2,759.3**
TOTAL EQUITY AND LIABILITIES		**20,551.2**	**21,782.9**

(a) Due to rounding, some amounts may have changed since the last published version.

4.1.3 Consolidated statements of cash flows

In millions of euros	12/31/2022	12/31/2021[a]
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	429.8	572.0
Elimination of expenditure and income with no cash effect or not related to operating activities		
• Depreciation, amortization and provisions	2.4	27.0
• Change in value of investment properties	312.0	402.5
• Goodwill impairment	9.1	104.8
• Capital gains and losses on asset disposals	74.2	(8.8)
• Current and deferred income taxes	70.8	(313.0)
• Share in earnings of equity-accounted companies	(53.3)	(84.3)
• Reclassification of interest and other items	131.4	160.7
Gross cash flow from consolidated companies	**976.4**	**860.9**
Income tax (received) paid	(32.7)	(30.3)
Change in operating working capital	(33.3)	35.2
Net cash flow from operating activities	**910.4**	**865.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	296.2	161.7
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans & advances repaid)	257.6	680.6
Acquisitions of investment properties		(0.3)
Payments in respect of construction work in progress	(176.9)	(161.7)
Acquisitions of other fixed assets	(10.3)	(6.6)
Acquisitions of subsidiaries (net of cash acquired)	(1.4)	(0.4)
Dividends received (including dividends received from joint ventures and associates)	24.2	21.8
Movements in loans and advance payments granted and other investments	(12.3)	(22.1)
Net cash flow from investing activities	**377.1**	**673.0**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent		
Dividends paid to non-controlling interests	(87.5)	(87.5)
Change in capital of subsidiaries with non-controlling interests	(0.6)	
Repayment of share premiums	(485.3)	(285.3)
Acquisitions/disposals of treasury shares	0.1	1.1
New loans, borrowings and hedging instruments	1,274.8	1,529.2
Repayment of loans, borrowings and hedging instruments	(2,196.6)	(2,387.5)
Net repayment of lease liabilities	(15.1)	(14.9)
Interest paid	(108.5)	(109.1)
Interest paid on lease liabilities	(8.2)	(8.3)
Net cash flow used in financing activities	**(1,626.9)**	**(1,362.3)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(3.6)**	**(4.7)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(343.0)**	**171.8**
Cash and cash equivalents at beginning of period	**624.5**	**452.7**
Cash and cash equivalents at end of period	**281.5**	**624.5**

(a) Due to rounding, some amounts may have changed since the last published version.

4.1.4 Statements of changes in consolidated equity

In millions of euros	Share capital	Capital reserves	Treasury shares	Hedging reserves	Other consolidated reserves	Consolidated net income	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
EQUITY AT 12/31/2020	**419.9**	**4,781.5**	**(441.3)**	**(8.7)**	**4,216.6**	**(785.7)**	**8,182.3**	**2,252.1**	**10,434.4**
Share capital transactions	(18.3)	(381.3)	399.6						
Share-based payments									
Treasury share transactions			8.2		(1.2)		7.0		7.0
Allocation of net income (loss)					(785.7)	785.7			
Dividends		(285.0)			(0.3)		(285.3)	(109.4)	(394.7)
Net income for the period						**544.7**	**544.7**	**27.3**	**572.0**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					(3.7)		(3.7)		(3.7)
Gains and losses from cash flow hedging				10.2			10.2	7.7	17.9
Translation gains and losses					(50.5)		(50.5)	13.5	(37.0)
Actuarial gains and losses					1.2		1.2		1.2
Tax on other comprehensive income				(1.4)	(0.5)		(1.9)	(1.4)	(3.3)
Other comprehensive income				**8.8**	**(53.5)**		**(44.7)**	**19.8**	**(24.9)**
Changes in the scope of consolidation					(0.4)		(0.4)	(1.2)	(1.6)
Other movements					1.1		1.1	0.1	1.2
EQUITY AT 12/31/2021[(c)]	**401.6**	**4,115.2**	**(33.5)**	**0.1**	**3,376.6**	**544.7**	**8,404.7**	**2,188.7**	**10,593.4**
Share capital transactions									
Share-based payments									
Treasury share transactions			4.9		(0.9)		4.0		4.0
Allocation of net income (loss)					544.7	(544.7)			
Dividends		(485.3)					(485.3)	(123.6)	(608.9)
Net income (loss) for the period						**415.2**	**415.2**	**14.6**	**429.8**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					(2.0)		(2.0)		(2.0)
Gains and losses from cash flow hedges				26.5			26.5	19.9	46.4
Translation gains and losses[(a)]					(24.3)		(24.3)	(4.2)	(28.5)
Actuarial gains and losses					3.5		3.5		3.5
Tax on other comprehensive income				(1.7)	(2.6)		(4.3)	(3.3)	(7.6)
Other comprehensive income				**24.8**	**(25.4)**		**(0.6)**	**12.4**	**11.8**
Changes in the scope of consolidation								(0.7)	(0.7)
Other movements[(b)]					26.2		26.2	3.4	29.6
EQUITY AT 12/31/2022	**401.6**	**3,629.9**	**(28.6)**	**24.9**	**3,921.2**	**415.2**	**8,364.2**	**2,094.8**	**10,459.0**

(a) The negative €24.3 million impact in translation gains and losses mainly concerns Sweden (negative €71.2 million), Norway (positive €56.5 million), Czech Republic (negative €4.7 million), and Turkey (negative €2.2 million).

(b) Klépierre has applied IAS 29 "Financial Reporting in Hyperinflationary Economies" to Turkey for the first time on January 1, 2022. As permitted by IAS 21, comparative information has not been restated and the impact (net of taxes) at January 1, 2022 of the first-time application, amounting to €27.4 million, is detailed in note 2.5.

(c) Due to rounding, some amounts may have changed since the last published version.

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NOTE 1 SIGNIFICANT EVENTS OF THE PERIOD

1.1 UPDATE ON THE COLLECTION OF RENTS AND SERVICE CHARGES RELATING TO 2020 AND 2021 IN LIGHT OF THE COVID-19 PANDEMIC

During 2022, the Group continued discussions with tenants in order to settle disputes relating to unpaid rents corresponding to 2020 and 2021 store closure periods caused by the pandemic.

€87.5 million in receivables has been collected for rents and service charges invoiced in 2021. This translated into a reversal of €39.0 million in rent abatements and €27.0 million in provisions for credit losses. As of December 31, 2022, the overall collection rate for 2021 stands at 91.3%, despite 2.5 months of closure.

€13.4 million in receivables has been collected in connection with 2020 rents. This translated into a reversal of €6.5 million in rent abatements and €17.0 million in provisions for credit losses. As of December 31, 2022, the overall collection rate for 2020 stands at 88.3% despite 2.1 months of closure.

Accordingly, in the 2022 consolidated financial statements, the Group has recognized €45.0 million in reversals of rent abatements (note 6.1) and €44.0 million in reversals of provisions for credit losses (note 6.4).

1.2 INVESTMENTS

Investments totaling €183.1 million during the period mainly concern the completion of the Gran Reno extension in Bologna (Italy), the refurbishment of Grand Place in Grenoble (France) and of Shopville Le Gru in Turin (Italy), the renovation of Blagnac near Toulouse (France), and other ongoing projects, including Hoog Catharijne in Utrecht (Netherlands).

Further details of investments are disclosed in note 3.3.

1.3 DIVESTMENTS

During 2022, the Group completed disposals totaling €465.0 million excluding the repayment of loans and advances (total share, excluding transfer taxes).

Proceeds from sales of investment properties and shares in subsidiaries net of cash disposed, including the repayment of loans and advances, amounted to €553.8 million, as presented on the consolidated statement of cash flows.

The main divestments are disclosed in note 3.4.

1.4 DEBT AND FINANCING

With cash at hand amounting more than €600.0 million in January 2022 thanks to the proceeds from the asset disposals completed at the end of 2021, Klépierre launched a tender offer on two of its shortest publicly-traded bonds maturing in April 2023 (€750.0 million bearing a 1.00% coupon) and November 2024 (€630.0 million bearing a 1.75% coupon). At the end of the offer, €297.0 million worth of notes had been redeemed, €226.3 million on the April 2023 issue and €70.7 million on the November 2024 issue. The bonds were repurchased and canceled on January 18, 2022. In addition, the €100.0 million private placement falling due May 2022 was redeemed ahead of term in February 2022 following the activation of the three-month par call.

During the rest of the year, Klépierre strengthened its liquidity position by extending its €1.4 billion syndicated revolving credit facility (RCF) until December 2027 and raising €203.5 million of medium-term debt.

Notably, Klépierre signed a new sustainability-linked revolving credit facility for €100.0 million in July. The facility has a five-year maturity and may be extended up to seven years at Klépierre's request, subject to the bank's consent.

A five-year loan of €75.0 million was also set up in December, at very attractive financial terms. Lastly, the Group paid down the last ex-Corio Bonds for €85.0 million and Scandinavian debt that was nearing maturity for €81.0 million.

1.5 DISTRIBUTION

On April 26, 2022, the General Meeting of Shareholders approved the payment of a €1.70 per share cash distribution in respect of the 2021 fiscal year. The total distribution amounted to €485.3 million (excluding treasury shares), and was deducted from issue premiums and other premiums. The payment date was May 16, 2022.

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

This section presents the Group's significant accounting principles. Additional information on accounting principles is presented in the individual notes.

2.1 CORPORATE REPORTING

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

On February 13, 2023, the Executive Board approved the consolidated financial statements of Klépierre SA for the year ended December 31, 2022 and authorized their publication.

Klépierre is listed on Euronext Paris (compartment A).

2.2 APPLICATION OF IFRS

In accordance with Commission Regulation (EC) No. 1126/2008 of November 3, 2008 on the application of international accounting standards, the Klépierre Group's consolidated financial statements for the year ended December 31, 2022 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union and mandatorily applicable at that date.

The IFRS framework as adopted by the European Union includes the IFRS, the International Accounting Standards (IAS) and their interpretations (SIC, IFRIC and IFRS IC).

This framework is available via the following link:

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1126-20230101

The consolidated financial statements for the year ended December 31, 2022 are presented in the form of a complete set of financial statements including all the information required by the IFRS.

The consolidated financial statements include the financial statements of Klépierre SA and its subsidiaries. The financial statements of subsidiaries are prepared for the same accounting period as that of the parent company using consistent accounting methods.

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

2.2.1 Standards, amendments and interpretations whose application was mandatory as of January 1, 2022

The accounting principles applied to the consolidated financial statements for the year ended December 31, 2022 are identical to those used in the Group's consolidated financial statements for the year ended December 31, 2021, with the exception of the following new standards, amendments and interpretations, whose application is mandatory for the Group:

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intented Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021
Annual Improvements to IFRS	2018-2020 Cycle
	IAS 41, "Taxation in Fair Value Measurements"
	IFRS 1, "Subsidiary as First-Time Adopter"
	IFRS 9, "Fees in the "10 per cent" Test for Derecognition of Financial Liabilities"
	IFRS 16, "Lease Incentives"

These new amendments had no impact on the Group's consolidated financial statements.

IAS 29 "Financial Reporting in Hyperinflationary Economies" has been applied to Turkey since January 1, 2022. The impacts on the Group's equity are disclosed in the statement of changes in consolidated equity and the impacts on net income for the period are disclosed in note 6.12. The first-time application of IAS 29 is described in detail in note 2.5.

IFRS IC – "Lessor Forgiveness of Lease Payments"

In March 2022, the IFRS Interpretations Committee (IFRS IC) decided that for lessors, IFRS 16 was not applicable to rent concessions relating to past periods, and that such concessions should be accounted for in accordance with the provisions of IFRS 9 "Financial Instruments", on the derecognition of financial assets (IFRIC Update March 2022). According to IFRS 9.3.2.3a, if the contractual rights to the cash flows of an asset have expired, which is the case when the creditor (in this case, the lessor) gives up a claim to the debtor (in this case, the lessee), the asset is derecognized. The loss resulting from this derecognition is recognized immediately in the income statement.

2.2.2 Standards, amendments and interpretations whose application was not mandatory as of January 1, 2022

The following standards, amendments and interpretations published by the IASB have not been adopted by Klépierre for the consolidated financial statements for the year ended December 31, 2022:

IFRS 17 and Amendments to IFRS 17	Insurance Contracts
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Accounting Estimates
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, and the effective date of amendments to IFRS 10 and IAS 28
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The Group is currently assessing the implementation of these new standards, amendments and interpretations and their impact on the consolidated financial statements. No material impacts are expected.

2.3 USE OF MATERIAL JUDGMENTS AND ESTIMATES

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

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

Measurement of goodwill of management companies

The Group tests goodwill for impairment at least once a year. This involves estimating the recoverable value of the cash-generating units to which the goodwill is allocated. In order to determine the recoverable value, Klépierre prepares expected future cash flows for each cash-generating unit and applies a pre-tax discount rate to calculate the present value of these cash flows (see note 5.1). Recoverable values are determined by an independent expert.

Investment property and equity-accounted companies

The Group appoints independent appraisers to perform half-yearly valuations of its real estate assets in accordance with the methods described in note 5.4. The appraisers make assumptions concerning future cash flows and rates that have a direct impact on the value of the properties.

Credit risk assessment

Credit risk is assessed in accordance with IFRS 9, as described in note 1.1.

Financial instruments

The Group measures the fair value of the financial instruments it uses in accordance with standard market models and IFRS 13, as described in note 5.12.1.

Deferred tax

See note 7.

2.4 TRANSLATION OF FOREIGN CURRENCIES

The consolidated financial statements are presented in euros (€), which is the presentation currency of the consolidated group, as well as the presentation and functional currency used by Klépierre SA. Each Group entity determines its own functional currency, and all items in its financial statements are measured using this functional currency.

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

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

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

The functional currency of an entity is the currency of the primary economic environment in which it carries out its operations. In the majority of cases, the functional currency corresponds to the local currency. However, a functional currency other than the local currency can be retained for certain entities, provided that it represents the currency of the main transactions carried out by the entity and that it ensures faithful representation of its economic environment.

In the event of the disposal of an operation in foreign currency, the total accumulated exchange gain or loss recognized as a distinct component of equity for that foreign operation is recognized in the income statement.

2.5 HYPERINFLATIONARY ECONOMIES

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

In March 2022, the three-year cumulative inflation rate commonly used to evaluate the country's inflation exceeded 100%, and is not expected to ease significantly in 2023.

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

Consequently, IAS 29 is applicable to the Group's operations in Turkey as from January 1, 2022 as if it had always been a hyperinflationary economy.

- Non-monetary assets and liabilities, except for those at fair value, must be adjusted for inflation using a general price index; monetary items on the balance sheet are not restated.
- Income statement and other comprehensive income items in local currency are restated for inflation by applying the change in the general price index from the dates when the income and expense items were initially recorded in the consolidated financial statements. The statements of financial position, income and comprehensive income of Turkish subsidiaries are translated into euros at the closing rate of the reporting period.
- Accordingly, no comparative information is required, and the 2021 consolidated financial statements have not been restated. Consequently, the impact of restating the financial statements of the Turkish subsidiaries was recognized in consolidated equity as of January 1, 2022.

The impact on the comprehensive income in 2022 is presented in "Gain (loss) on net monetary position", see note 6.12.

2.6 DISTINCTION BETWEEN LIABILITIES AND EQUITY

In distinguishing between liabilities and equity Klépierre primarily considers whether or not it is obliged to make a cash payment to the counterparty. Being able to make such a decision regarding cash payments is the crucial distinction between the two items.

2.7 EARNINGS PER SHARE

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

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

2.8 RISK FACTORS RELATING TO CLIMATE CHANGE

The Group's financial statements take into account the challenges of climate change and sustainable development, based on current knowledge and practices.

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

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

For the valuation campaign that led to setting the values of investment properties as of December 31, 2022, the Group provided appraisers with the following information:

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

In addition, a portion of the Group's financing is linked to the environmental performance of its assets. The €1,385 million syndicated revolving credit facility, which matures in 2027, includes a sustainability mechanism whereby the margin on the facility is reduced if the annual carbon intensity reduction targets for the Group's shopping centers are met. The resulting savings are reinvested by Klépierre in the installation and upgrading of building management systems in its shopping centers.

NOTE 3 SEGMENT INFORMATION

Accounting policies

Segment information

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

3.1 SEGMENT EARNINGS

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

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

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

The Group's financing policy (including its impact on financial income and expenses), corporate activities and income tax matters are handled at Group level, and the resulting impacts are not allocated to the operating segments. For the purposes of the presentation of segment earnings, goodwill impairment is treated as a corporate activity.

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

	France[a]		Italy		Scandinavia		Iberia		Netherlands & Germany	
In millions of euros	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Gross rents	**447.9**	**358.9**	**214.6**	**171.1**	**139.6**	**156.7**	**127.2**	**114.1**	**110.3**	**102.9**
Other rental income	32.4	20.8	3.1	3.0	1.5	2.0	3.5	3.3	0.2	0.0
Gross rental income	**480.3**	**379.7**	**217.7**	**174.1**	**141.1**	**158.7**	**130.7**	**117.4**	**110.5**	**102.9**
Rental and building expenses	(48.7)	(64.8)	(10.3)	3.7	(18.3)	(19.3)	(11.2)	(11.3)	(29.6)	(23.4)
Net rental income	**431.6**	**314.9**	**207.4**	**177.8**	**122.8**	**139.4**	**119.4**	**106.1**	**81.0**	**79.5**
Management and other income	34.8	38.0	19.5	13.0	8.3	8.2	11.5	6.0	6.3	6.2
Payroll and other general expenses	(55.2)	(48.0)	(27.7)	(23.0)	(14.9)	(16.2)	(15.5)	(11.9)	(19.3)	(17.2)
EBITDA	**411.2**	**304.9**	**199.3**	**167.8**	**116.3**	**131.4**	**115.4**	**100.2**	**67.9**	**68.5**
Depreciation, amortization and impairment	(9.1)	(11.2)	(2.2)	(2.1)	(1.3)	(3.2)	(0.5)	(0.5)	(0.5)	3.3
Change in value of investment properties	(198.6)	(226.2)	(24.0)	(38.2)	(92.4)	(81.9)	77.4	(2.8)	(82.9)	(64.3)
Net proceeds (losses) on disposal of investment properties and equity investments	(1.6)	0.1			(27.1)	(3.4)			(25.6)	9.7
Share in earnings (losses) of equity-accounted companies	1.3	(8.8)	20.5	79.0	4.4	4.5	(1.8)	(0.2)		
SEGMENT INCOME (LOSS)	**203.2**	**58.8**	**193.5**	**206.5**	**(0.1)**	**47.4**	**190.6**	**96.7**	**(41.2)**	**17.2**
Goodwill impairment										
Cost of net debt										
Change in the fair value of financial instruments										
PROFIT (LOSS) BEFORE TAX										
Income tax benefit (expense)										
NET INCOME										

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

	Central Europe		Other countries		Not allocated		Klépierre Group	
In millions of euros	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Gross rents	**63.8**	**57.4**	**16.3**	**14.3**			**1,119.7**	**975.4**
Other rental income	1.9	1.6	0.0	0.3			42.6	31.0
Gross rental income	**65.7**	**59.0**	**16.3**	**14.6**			**1,162.4**	**1,006.4**
Rental and building expenses	(2.5)	(7.9)	(6.5)	(3.9)			(127.1)	(126.9)
Net rental income	**63.2**	**51.1**	**9.8**	**10.7**			**1,035.3**	**879.5**
Management and other income	1.7	1.6	1.7	1.5			83.8	74.5
Payroll and other general expenses	(5.7)	(5.1)	(3.8)	(3.8)	(22.0)	(22.1)	(164.0)	(147.3)
EBITDA	**59.1**	**47.6**	**7.8**	**8.4**	**(22.0)**	**(22.1)**	**955.0**	**806.7**
Depreciation, amortization and impairment	(0.4)	(0.7)	(0.2)	(0.5)	(3.0)	(2.9)	(17.3)	(17.8)
Change in value of investment properties	(15.3)	(7.5)	23.8	18.4			(312.0)	(402.5)
Net proceeds (losses) on disposal of investment properties and equity investments	0.1	(0.0)	(20.0)	2.4			(74.2)	8.8
Share in earnings (losses) of equity-accounted companies			28.8	9.8			53.3	84.3
SEGMENT INCOME (LOSS)	**43.5**	**39.4**	**40.2**	**38.5**	**(25.0)**	**(25.0)**	**604.9**	**479.5**
Goodwill impairment							(9.1)	(104.8)
Cost of net debt							(119.6)	(115.3)
Gain (loss) on net monetary position							(25.7)	
Change in the fair value of financial instruments							50.1	(0.4)
PROFIT (LOSS) BEFORE TAX							**500.6**	**259.0**
Income tax benefit (expense)							(70.8)	313.0
NET INCOME							**429.8**	**572.0**

3.2 INVESTMENT PROPERTIES BY OPERATING SEGMENT

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

In millions of euros	Value of investment properties at 12/31/2022[(a)]	Value of investment properties at 12/31/2021[(a)]
France[(b)]	7,202.7	7,511.9
Italy	3,300.7	3,253.4
Scandinavia	2,481.8	2,946.5
Iberia	2,118.9	2,037.6
Netherlands & Germany	1,720.1	2,002.1
Central Europe	937.1	949.7
Other countries	106.0	105.1
TOTAL	**17,867.3**	**18,806.3**

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

3.3 INVESTMENTS OVER THE PERIOD BY OPERATING SEGMENT

In millions of euros	Investment properties at fair value	Investment properties at cost	New investments at 12/31/2022[a]
Shopping centers	**165.8**	**17.3**	**183.1**
France[b]	58.4	17.3	75.7
Italy	71.5		71.5
Scandinavia	11.6		11.6
Iberia	3.3		3.3
Netherlands & Germany	18.1		18.1
Central Europe	2.7		2.7
Other countries	0.2		0.2
TOTAL	**165.8**	**17.3**	**183.1**

(a) Investments include acquisitions, capitalized expenses and changes in scope.
(b) Including Belgium and Other retail properties.

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

In Italy, investments are mainly attributable to the completion of the Shopville Gran Reno extension near Bologna (opened to the public on July 7, 2022) and the refurbishment works carried out in Shopville Le Gru (Turin), Campania (Naples) and Nave de Vero (Venice).

3.4 DISPOSALS OVER THE PERIOD BY OPERATING SEGMENT

In millions of euros	Proceeds from disposals
Investment properties and equity investments	**465.0**
France[a]	181.1
Italy	
Scandinavia	166.2
Iberia	
Netherlands & Germany	115.0
Central Europe	
Other countries	2.7
TOTAL	**465.0**

(a) Including Belgium and Other retail properties.

The main disposals in France concern 75 retail units sold throughout 2022 and several retail parks in France sold in May, June and August 2022.

Disposals in Scandinavia mainly concern three shopping centers in Norway, Gulskogen Senter in Drammen, Arkaden in Stavenger and Maxi Storsenter on July 1, 2022.

Disposals in the Netherlands concern the office premises near the Hoog Catharijne shopping center in Utrecht, which were sold on December 21, 2022.

NOTE 4 SCOPE OF CONSOLIDATION

ACCOUNTING POLICIES

Scope of consolidation

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

The percentage of control takes account of any potential voting rights that entitle their holders to additional votes whenever these rights are immediately exercisable or convertible.

Subsidiaries are consolidated starting on the date at which the Group obtains effective control.

Consolidation method

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

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

  Control is presumed to exist when Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent company has the power to direct the financial and operating policies of the company and appoint, dismiss or convene the majority of the members of the Board of Directors or equivalent management body.
- Joint control and significant influence: equity-method accounting. Joint control exists where operating, strategic and financial decisions require unanimous agreement between the partners. The agreement is contractual, i.e., subject to bylaws and shareholder agreements. Influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Investments in associates are initially recognized in the statement of financial position at acquisition cost, and are subsequently adjusted for the share of the profit or loss and other comprehensive income of the entity.
- No influence: the Company is not consolidated.

Changes in equity of companies accounted for using the equity method are reported on the asset side of the statement of financial position under "Investments in equity-accounted companies" and under the corresponding item in equity. Goodwill in respect of companies accounted for using the equity method is also reported under "Investments in equity-accounted companies".

Intercompany transactions

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

As of December 31, 2022, the Group's scope of consolidation included 223 companies, of which 187 fully consolidated companies and 36 companies accounted for using the equity method. The list of consolidated companies is set out in note 12.8.

The changes in scope of consolidation during 2022 were as follows:

- In May 2022, the Group sold the Turkish entity Miratur Turizm Ticaret AS, owner of Adacenter shopping center near Adapazari;
- In July 2022, the Group sold three Norwegian shopping centers (Gulskogen Senter in Drammen, Arkaden in Stavenger and Maxi Storsenter in Hamar) through the sale of the three companies Hamar Storsenter AS, Stavanger Storsenter AS and Gulskogen Senter AS;
- Klépierre SA reduced its interest in Akmerkez Garymenkul Yatirim Ortakligi AS from 45.93% to 44.85% on the Istanbul stock market.

In addition, during the period:

- Three entities were created (Lobsta & K Serris SAS, Lobsta & K Boulogne SAS and Los Prados Real Estate España SLU);
- Six shell companies were liquidated (Parc de Coquelles SNC, Step In SAS, Klépierre Beleggingen I BV, Bresta I BV, KLP Polska Sp. z o.o. Poznań SKA and Klépierre Management Slovensko SRO);
- Seven companies were merged (Galleria Commerciale Il Destriero SPA, Coimbra SA, Bègles Papin SNC, Kleber Odysseum SCI, Holding Gondomar 3 SAS, Klépierre Gift Cards SAS and LP7 SAS).

NOTE 5 NOTES TO THE STATEMENT OF FINANCIAL POSITION

5.1 GOODWILL

ACCOUNTING POLICIES

Accounting for business combinations

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

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

- The optional concentration test is used to assess whether substantially all of the fair value of the acquisition is concentrated in a single asset or group of similar assets.
- If the outcome of this test is negative, determining whether or not a business has been acquired depends on whether the acquisition includes substantive processes critical to continue producing outputs (or to develop them in the event that assets do not have outputs at the acquisition date) together with an organized workforce with the necessary skills to perform the process.

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

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

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

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

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

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

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

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

Goodwill measurement and impairment

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

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

Klépierre has two types of goodwill:

Goodwill corresponding to optimized value of deferred taxes

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

Goodwill of management companies

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

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

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

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

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

As of December 31, 2022, goodwill totaled €469.6 million, versus €480.5 million as of December 31, 2021, breaking down as follows:

Goodwill of management companies

As of December 31, 2022, goodwill of management companies totaled €218.1 million versus €222.2 million as of December 31, 2021. During the year, impairment was recognized in respect of the Netherlands management company, which has now been written down in full.

In millions of euros	12/31/2021	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2022
France	117.7					117.7
Italy	53.7					53.7
Spain	32.0					32.0
Portugal	7.1					7.1
Netherlands	4.1			(4.1)		
Germany	7.6					7.6
Scandinavia						
GOODWILL RELATING TO MANAGEMENT ACTIVITIES	**222.2**	**-**	**-**	**(4.1)**	**-**	**218.1**

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

- The discount rate applied to France, Norway, and Spain was 8.2% compared to 7.4% in 2021;
- The discount rate applied to Italy was 8.7% compared to 7.4% in 2021;
- The discount rate applied to Germany was 8.7% compared to 7.9% in 2021;
- The discount rate applied to Netherlands was 8.7% compared to 6.9% in 2021;
- The discount rate applied to other countries was 7.7% compared to 6.9% in 2021;
- Free cash flow over the duration of the business plan is based on business volume and operating margin assumptions that take into account economic and market assumptions at the date on which the plan was prepared;
- A growth rate for the 2023-2027 period based on the assumptions used in the internal business plan by country;
- A terminal value determined using a growth rate of 1.75% applied from 2028.

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

	Enterprise Value at 12/31/2022	Book Value at 12/31/2022 (post impairment)	Spread vs. Enterprise value	Discount rate	50-bp increase in discount rate	Perpetual growth rate	50-bp decrease in perpetual growth rate
France	167.0	138.3	−17%	8.2%	−6.3%	1.75%	−5.2%
Spain	40.0	32.4	−19%	8.2%	−6.5%	1.75%	−5.3%
Italy	66.5	54.5	−18%	8.7%	−5.7%	1.75%	−4.2%
Portugal	9.1	7.1	−22%	7.7%	−6.6%	1.75%	−5.2%
Czech Republic	11.8		n.m.	7.7%	−6.1%	1.75%	−4.8%
Poland	10.8	0.2	n.m.	7.7%	−6.5%	1.75%	−5.1%
Germany	7.9	7.4	−6%	8.7%	−9.1%	1.75%	7.7%
Norway		4.1	n.m.	8.2%	-	1.75%	-
Sweden				7.7%	-	1.75%	-
Denmark				7.7%	-	1.75%	-
Netherlands				8.7%	-	1.75%	-
TOTAL	**313.1**	**244.0**		**8.1%**	**−6.3%**	**1.75%**	**−5.1%**

Goodwill corresponding to the optimized value of deferred taxes

As of December 31, 2022, goodwill corresponding to the optimized value of deferred taxes totaled €251.5 million, versus €258.3 million as of December 31, 2021.

In millions of euros	12/31/2021	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2022
Italian Corio assets	173.9			(0.6)		173.3
Spanish Corio assets	23.1					23.1
IGC	18.7					18.7
Oslo City	34.9				(1.8)	33.1
Nueva Condo Murcia	4.4			(4.4)		
Other	3.3					3.3
GOODWILL ARISING ON DEFERRED TAX LIABILITIES	**258.3**	**-**	**-**	**(5.0)**	**(1.8)**	**251.5**

The main impairment of €4.4 million is related to the Spanish shopping mall Nueva Condomina in Murcia.

5.2 INTANGIBLE ASSETS

ACCOUNTING POLICIES

Intangible assets

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

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

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

Impairment of intangible assets

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

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

Intangible assets with finite useful lives

In millions of euros	12/31/2021	Acquisitions and capitalized expenses	Disposals, retirement of assets	Additions for the period	Currency movements	Changes in scope of consolidation	Reclassifications and other movements	12/31/2022
Software	95.9	9.5	(0.1)		(1.0)		0.1	104.4
Other intangible assets	7.7		(0.2)				0.1	7.6
Total gross value	**103.6**	**9.5**	**(0.3)**		**(1.0)**		**0.2**	**112.0**
Software	(77.8)			(5.9)	1.0		(0.1)	(82.8)
Other intangible assets	(5.5)		0.2	(0.1)			(0.1)	(5.5)
Total amortization	**(83.3)**		**0.2**	**(6.0)**	**1.0**		**(0.2)**	**(88.3)**
NET VALUE	**20.3**	**9.5**	**(0.1)**	**(6.0)**				**23.7**

Intangible assets with indefinite useful lives

In millions of euros	12/31/2021	Acquisition/(Disposals)	Reclassifications and other movements	12/31/2022
Goodwill	4.1			4.1
Total gross value	**4.1**			**4.1**
Goodwill	(2.5)			(2.5)
Total impairment	**(2.5)**			**(2.5)**
NET VALUE	**1.6**			**1.6**

Residual value for €1.6 million concerns the business goodwill recognized on the merger between French entities before 2005.

5.3 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Property, plant and equipment

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

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

Property, plant and equipment also include the remaining lease payments on head office leases, vehicle leases and other equipment leases, that are initially recognized in the form of a right-of-use asset in accordance with IFRS 16. They are subsequently depreciated on a straight-line basis over the lease term.

Property, plant and equipment and work in progress

In millions of euros	12/31/2021	Acquisitions and capitalized expenses	Disposals, retirement of assets	Additions for the period	Currency movements	Changes in scope of consolidation	Reclassifications and other movements	12/31/2022
Depreciable assets and work in progress	29.9	0.8	(0.6)		(0.8)		3.2	32.5
Right-of-use asset relating to property, plant and equipment[(a)]	36.4	5.2	(3.5)		(0.3)		1.8	39.6
Total gross value	**66.3**	**6.0**	**(4.1)**	**-**	**(1.1)**	**-**	**5.0**	**72.1**
Depreciable assets	(24.3)		0.5	(1.8)	0.5		(1.1)	(26.2)
Right-of-use asset relating to property, plant and equipment[(a)]	(23.3)		3.0	(8.7)	0.2		(1.0)	(29.8)
Total depreciation	**(47.6)**	**-**	**3.5**	**(10.5)**	**0.7**	**-**	**(2.1)**	**(56.0)**
Impairment								
PROPERTY PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**18.7**	**6.0**	**(0.6)**	**(10.5)**	**(0.4)**	**-**	**2.9**	**16.1**

(a) Movements in property, plant and equipment relating to leases are described in note 8 IFRS 16 "Leases".

5.4 INVESTMENT PROPERTIES

ACCOUNTING POLICIES

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

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

Land held under operating leases is classified and accounted for by the Group as a right-of-use asset in accordance with IFRS 16, as described in note 8. After initial recognition, it is measured using the fair value model in accordance with IAS 40 "Investment Property". It is subsequently measured at an amount equal to the fair value of the remaining balance of the lease liability.

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

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

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

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

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

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

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

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

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

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

Borrowing costs

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

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

Fair value of investment property

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

Investment properties are presented at fair value excluding transfer costs. Transfer costs are measured for each asset disposal. The fair values of investment properties are determined in compliance with the measurement rules described in IFRS 13. In addition, given the complexity of real estate asset valuations and the nature of certain non-public data (such as projected rent increases, capitalization and discount rates), the fair values of investment properties have been classified as level 3 on the IFRS 13 fair value hierarchy (see note 5.10). Accordingly, there are no transfers of properties between the fair value categories.

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

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

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

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

In thousand of euros	**2022 appraisal fees**
Cushman & Wakefield	245.7
CBRE	258.0
Jones Lang LaSalle	307.3
BNP Paribas Real Estate	67.6
TOTAL	**878.6**

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

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

According to the yield method, to determine the fair value of a shopping center, appraisers apply a yield rate to total net rent for occupied premises, and to the net market rent for vacant properties, discounted for the anticipated period of vacancy.

The yield rate is set by the appraiser based on a range of inputs, the most important of which are: retail sales area, layout, competition, type of ownership, gross rental income and extension potential and comparability with recent transactions in the market.

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

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

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

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

5.4.1 Investment properties at fair value

In millions of euros	
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2021	**18,728.6**
Additions to the scope of consolidation	
Capital expenditure	163.0
Capitalized interest	2.8
Disposals and removals from the scope of consolidation	(674.4)
Other movements, reclassifications	(22.7)
Currency movements	(132.0)
Fair value adjustments	(308.2)
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2022	**17,757.1**

Investments for €163.0 million and capitalized interest for €2.8 million are attributable to France for €58.3 million, Italy for €71.5 million, the Netherlands for €16.6 million and Scandinavia for €11.6 million. Information on the main investments is disclosed in note 3.3.

The Group completed disposals over the period representing a carrying amount of €674.4 million. Information on the main disposals is disclosed in note 3.4.

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

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

Shopping centers *(weighted average)*	**Discount rate[a]**	**Exit rate[b]**	**CAGR of NRI[c]**	**EPRA NIY**
France	6.7%	5.1%	3.0%	4.9%
Italy	7.8%	6.3%	2.7%	6.0%
Scandinavia	7.4%	5.1%	3.4%	4.6%
Iberia	7.6%	6.0%	2.3%	5.8%
Netherlands & Germany	6.4%	5.4%	3.2%	5.2%
Central Europe	7.3%	6.1%	1.9%	6.8%
Other countries	18.1%	9.2%	8.2%	11.6%
TOTAL GROUP	**7.3%**	**5.6%**	**2.9%**	**5.4%**

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

(a) Rate used to calculate the present value of future cash flows;

(b) Rate used to capitalize the exit rent to determine the exit value of an asset;

(c) Compound annual growth rate of net rental income determined by the appraiser at 10 years.

As of December 31, 2022, the average exit rate of the portfolio stood at 5.6% (including transfer taxes). A 25-basis-point increase in exit rate would result in a 2.7% decrease in the portfolio valuation (attributable to owners of the parent).

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	6.6%	3.1%	1.5%	−1.8%	−3.3%	−6.4%
Italy	7.5%	3.7%	1.8%	−1.8%	−3.5%	−6.8%
Scandinavia	7.7%	3.8%	1.9%	−1.8%	−3.6%	−7.0%
Iberia	7.5%	3.7%	1.8%	−1.8%	−3.5%	−6.8%
Netherlands & Germany	10.3%	5.0%	2.5%	−2.4%	−4.7%	−9.2%
Central Europe	7.2%	3.5%	1.7%	−1.7%	−3.3%	−6.5%
Other countries	5.9%	2.9%	1.4%	−1.4%	−2.8%	−5.4%
TOTAL SHOPPING CENTERS	**7.4%**	**3.6%**	**1.7%**	**−1.8%**	**−3.5%**	**−6.9%**

	Exit rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	12.7%	5.7%	2.6%	−2.7%	−5.1%	−9.4%
Italy	11.9%	5.4%	2.6%	−2.4%	−4.5%	−8.4%
Scandinavia	16.5%	7.3%	3.4%	−3.1%	−5.9%	−10.7%
Iberia	13.0%	5.8%	2.8%	−2.5%	−4.9%	−9.0%
Netherlands & Germany	17.4%	7.7%	3.6%	−3.3%	−6.3%	−11.5%
Central Europe	11.5%	5.2%	2.5%	−2.3%	−4.4%	−8.1%
Other countries	5.2%	2.4%	1.2%	−1.1%	−2.2%	−4.1%
TOTAL SHOPPING CENTERS	**13.5%**	**6.0%**	**2.8%**	**−2.7%**	**−5.1%**	**−9.5%**

5.4.2 Investment properties at cost

In millions of euros	
INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2021	**77.7**
Capital expenditure	17.3
Capitalized interest	
Disposals and removals from the scope of consolidation	
Other movements, reclassifications	19.0
Currency movements	
Fair value adjustments	
Impairment losses and reversals	(3.8)
INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2022	**110.2**

As of December 31, 2022, the main investment properties at cost comprise:

- In France: the extension and refurbishment of Grand Place in Grenoble;
- In Denmark: a land plot in Odense;
- In Belgium: a land plot in Louvain-La-Neuve.

5.4.3 Investment properties held for sale

ACCOUNTING POLICIES

Investment properties held for sale

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

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

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

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

In millions of euros	
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2021	**15.8**
Disposals and removals from the scope of consolidation	(9.9)
Other movements, reclassifications	7.5
Currency movements	(0.3)
Fair value adjustments	
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2022	**13.1**

During 2022, the Group sold several retail units in France, which were classified as held for sale as of December 31, 2021.

The main assets classified as "Investment properties held for sale" as of December 31, 2022, concern several retail units in France.

5.4.4 Investment property portfolio reconciliation

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

In millions of euros	12/31/2022 Investment properties held by fully consolidated companies	Investments in equity accounted companies[a]	Transfer taxes	Lease liability[b]	Total portfolio value (including transfer taxes)
Investment properties	17,463.9	1,217.0	915.5		19,596.4
Right-of-use asset relating to ground leases	293.2			(269.4)	23.8
Incl. upfront payments on ground leases	*23.8*				*23.8*
Investment properties at fair value	**17,757.1**	**1,217.0**	**915.5**	**(269.4)**	**19,620.2**
Investment properties at cost	110.2	49.9			160.1
Investment properties held for sale	13.1				13.1
Operating lease incentives	39.0				39.0
TOTAL	**17,919.4**	**1,266.9**	**915.5**	**(269.4)**	**19,832.4**

(a) Investments in equity-accounted assets are included based on the fair value of the shares held and taking into account shareholder financing granted by the Group.
(b) The lease liability as defined by IFRS 16 is deducted from the investment property value in the portfolio valuation.

5.5 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

In millions of euros	12/31/2021 Attributable to owners of the parent	Share in earnings	Dividends received	Capital increases and decreases	Currency movements	Changes in scope of consolidation and other movements	12/31/2022 Attributable to owners of the parent
Investments in joint ventures	832.1	21.3	(1.7)	(13.8)	(6.9)	(0.6)	830.4
Investments in associates	146.9	32.0	(8.6)	-	(8.4)	2.1	164.0
EQUITY-ACCOUNTED COMPANIES	**979.0**	**53.3**	**(10.3)**	**(13.8)**	**(15.3)**	**1.5**	**994.4**

Thirty-six companies were accounted for using the equity method as of December 31, 2022, of which 26 joint ventures and 10 associates.

Non-current assets presented in this section mainly concerned investment property held by equity-accounted companies. The valuation of the investment property follows the Group's rules as described in note 5.4.

Investments in joint ventures

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

In millions of euros	12/31/2022 100%	12/31/2022 Attributable to owners of the parent	12/31/2021 100%	12/31/2021 Attributable to owners of the parent
Non-current assets	2,220.9	1,100.0	2,257.8	1,117.8
Current assets	80.7	39.2	83.6	40.5
Cash and cash equivalents	106.3	51.8	101.6	49.4
Non-current external financial liabilities	(41.7)	(18.7)	(59.3)	(27.4)
Non-current financial liabilities (Group and associates)	(491.7)	(245.9)	(484.6)	(242.3)
Non-current liabilities	(142.1)	(70.8)	(126.8)	(63.1)
Current external financial liabilities	(7.0)	(3.4)	(8.6)	(4.2)
Current liabilities	(46.3)	(21.9)	(80.1)	(38.6)
NET ASSETS	**1,679.1**	**830.4**	**1,683.6**	**832.1**

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

Non-current liabilities mainly include deferred tax.

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

In millions of euros	12/31/2022 100%	12/31/2022 Attributable to owners of the parent	12/31/2021 100%	12/31/2021 Attributable to owners of the parent
Revenues from ordinary activities	143.8	71.3	120.7	59.7
Operating expenses	(31.9)	(15.7)	(18.6)	(9.2)
Change in value of investment properties	(26.4)	(12.8)	(47.9)	(23.5)
Financial expense	(19.9)	(9.9)	(18.8)	(9.4)
Profit before tax	**65.6**	**32.9**	**35.4**	**17.6**
Tax	(23.2)	(11.6)	108.0	53.9
NET INCOME	**42.4**	**21.3**	**143.4**	**71.5**

As of December 31, 2022, Klépierre's share in the external net debt (current and non-current external financial liabilities adjusted for cash and cash equivalents) of its joint ventures represented a positive €29.7 million.

Investments in associates

The main components of the statements of financial position and income of associates[1] are presented below (the amounts shown below include consolidation adjustments):

In millions of euros	12/31/2022 100%	12/31/2022 Attributable to owners of the parent	12/31/2021 100%	12/31/2021 Attributable to owners of the parent
Non-current assets	997.5	165.7	977.9	151.6
Current assets	8.4	1.4	8.1	0.8
Cash and cash equivalents	25.9	5.7	23.0	4.7
Non-current external financial liabilities	(4.5)	(0.5)	(5.8)	(0.7)
Non-current financial liabilities (Group and associates)	(39.5)	(4.2)	(49.7)	(5.2)
Non-current liabilities	(10.1)	(1.5)	(10.2)	(1.5)
Current external financial liabilities	(0.1)		(0.1)	
Current liabilities	(20.9)	(2.6)	(20.6)	(2.8)
NET ASSETS	**956.7**	**164.0**	**922.6**	**146.9**

In millions of euros	12/31/2022 100%	12/31/2022 Attributable to owners of the parent	12/31/2021 100%	12/31/2021 Attributable to owners of the parent
Revenues from ordinary activities	62.1	12.3	53.4	10.9
Operating expenses	(12.1)	(3.0)	(11.5)	(2.5)
Change in value of investment properties	38.8	24.9	(1.8)	3.8
Financial income	1.0	0.8	0.9	0.6
Loss on net monetary position	(6.8)	(3.0)	0.0	0.0
Profit before tax	**83.0**	**32.0**	**41.0**	**12.8**
Tax			0.0	0.0
NET INCOME	**83.0**	**32.0**	**41.0**	**12.8**

(1) *La Rocade SCI, La Rocade Ouest SCI, Du Plateau SCI, Achères 2000 SCI, Le Champ de Maïs SC, Société du bois des fenêtres SARL, Secar SC, Antigaspi & K SAS, NEAG Boulogne SAS and Akmerkez Gayrimenkul Yatirim Ortakligi AS.*

5.6 OTHER NON-CURRENT ASSETS

ACCOUNTING POLICIES FOR FINANCIAL ASSETS (CURRENT AND NON-CURRENT)

Financial assets

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

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

Assets at amortized cost

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

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

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

Assets at fair value through profit or loss

This category includes:

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

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

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

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

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

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

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

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

Movements in other non-current assets during 2022 are as follows:

In millions of euros	12/31/2021	Change in scope	Increases	Decreases	Other (including currency movements)	12/31/2022
Other long-term investments	0.4					0.4
Advances to equity-accounted companies and other	263.1		16.3	(17.0)	(2.4)	260.0
Loans	0.0		19.8		(0.8)	19.0
Deposits	16.0		1.3	(1.1)		16.2
Other long-term financial investments	1.1					1.1
TOTAL	**280.6**	**-**	**37.4**	**(18.1)**	**(3.2)**	**296.7**

The following tables present the net carrying amount of other non-current assets, in accordance with IFRS 9, as of December 31, 2022 and December 31, 2021:

In millions of euros	Carrying amount 12/31/2022	Amounts recognized in the statement of financial position according to IFRS 9	
		Amortized cost	Fair value through profit or loss
Other long-term investments	0.4	0.4	
Advances to equity-accounted companies and other	260.0	260.0	
Loans	19.0	19.0	
Deposits	16.2	16.2	
Other long-term financial investments	1.1	1.1	
TOTAL	**296.7**	**296.7**	

In millions of euros	Carrying amount 12/31/2021	Amounts recognized in the statement of financial position according to IFRS 9	
		Amortized cost	Fair value through profit or loss
Other long-term investments	0.4		0.4
Advances to equity-accounted companies and other	263.1	263.1	
Loans			
Deposits	16.0	16.0	
Other long-term financial investments	1.1		1.1
TOTAL	**280.6**	**279.1**	**1.5**

5.7 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are recognized and measured at face value minus allowances for non-recoverable amounts, in accordance with IFRS 9, as described in note 5.6.

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

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

In millions of euros	12/31/2022	12/31/2021
Trade receivables	254.6	284.4
Allowances for bad debts	(167.4)	(183.8)
Net value of trade receivables	**87.2**	**100.6**
Step-up rents and rent-free periods	54.6	59.3
TRADE AND OTHER RECEIVABLES	**141.8**	**159.9**

As of December 31, 2022, trade receivables stood at €254.6 million, representing €267.2 million in gross trade receivables less €12.6 million in accrued rent abatements. As of December 31, 2021, the gross trade receivables totaled €360.2 million deducted by €75.8 million accrued rent abatements.

5.8 OTHER RECEIVABLES

	12/31/2022			12/31/2021
In millions of euros	Total	Less than one year	More than one year	Total
Tax receivables	**64.3**	**64.3**		**74.8**
Income tax	13.8	13.8		21.4
VAT	44.5	44.5		36.9
Other tax receivables	6.0	6.0		16.5
Other	**201.0**	**201.0**		**258.3**
Service charges due	14.6	14.6		14.7
Downpayments to suppliers	84.5	84.5		129.1
Prepaid expenses	14.7	14.7		6.3
Funds from principals	51.2	51.2		76.3
Other	36.0	36.0		31.9
TOTAL	**265.3**	**265.3**		**333.1**

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

Downpayments to suppliers decreased from €129.1 million as of December 31, 2021 to €84.5 million as of December 31, 2022, mainly due to the settlement of charges in France.

Funds managed by Klépierre Management on behalf of its principals stood at €51.2 million as of December 31, 2022 versus €76.3 million as of December 31, 2021. The management accounts of the principals are recognized under "Other liabilities" (see note 5.14) for the same amount.

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

5.9 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Cash and cash equivalents are recognized and measured at fair value through profit or loss in accordance with IFRS 9, as described in note 5.6

In millions of euros	12/31/2022	12/31/2021
Cash equivalents	0.0	160.0
• *Treasury bills and certificates of deposit*	*0.0*	*160.0*
• *Money-market investments*		
Cash	281.6	480.0
Gross cash and cash equivalents	**281.6**	**640.0**
Bank overdrafts	**(0.1)**	**(15.5)**
NET CASH AND CASH EQUIVALENTS	**281.5**	**624.5**

The significant decrease in the net cash position during 2022 is attributable to the successful tender offer launched in January, through which €297.0 million in senior notes was redeemed, and the early redemption of a private placement for €100.0 million in February. Klépierre also distributed €485.3 million to its shareholders in May 2022.

5.10 FAIR VALUE OF FINANCIAL ASSETS

ACCOUNTING POLICIES

Measurement and recognition of financial assets and liabilities

The recognition and measurement of financial assets and liabilities is governed by IFRS 9, as described in notes 5.6 and 5.12.

Method used to determine fair value of financial instruments

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

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

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

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

Fair value hierarchy of financial assets and liabilities

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

Valuation techniques are based on:

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

The following table presents the net carrying amount and fair value hierarchy of the Group's financial assets as of December 31, 2022:

In millions of euros	Carrying amount 12/31/2022	Fair value	Level 1	Level 2	Level 3
Other long-term investments	0.4	0.4		0.4	
Advances to equity-accounted companies and other	260.0	260.0		260.0	
Loans	19.0	19.0		19.0	
Deposits	16.2	16.2		16.2	
Other long-term financial investments	1.1	1.1		1.1	
Total other non-current assets	**296.7**	**296.7**		**296.7**	
Cash equivalents	0.0	0.0	0.0		
• *Treasury bills and certificates of deposit*	*0.0*	*0.0*	*0.0*		
• *Money-market investments*					
Cash	281.6	281.6	281.6		
Gross cash and cash equivalents	**281.6**	**281.6**	**281.6**		
Bank overdrafts	**(0.1)**	**(0.1)**	**(0.1)**		
NET CASH AND CASH EQUIVALENTS	**281.5**	**281.5**	**281.5**		

The following table presents the positions as of December 31, 2021:

In millions of euros	Carrying amount 12/31/2021	Fair value	Level 1	Level 2	Level 3
Other long-term investments	0.4	0.4		0.4	
Advances to equity-accounted companies and other	263.1	263.1		263.1	
Loans					
Deposits	16.0	16.0		16.0	
Other long-term financial investments	1.1	1.1		1.1	
Total other non-current assets	**280.6**	**280.6**		**280.6**	
Cash equivalents	160.0	160.0	160.0		
• *Treasury bills and certificates of deposit*	*160.0*	*160.0*	*160.0*		
• *Money-market investments*					
Cash	480.0	480.0	480.0		
Gross cash and cash equivalents	**640.0**	**640.0**	**640.0**		
Bank overdrafts	**(15.5)**	**(15.5)**	**(15.5)**		
NET CASH AND CASH EQUIVALENTS	**624.5**	**624.5**	**624.5**		

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

5.11 EQUITY

5.11.1 Share capital, additional paid-in capital and capital reserves

As of December 31, 2022, the share capital comprised 286,861,172 fully paid-up shares each with a par value of €1.40. Shares are held in either registered or bearer form.

Per unit	Number of shares
As of January 1, 2022	286,861,172
Cancellation of shares in 2022	
Shares issued in 2022	
Dividend distribution in 2022	
AS OF DECEMBER 31, 2022	**286,861,172**

In euros	Share capital	Legal reserve	Issue premiums	Merger premiums	Other premiums	Total capital reserves
As of January 1, 2022	401,605,641	44,009,849	4,045,488,516		25,729,998	4,115,228,363
Cancellation of shares in 2022						
Shares issued in 2022						
Dividend distribution in 2022			(461,933,995)		(23,417,452)	(485,351,447)
AS OF DECEMBER 31, 2022	**401,605,641**	**44,009,849**	**3,583,554,521**		**2,312,546**	**3,629,876,916**

On April 26, 2022, the General Meeting of Shareholders approved the payment of a €1.70 per share cash distribution in respect of the 2021 fiscal year. The total distribution approved by Klépierre's shareholders amounted to €487.7 million including treasury shares (€485.3 million excluding treasury shares).

The dividend distribution was deducted from issue premiums (€461.9 million), and other premiums (€23.4 million).

As of December 31, 2022, the legal reserve stood at €44 million.

5.11.2 Treasury shares

ACCOUNTING POLICIES

Treasury shares

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

As of December 31, 2022, Klépierre held 1,360,321 treasury shares, versus 1,477,421 shares as of December 31, 2021.

The following tables present treasury shares as of December 31, 2022 and December 31, 2021:

	12/31/2022					
	Future performance share plans	Performance shares allocated	Liquidity agreement	External growth	Share buyback programs	Total
Number of shares	616,115	744,206				1,360,321
Acquisition value *(in millions of euros)*	13.0	15.6				28.6
Proceeds from sales *(in millions of euros)*		(3.5)	(0.5)			(4.0)

	12/31/2021					
	Future performance share plans	Performance shares allocated	Liquidity agreement	External growth	Share buyback program	Total
Number of shares	930,369	547,052				1,477,421
Acquisition value *(in millions of euros)*	21.1	12.5				33.6
Proceeds from sales *(in millions of euros)*		(2.7)	(3.1)			(5.8)

5.11.3 Other consolidated reserves

In millions of euros	Other consolidated reserves
As of January 1, 2022	3,376.6
Treasury share transactions	(0.9)
Allocation of net income	544.7
Dividends	
Other comprehensive income (expense)	(25.4)
Changes in the scope of consolidation	
Other movements	26.2
AS OF DECEMBER 31, 2022	**3,921.2**

The increase in other consolidated reserves from €3,376.6 million to €3,921.2 million is mainly attributable to:

- The appropriation of 2021 consolidated net income;
- The change in other comprehensive income, mainly attributable to currency translation adjustments;
- The change in other movements, mainly attributable to the impact of the application of IAS 29 to the Group's Turkish entities.

5.11.4 Non-controlling interests

Non-controlling interests decreased by €93.9 million in 2022, from €2,188.7 million to €2,094.8 million, mainly reflecting:

- Net income for the period attributable to non-controlling interests (positive impact of €14.6 million);
- Payment of dividends (negative impact of €123.6 million);
- Foreign exchange impacts (negative impact of €4.2 million), mainly in Scandinavia;
- Gains and losses on the fair value of cash flow hedging instruments in Scandinavia (positive impact of €16.5 million).

5.12 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

ACCOUNTING POLICIES

Financial liabilities

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

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

Measurement and recognition of financial liabilities

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

Recognition of liabilities at amortized cost

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

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

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

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

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

Measurement and recognition of derivatives

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

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

- Hedges to cover statement of financial position items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fair value hedges);
- Hedges to cover the exposure to future cash flow risk (cash flow hedges), which consists of setting the amount of future cash flows arising on floating-rate liabilities or assets.

Klépierre's derivatives portfolio qualified for hedge accounting meets all IFRS 9 hedge definition and effectiveness criteria.

The adoption of hedge accounting has the following consequences:

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

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

Recognition date: trade or settlement

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

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

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

Klépierre applies the following rules:

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

Tax treatment of changes in fair value of financial instruments

Klépierre applies the following rules:

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

5.12.1 Change in debt

Changes in debt presented below do not include lease liabilities under IFRS 16, which are presented in note 8.

Current and non-current financial liabilities amounted to €7,695.8 million as of December 31, 2022 versus €8,708.2 million at December 31, 2021.

In millions of euros	12/31/2022	12/31/2021
NON-CURRENT		
Bonds net of costs/premiums	**4,949.5**	**6,044.9**
• Of which fair value hedge adjustments	(116.5)	0.2
Bank loans and borrowings – long term	**655.3**	**649.5**
Fair value adjustemnts to debt[(a)]		
Other loans and borrowings	**113.0**	**120.7**
• Advance payments to associates	113.0	113.5
• Other		7.2
Total non-current financial liabilities	**5,717.8**	**6,815.1**
CURRENT		
Bonds net of costs/premiums	**675.9**	**279.9**
• Of which fair value hedge adjustments		
Bank loans and borrowings – short term	**55.1**	**33.5**
• Of which other borrowing issue costs	3.2	3.2
Fair value adjustments to debt[(a)]		**1.7**
Accrued interest	**44.5**	**45.2**
• On bonds	39.6	42.2
• On bank loans	1.6	1.7
• On advance payments to associates	3.3	1.3
Commercial paper	**1,199.9**	**1,530.0**
Other loans and borrowings	**2.6**	**2.8**
• Advance payments to associates	2.6	2.8
Total current financial liabilities	**1,978.0**	**1,893.1**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,695.8**	**8,708.2**

(a) Corresponds to the balance of the mark-to-market of Corio's debt recognized at the acquisition date.

Net debt totaled €7,479.3 million as of December 31, 2022, down €526.7 million versus €8,006.0 million as of December 31, 2021. Net debt is the difference between financial liabilities (excluding both fair value hedge adjustments and the mark-to-market of Corio's debt recognized at the acquisition date) plus bank overdrafts less available cash and marketable securities.

In millions of euros	12/31/2022	12/31/2021
Non-current and current financial liabilities	7,695.8	8,708.2
Bank overdrafts	0.1	15.5
Revaluation due to fair value hedge and cross currency swap	116.1	0.4
Fair value adjustement of debt[(a)]		(1.7)
Cash and cash equivalents[(b)]	(332.7)	(716.2)
NET DEBT	**7,479.3**	**8,006.0**

(a) Corresponds to the balance of the mark-to-market of Corio's debt recognized at the acquisition date.
(b) Includes cash managed for principals for €51.2 million as of December 31, 2022 and for €76.3 million as of December 31, 2021.

The main movements during the period were as follows:

- Cash inflows from operations and other items (foreign exchange, changes in working capital, financial instruments close-out costs), amounting to €767.0 million;
- Cash outflows in respect of 2021 distributions for €607.0 million, including the €1.70 per share to shareholders (€485.3 million) and distributions to non-controlling interests (€122.0 million);
- Cash outflows in respect of capital expenditure for €180.0 million and;
- Cash inflows from disposals of €547.0 million.

5.12.2 Main sources of financing

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

	Group financing						
In millions of euros	**Borrower**	**Issue currency**	**Reference rate**	**Maturity date**	**Repayment profile**	**Maximum amount**	**Amount drawn as of 12/31/2022**
Bonds - Klépierre SA						**5,585**	**5,585**
	Klépierre SA	EUR	1.000%	04/17/2023	At maturity	524	524
	Klépierre SA	EUR	1.750%	11/06/2024	At maturity	557	557
	Klépierre SA	EUR	2.125%	10/22/2025	At maturity	255	255
	Klépierre SA	EUR	1.875%	02/19/2026	At maturity	500	500
	Klépierre SA	EUR	1.375%	02/16/2027	At maturity	600	600
	Klépierre SA	EUR	4.230%	05/21/2027	At maturity	50	50
	Klépierre SA	EUR	2.000%	05/12/2029	At maturity	600	600
	Klépierre SA	EUR	0.625%	07/01/2030	At maturity	600	600
	Klépierre SA	EUR	0.875%	02/17/2031	At maturity	600	600
	Klépierre SA	EUR	1.250%	09/29/2031	At maturity	600	600
	Klépierre SA	EUR	1.625%	12/13/2032	At maturity	700	700
Bonds - Steen & Strøm						**200**	**200**
	Steen & Strøm	NOK	NIBOR	03/23/2023	At maturity	76	76
	Steen & Strøm	NOK	NIBOR	04/05/2023	At maturity	29	29
	Steen & Strøm	NOK	2.400%	11/07/2023	At maturity	48	48
	Steen & Strøm	NOK	2.550%	10/24/2024	At maturity	14	14
	Steen & Strøm	NOK	NIBOR	10/24/2024	At maturity	24	24
	Steen & Strøm	NOK	2.980%	05/23/2029	At maturity	10	10
Bank loans and revolving credit facilities						**3,391**	**75**
	Klépierre SA	EUR	Euribor	12/16/2027	At maturity	1,385	
	Klépierre SA	EUR	Euribor	[b]	At maturity	1,750	
	Klépierre SA	EUR	Fixed	12/15/2027	At maturity	75	75
	Steen & Strøm	NOK	NIBOR	2023	At maturity	95	
	Steen & Strøm	NOK	NIBOR	2025	At maturity	86	
Mortgage loans						**636**	**636**
	Massalia Shopping Mall	EUR	Euribor	06/23/2026	At maturity	99	99
	Steen & Strøm	SEK	STIBOR	[c]		217	217
	Steen & Strøm	DKK	CIBOR	[c]		268	268
	Steen & Strøm	DKK	Fixed	[c]		52	52
Short-term facilities and bank overdrafts						**365**	
Commercial paper						**1,200**	**1,200**
	Klépierre SA	EUR	Euribor	-	At maturity	1,200	1,200
	Steen & Strøm	NOK	NIBOR		At maturity		
	Steen & Strøm	SEK	STIBOR		At maturity		
GROUP TOTAL[a]						**10,176**	**7,696**

(a) Totals are calculated excluding backup lines since the maximum amount of the "Commercial paper" line includes the backup lines.
(b) These lines combine several facilities with maturities from 2023 to 2027 and differents lenders.
(c) These lines combine several mortgage loans with maturities from 2023 to 2042 and differents lenders.

As a general rule, the Group finances its assets with equity or debt raised by Klépierre SA. In certain cases, especially in the context of joint operations and in Scandinavia, the Group may use mortgage loans to fund its activities. The total amount of mortgages granted to secure this financing (€636.0 million) was €891.0 million as of December 31, 2022.

5.12.3 Covenants

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

Covenants applicable to Klépierre SA financing

Financing	Ratios/covenants	Limit[a]	12/31/2022	12/31/2021
Syndicated loans and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤60%	37.7%	38.7%
	EBITDA/Net interest expenses[b]	≥2.0x	10.0	8.3
	Secured debt/Portfolio value[c]	≤20%	0.6%	0.6%
	Portfolio value[d]	≥€10bn	€17.1bn	€17.7bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤50%	0.7%	0.8%

(a) Covenants are based on the 2021 revolving credit facility.
(b) Excluding the impact of liability management operations (non-recurring items).
(c) Excluding Steen & Strøm.
(d) Group share, including transfer taxes.

As of December 31, 2022, Klépierre SA complied with all obligations arising from its borrowings.

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

As of December 31, 2022, all of the Group's borrowing entities complied with the obligations arising from their borrowings. In respect of a non-recourse mortgage loan granted to the Group's subsidiary Massalia Shopping Mall, the tests to be conducted in 2023 may identify non-compliance with the financial convenants. However, as of December 31, 2022, the borrower estimates that it has sufficient liquidity to remedy any breach of a covenant within the period provided for by the loan agreement in such case. In any event, this would have no consequences on the other Group's financing obligations.

A portion of Steen & Strøm's debt is subject to a covenant that requires shareholders' equity to be above or equal to 20% of net asset value at all times. As of December 31, 2022, this ratio was 53.7%.

5.12.4 Breakdown of borrowings by maturity date

The breakdown of borrowings by maturity date presented below does not include lease liabilities under IFRS 16, which are presented in note 8.

In millions of euros	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net of costs/premiums	**4,949.5**		**1,840.0**	**3,109.5**
• Of which fair value hedge adjustments	(116.5)		(116.5)	
Bank loans and borrowings – long term	**655.3**		**310.8**	**344.5**
Fair value adjustments to debt[a]				
Other loans and borrowings	**113.0**		**113.0**	
• Advance payments to associates	113.0		113.0	
• Other				
Total non-current financial liabilities	**5,717.8**		**2,263.8**	**3,454.0**
CURRENT				
Bonds net of costs/premiums	**675.9**	**675.9**		
• Of which fair value hedge adjustments				
Bank loans and borrowings – short term	**55.1**	**55.1**		
Accrued interest	**44.5**	**44.5**		
• On bonds	39.6	39.6		
• On bank loans	1.6	1.6		
• On advance payments to associates	3.3	3.3		
Commercial paper	**1,199.9**	**1,199.9**		
Other loans and borrowings	**2.6**	**2.6**		
• Advance payments to associates	2.6	2.6		
Total current financial liabilities	**1,978.0**	**1,978.0**		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,695.8**	**1,978.0**	**2,263.8**	**3,454.0**

(a) Corresponds to the balance of the mark-to-market of Corio's debt recognized at the acquisition date.

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

5.12.5 Classification and fair value hierarchy of financial liabilities

ACCOUNTING POLICIES

Fair value hierarchy of financial liabilities

As described in note 5.10. IFRS 13 sets out a fair value hierarchy that categorizes the valuation techniques used to measure the fair value of all financial liabilities.

The table below presents the breakdown of financial liabilities by measurement approach in accordance with IFRS 9, as described in note 5.6.

In millions of euros	Carrying amount 12/31/2022	Amounts recognized in the statement of financial position according to IFRS 9		Fair value	Fair value hierarchy		
		Liability at amortized cost	Liability at fair value recognized through profit or loss[(a)]		Level 1	Level 2	Level 3
NON-CURRENT							
Bonds net of costs/premiums	4,949.5	4,457.7	491.8	4,146.3	4,146.3		
Bank loans and borrowings – long term	655.3	580.6	74.7	652.2		652.2	
Fair value adjustments to debt							
Other loans and borrowings	113.0	113.0		113.0		113.0	
Total non-current financial liabilities	**5,717.8**	**5,151.3**	**566.5**	**4,911.5**	**4,146.3**	**765.2**	
CURRENT							
Bonds net of costs/premiums	675.9	675.9		672.8	672.8		
Bank loans and borrowings – short term	55.1	55.1		55.1		55.1	
Fair value adjustments to debt							
Accrued interest	44.5	44.5		44.5		44.5	
Commercial paper	1,199.9	1,199.9		1,199.9		1,199.9	
Other loans and borrowings	2.6	2.6		2.6		2.6	
Total current financial liabilities	**1,978.0**	**1,978.0**		**1,974.9**	**672.8**	**1,302.1**	
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7,695.8**	**7,129.3**	**566.5**	**6,886.4**	**4,819.1**	**2,067.3**	

(a) Corresponds to the remeasured portion of the bonds as part of the fair value hedge presented in notes 5.10 and 5.12.

As of December 31, 2022, the carrying amount of financial liabilities for which the change in fair value is recognized in profit or loss was €567.0 million. This corresponds to fixed-rate debts that were converted into floating rate debts by means of fixed rate receiver swaps qualified as fair value hedges.

The following table presents the positions as of December 31, 2021:

In millions of euros	Carrying amount 12/31/2021	Amounts recognized in the statement of financial position according to IFRS 9		Fair value	Fair value hierarchy		
		Liability at amortized cost	Liability at fair value recognized through profit or loss		Level 1	Level 2	Level 3
NON-CURRENT							
Bonds net of costs/premiums	6,044.9	5,437.1	607.8	6,249.6	6,249.6		
Bank loans and borrowings – long term	649.5	649.5		650.9		650.9	
Fair value adjustments to debt							
Other loans and borrowings	120.7	120.7		120.7		120.7	
Total non-current financial liabilities	**6,815.1**	**6,207.3**	**607.8**	**7,021.2**	**6,249.6**	**771.6**	
CURRENT							
Bonds net of costs/premiums	279.9	279.9		280.3	280.3		
Bank loans and borrowings – short term	33.5	33.5		33.5		33.5	
Fair value adjustments to debt	1.7	1.7		1.7		1.7	
Accrued interest	45.2	45.2		45.2		45.2	
Commercial paper	1,530.0	1,530.0		1,530.0		1,530.0	
Other loans and borrowings	2.8	2.8		2.8		2.7	
Total current financial liabilities	**1,893.1**	**1,893.1**		**1,893.5**	**280.3**	**1,613.2**	
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**8,708.2**	**8,100.4**	**607.8**	**8,914.8**	**6,529.9**	**2,384.8**	

As of December 2021, the carrying amount of financial liabilities for which the change in fair value is recognized through profit or loss was €608.0 million. This corresponds to fixed rate bonds that were converted into floating rate debt by means of receiver swaps.

5.13 LONG-TERM PROVISIONS

ACCOUNTING POLICIES

Provisions and contingent liabilities

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

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

Long-term provisions amounted to €29.1 million as of December 31, 2022 versus €23.9 million as of December 31, 2021, and mainly concern business-related litigation and taxes outside the scope of IFRIC 23 in the different countries in which Klépierre operates.

5.14 PAYROLL, TAX LIABILITIES AND OTHER LIABILITIES

In millions of euros	12/31/2022	12/31/2021
Payroll and tax liabilities	**186.1**	**190.4**
Employees and related accounts	42.1	41.0
Social security and other bodies	10.4	11.0
Tax payables		
• Income tax	57.8	42.6
• VAT	41.2	36.3
Other taxes and duties	34.6	59.5
Other liabilities	**337.3**	**377.1**
Creditor customers	15.4	18.8
Prepaid income	23.4	28.1
Other liabilities	298.5	330.2

Creditor customers for €15.4 million corresponds to advance payments received from tenants in respect of service charges.

Other liabilities also include funds representing the management accounts of Klépierre Management's principals, offset in full by other receivables (see note 5.8 "Other receivables"). These funds totaled €51.2 million as of December 31, 2022 (€76.3 million as of December 31, 2021).

NOTE 6 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

6.1 GROSS RENTAL INCOME

ACCOUNTING POLICIES

IFRS 16 "Leases"

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

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

Recognition of step-up rents and rent-free periods

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

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

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

Entry fees

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

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

Early termination penalties

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

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

IFRS 15 "Revenue from Contracts with Customers"

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

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

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

Gross rental income breaks down as follows:

In millions of euros	**12/31/2022**	**12/31/2021**
Minimum guaranteed rents	1,008.5	1,030.8
Turnover rents	48.4	29.9
Specialty leasing	35.0	28.8
Parkings	40.9	33.7
Lease incentives and discounts	(47.2)	(42.9)
Rent abatements	34.1	(104.9)
Gross rents	1,119.7	975.4
Other lease income	**42.7**	**31.0**
GROSS RENTAL INCOME	**1,162.4**	**1,006.4**

As of December 31, 2022, rent abatements represented a net reversal of €34.1 million mainly comprising €45.0 million in reversals of accrued rent abatements for 2020 and 2021 less €12 million in straight-line deferrals in accordance with IFRS 16.

6.2 LAND EXPENSES (REAL ESTATE)

ACCOUNTING POLICIES

Ground leases: IFRS 16

Ground leases are recognized as a right-of-use asset and lease liability in the statement of financial position for the present value of the lease payments (fixed portion only) and are subsequently measured at fair value in accordance with IAS 40 (see note 8). The lease expenses are reclassified to "Interest expenses" and "Change in value of investment properties".

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

For the year ended December 31, 2022, land expenses relating to variable payments on ground leases amounted to €6.5 million, compared to €7.1 million for the year ended December 31, 2021.

6.3 SERVICE CHARGES

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

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

6.4 OWNERS' BUILDING EXPENSES

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

In millions of euros	12/31/2022	12/31/2021
Losses and allowance for credit losses	(120.0)	(113.4)
Write-back of provisions for credit losses	112.2	91.3
Net impairment on credit losses	**(7.8)**	**(22.1)**
Other bulding expenses	(22.7)	(19.3)
BUILDING EXPENSES (OWNER)	**(30.5)**	**(41.4)**

Net impairment on credit losses for the year ended December 31, 2022 amounted to €7.8 million and comprised the allowance for bad debts in respect of 2022 offset by the reversal of the provision for 2021 receivables.

6.5 MANAGEMENT, ADMINISTRATIVE AND RELATED INCOME

Management, administrative and related income amounted to €69.3 million in 2022 and is presented below:

In millions of euros	12/31/2022	12/31/2021
Real estate development fees	7.0	5.9
Acquisition development fees	**7.0**	**5.9**
Rent management fees	10.7	9.1
Renewal and reletting fees	1.7	2.1
Real estate management fees	46.1	45.9
Other property fees	3.8	2.1
Property fees	**62.3**	**59.2**
MANAGEMENT, ADMINISTRATIVE AND RELATED INCOME	**69.3**	**65.1**

6.6 OTHER OPERATING INCOME

Other operating income notably includes works rebilled to tenants.

6.7 OTHER GENERAL EXPENSES

Other general expenses mainly comprise costs related to offices management, consultancy and audit, communication, IT and other administrative expenses. They amounted to €46.6 million for the year ended December 31, 2022 compared to €39.5 million for the year ended December 31, 2021.

6.8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the year ended December 31, 2022, depreciation, amortization and impairment of property, plant and equipment and intangible assets amounted to €16.6 million, of which €8.7 million in depreciation of right-of-use assets, as described in note 8.

6.9 CHANGE IN VALUE OF INVESTMENT PROPERTIES

As of December 31, 2022, changes in the value of investment properties amounted to a negative €312.0 million, versus a negative €402.5 million as of December 31, 2021.

In millions of euros	12/31/2022	12/31/2021
Change in value of investment properties at fair value[(a)]	(308.2)	(399.8)
Change in value of investment properties at cost	(3.8)	(2.7)
TOTAL	**(312.0)**	**(402.5)**

(a) The change in the value of the right-of-use asset relating to ground leases amounted to a negative €6.6 million (see note 8).

Recognition and measurement of investment properties at fair value and at cost are disclosed in note 5.4.

6.10 INCOME FROM DISPOSALS OF INVESTMENT PROPERTIES AND EQUITY INVESTMENTS

Income from disposals in 2022 amounted to a negative €74.2 million and comprised €465.0 million in net proceeds from disposals less €539.3 million in carrying amounts.

The loss of €74.2 million is mainly due to the recycling of the foreign exchange reserves relating to the disposals in Norway and in Turkey.

The main disposals over the period are disclosed in note 3.4.

6.11 COST OF NET DEBT

The cost of net debt totaled €119.6 million for the year ended December 31, 2022, versus €115.3 million for the year ended December 31, 2021. Excluding IFRS 16 interest expense on lease liabilities and other accounting and non recurring items (amortization of the fair value of debt, provisions and capitalized interest and deferral of payments on swaps), the restated cost of net debt decreased by €10.0 million compared to 2021 due to a lower amount of outstanding debt down by €800.0 million on average.

In millions of euros	12/31/2022	12/31/2021
Financial income	**38.9**	**33.2**
Income from sales of securities		0.0
Interest income on swaps	21.7	13.7
Deferral of payments on swaps	0.3	0.0
Capitalized interest	2.8	2.5
Interest on advances to associates	9.5	9.4
Sundry interest received	2.5	0.5
Other revenue and financial income	0.0	0.8
Currency translation gains	2.1	6.2
Financial expenses	**(150.3)**	**(140.1)**
Expenses from sales of securities		
Interest on bonds	(94.0)	(104.3)
Interest on bank loans	(10.2)	(0.9)
Interest expense on swaps	(10.3)	(10.8)
Deferral of payments on swaps		(0.1)
Interest on advances to associates	(3.1)	(2.1)
Sundry interest paid	(0.0)	(0.6)
Other financial expenses[(a)]	(31.9)	(20.2)
Currency translation losses	(3.3)	(4.3)
Transfer of financial expenses	0.8	0.3
Amortization of the fair value of debt[(b)]	1.7	2.8
Cost of net debt	**(111.4)**	**(107.0)**
Interest expense on lease liabilities[(c)]	(8.2)	(8.3)
COST OF NET DEBT AFTER IFRS 16	**(119.6)**	**(115.3)**

(a) Including non-recurring financial expenses (€12.6 million), non-utilization fees (€7.3 million), other cost amortization (€5.7 million), provisions (€4.0 million) and other financial expenses (€2.4 million).
(b) Corresponds to the amortization of the mark-to-market of Corio's debt recognized at the acquisition date.
(c) The breakdown of interest expense on lease liabilities by type of contract is disclosed in note 8.

6.12 GAIN (LOSS) ON NET MONETARY POSITION

The loss on the net monetary position amounts to €25.7 million as of December 31, 2022, attributable to Turkey whose economy has been hyperinflationary since January 1, 2022 (see note 2.5 for details on the first-time application of IAS 29 in 2022).

NOTE 7 TAXES

ACCOUNTING POLICIES

Income tax and deferred tax

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

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

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

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

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

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

Deferred tax is calculated at the local rate prevailing at the reporting date. The rates applied are: France 25.83%, Spain 25%, Italy 27.9%, Belgium 25%, Greece 22%, Portugal 21% plus a surtax where applicable, Poland 19%, Czech Republic 19%, Sweden 20.6%, Norway 22%, Luxembourg 24.94%, Netherlands 25.8%, Denmark 22%, Turkey 20% and Germany 15.83%.

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

General features of SIIC tax status – France

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

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

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

Income tax on companies not eligible for SIIC equivalent

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

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

Tax regime of Spanish SOCIMI entities

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

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

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

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

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

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

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

In millions of euros	12/31/2022	12/31/2021
Current tax	(33.7)	(48.2)
Deferred tax	(37.1)	361.2
TOTAL	**(70.8)**	**313.0**

For the year ended December 31, 2022, the current tax charge amounted to €33.7 million, versus €48.2 million in 2021. The decrease is mainly attributable to the non-recurring 3% tax arising from the revaluation of the Italian assets occurred in 2021, partially offset by additional provisions in 2022.

The deferred tax charge amounted to €37.1 million for the year ended December 31, 2022, versus deferred tax income of €361.2 million for the year ended December 31, 2021. As a reminder, deferred tax liabilities decreased in 2021 by €367.1 million following the revaluation of most of the Italian assets.

Deferred tax recognized during the period represents an expense of €37.1 million and mainly comprises:

- A deferred tax expense of €18.7 million resulting from temporary differences arising on changes in the fair market value and tax value of investment properties;
- A deferred tax expense of €13.1 million on tax loss carryforwards mainly in Italy, the Netherlands and Sweden;
- A negative amount of €5.3 million in deferred tax expense presented in "Other items" that is mainly attributable to a negative €9.9 million related to reversals of provisions for discounts in Italy, as well as a positive €3.6 million on foreign exchange impacts in Norway, the Czech Republic and Poland.

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

In millions of euros	12/31/2022	12/31/2021
Pre-tax earnings and earnings from equity-accounted companies	447.3	174.6
Theoretical tax expense at 25.83%	**(115.5)**	**(47.8)**
Tax-exempt earnings under the SIIC and SOCIMI tax regimes	**99.1**	**49.8**
TAXABLE SECTORS		
Impact of permanent differences	(44.1)	(4.3)
Untaxed consolidation adjustments	(6.6)	7.8
Impact of non-capitalized losses	(3.1)	(38.7)
Assignment of non-capitalized losses	6.3	0.7
Change of tax regime		
Change in tax rates and other taxes	(6.7)	335.3
Differences in tax rates between France and other countries	(0.2)	10.3
EFFECTIVE TAX EXPENSE	**(70.8)**	**313.0**

Breakdown of deferred taxes:

In millions of euros	12/31/2021	Change in scope	Change in net income	Cash flow hedging reserves	Asset, liability reclassifications	Other changes	12/31/2022
Investment properties	(1,104.7)	26.4	(21.8)		0.6	14.9	(1,084.6)
Derivatives	(0.6)		(0.6)	(3.0)		0.2	(4.0)
Tax loss carryforwards	25.0		(6.9)		(4.4)	(1.2)	12.5
Other items	(2.3)		(4.0)		8.8	(0.5)	2.0
Total for entities in a net liability position	**(1,082.6)**	**26.4**	**(33.3)**	**(3.0)**	**5.0**	**13.4**	**(1,074.1)**
Investment properties	7.1		3.2		(0.6)		9.7
Derivatives	0.0						0.0
Tax loss carryforwards	4.7		(6.2)		4.4	0.1	3.0
Other items	14.4		(0.8)		(8.8)	(0.2)	4.6
Total for entities in a net asset position	**26.2**		**(3.8)**		**(5.0)**	**(0.1)**	**17.3**
NET POSITIONS	**(1,056.4)**	**26.4**	**(37.1)**	**(3.0)**		**13.3**	**(1,056.8)**

The net deferred tax position represents a liability of €1,056.8 million as of December 31, 2022, versus a net liability position of €1,056.4 million as of December 31, 2021. Changes over the period are attributable to:

- The above-mentioned €37.1 million expense recognized through net income;
- The positive €26.4 million effect presented in change in scope, in connection with the disposals realized over the period;
- The positive €13.3 million effect on deferred tax presented in "Other changes", mainly in connection with foreign exchange impacts in Scandinavia, Turkey and the Czech Republic.

Tax losses carried forward

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

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

In millions of euros	Inventory of ordinary tax losses			Deferred tax on ordinary losses			
Country	**12/31/2021**	**Change in 2022**	**12/31/2022**	**Capitalized at 12/31/2021**	**Change in capitalized amounts**	**Capitalized at 12/31/2022**	**Not capitalized at 12/31/2022**
Total taxable regime	(885.4)	180.1	(705.3)	29.7	(14.1)	15.6	153.6
Total non-taxable regime	(458.4)	(1.5)	(459.9)				
TOTAL GROUP	**(1,343.7)**	**178.5**	**(1,165.2)**	**29.7**	**(14.1)**	**15.6**	**153.6**

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

Non-capitalized deferred taxes on tax loss carryforwards amounted to €153.6 million as of December 31, 2022 versus €183.3 million as of December 31, 2021.

NOTE 8 IFRS 16 "LEASES"

ACCOUNTING POLICIES

Leases

Klépierre accounts for its leases, as lessee, as set below.

IFRS 16 requires lessees to record all leases as follows (with an exemption for low value assets and short-term leases):

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

The main leases in the scope of IFRS 16 for the Group as lessee are ground leases, head office leases and vehicle leases. They are initially recognized as right-of-use assets and corresponding lease liabilities:

- Right-of-use assets relating to head office leases and vehicle leases are measured by applying a cost model and are depreciated on a straight-line basis over the lease term. There are recognized in property, plant and equipment;
- Right-of-use assets relating to ground leases that meet the definition of investment property are measured in accordance with IAS 40 using the fair value model. They are subsequently measured at an amount equal to the remaining balance of the lease liability. Right-of-use assets relating to ground leases are recognized in investment properties at fair value.

As of December 31, 2022, the amounts recorded on the statement of financial position relating to leases (as lessee), are as follows:

In millions of euros	12/31/2021	Increase (new leases)	Decrease (lease terminations)	Remeasurement and other movements	Allowances and repayment of lease liabilities	Currency movements	Reclassifications	12/31/2022
Gross right-of-use asset relating to property, plant and equipment	36.4	5.2	(3.5)	1.8		(0.3)		39.6
Depreciation of right-of-use asset relating to property, plant and equipment	(23.3)		3.0	(1.0)	(8.7)	0.2		(29.8)
Total net right-of-use asset relating to property, plant and equipment	**13.1**	**5.2**	**(0.5)**	**0.8**	**(8.7)**	**(0.1)**		**9.8**
Right-of-use asset relating to ground leases at fair value	396.0	2.5	(82.5)	2.4		(0.1)		318.3
Change in fair value of right-of-use asset relating to ground leases	(18.6)			0.1	(6.6)	0.0		(25.1)
Total right-of-use asset relating to ground leases	**377.4**	**2.5**	**(82.5)**	**2.5**	**(6.6)**	**(0.1)**		**293.2**
TOTAL ASSETS	**390.5**	**7.8**	**(83.0)**	**3.3**	**(15.3)**	**(0.2)**		**303.0**
Lease liabilities – non-current	353.4	5.6	(83.0)	2.5		(0.1)	(11.8)	266.6
Lease liabilities – current	13.5	2.1		0.3	(15.0)	(0.1)	11.8	12.6
TOTAL LIABILITIES	**366.9**	**7.7**	**(83.0)**	**2.8**	**(15.0)**	**(0.2)**		**279.2**

The amount presented under "Lease terminations" within "Right-of-use asset relating to ground leases at fair value" and "Lease liabilities – non-current" relate to the disposals in the Netherlands of the office premises near the Hoog Catharijne shopping center on December 21, 2022 for €82.5 million.

The breakdown of current and non-current lease liabilities as of December 31, 2022 is presented below:

In millions of euros	Total	Less than one year	One to five years	More than five years
Lease liabilities – non-current	266.6		28.2	238.4
Lease liabilities – current	12.6	12.6		
TOTAL LEASE LIABILITIES	**279.2**	**12.6**	**28.2**	**238.4**

As lessee, the amounts recognized in comprehensive income for the year ended December 31, 2022 in respect of leases, by nature of contracts, are as follows:

In millions of euros	Right-of-use asset related to property, plant and equipment	Right-of-use asset related to ground leases	Total
Depreciation and impairment of property, plant and equipment	(8.7)		(8.7)
Change in value of right-of-use asset relating to ground lease		(6.6)	(6.6)
Interest expense on lease liabilities	(0.2)	(8.0)	(8.2)
TOTAL	**(8.8)**	**(14.6)**	**(23.5)**

Variable rents on ground leases not restated in accordance with IFRS 16 amount to €6.5 million for the year ended December 31, 2022 (see note 6.2).

Short-term leases, low-value assets and variable rents on property, plant and equipment, do not fall within the scope of IFRS 16. The rental expenses recorded in 2022 in relation to these leases are not material.

NOTE 9 RISK EXPOSURE AND HEDGING STRATEGY

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

9.1 INTEREST-RATE RISK

9.1.1 Hedging strategy

Hedging rate is calculated as the ratio of fixed-rate debt (after hedging) to gross borrowings expressed as a percentage. Most of the fixed-rate position is made of fixed-rate debts and swaps but options can be used to raise the hedging ratio.

To achieve its target hedging rate Klépierre may use:

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

Given the nature of its business as a long-term property owner, Klépierre is structurally a borrower. Klépierre's hedging strategy covers both the long-term and short-term portions of its borrowings. Generally, payer swaps maturities may exceed those of the underlying borrowings provided Klépierre's financing plan emphasizes the high probability of these borrowings being renewed.

As of December 31, 2022, the hedging ratio reached 94%, comprising 74% of fixed-rate debts or payer swaps and 20% of caps.

9.1.2 Exposure to floating-rate debt

Recurrence of floating-rate financing requirement

Floating-rate debt represented 25% of the Group's borrowings as of December 31, 2022 (before hedging), and comprises bank loans (drawn) and commercial paper.

Identified risk

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

Measurement of risk exposure

A 1% increase in interest rates in the next twelve months would lower financial expenses by €0.6 million and increase equity by €34.1 million.

Breakdown of borrowings after interest rate hedging:

In millions of euros	Fixed-rate borrowings or borrowings converted to fixed-rate			Floating-rate borrowings			Total borrowings		
	Amount	Rate	Fixed portion	Amount	Rate	Floating portion	Amount	Rate	Average all-in cost of debt at closing date[(a)]
12/31/2021	7,847	1.17%	91%	744	0.38%	9%	8,590	1.11%	1.15%
12/31/2022	6,970	1.25%	94%	444	3.43%	6%	7,415	1.38%	1.41%

(a) Including the deferral of issue cost/premiums.

The average cost of debt calculated as of December 31, 2022 does not constitute a forecast over the coming period.

9.1.3 Exposure to fixed-rate debt

Description of fixed-rate borrowings

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

Identified risk

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

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

Measurement of risk exposure and hedging strategy

As of December 31, 2022, the Group's fixed-rate debt stood at €5,783.0 million before hedging.

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

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

9.1.4 Derivatives portfolio

Fair value of the interest rate derivatives portfolio:

In millions of euros	Fair value net of accrued interest as of 12/31/2022[(a)]	Change in fair value during 2022	Matching entry
Cash flow hedge	48.0	44.6	Shareholders' equity
Fair value hedge	(116.1)	(116.3)	Financial liabilities/Net income
Trading	107.0	50.5	Net income
TOTAL	**38.8**	**(21.2)**	

(a) Fair value of the interest rate hedging portfolio are categorized as level 2.

With regard to the reform of European benchmarks, Klépierre has not identified any material impact on the way that it applies hedge accounting considering that the aggregate notional amount of derivatives concerned is limited (to €773.5 million as of December 31, 2022), of which:

- One receiver swap maturing in 2027 (notional amount of €75.0 million) and four receiver swaps maturing in 2030 (notional amount of €600.0 million), which are qualified as fair value hedges; and
- Two payer swaps maturing in 2026 (notional amount of €98.5 million), which are qualified as cash flow hedges.

Since all these contracts are indexed to Euribor, the Company anticipates that the replacement index (calculated using a hybrid methodology) will match that applied to the underlying borrowings, such that it will be able to maintain high effectiveness.

9.1.5 Fair value of financial liabilities

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

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

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

	12/31/2022			12/31/2021		
In millions of euros	Par value	Fair value	Impact of a 1% increase in interest rates on fair value[(a)]	Par value	Fair value	Impact of a 1% increase in interest rates on fair value[(a)]
Fixed-rate bonds	5,656.7	4,734.1	(217.6)	6,203.7	6,409.0	(346.0)
Fixed-rate bank loans	126.7	124.1	(4.0)	60.0	61.4	(1.0)
Other floating-rate loans	1,912.3	2,236.9		2,326.7	2,326.7	
TOTAL	**7,695.6**	**7,095.1**	**(221.6)**	**8,590.4**	**8,797.1**	**(347.0)**

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

Derivatives are recognized in the statement of financial position at their fair value. As of December 31, 2022, a 100-basis-point increase in interest would have resulted in a €221.6 million decrease in the value of the Group's euro-denominated interest rate derivatives.

9.2 LIQUIDITY RISK

Klépierre is attentive to the long-term refinancing needs of its business and the need to diversify maturity dates and sources of financing in such a way as to facilitate renewals.

The average maturity of drawn debt as of December 31, 2022 was 6.5 years, with borrowings spread between different markets (bonds, commercial paper and bank loans). Within the banking market, Klépierre uses a range of different loan types (syndicated loans, bilateral loans, mortgage loans, etc.) and counterparties. Commercial papers, which represent the bulk of short-term financing, never exceed the backup credit lines. This means that the Group can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

As of December 31, 2022, the maturity schedule of contractual flows was as follows:

Repayment year *In millions of euros*	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031 and beyond**	**Total**
Principal	1,926	661	280	624	751	26	635	625	2,168	7,696
Interest (loans and derivatives)	105	70	76	70	61	62	54	41	81	620
GROUP TOTAL (PRINCIPAL + INTEREST)	**2,030**	**731**	**356**	**694**	**812**	**88**	**689**	**666**	**2,249**	**8,316**

In 2023, €523.7 million of senior notes and three NOK bonds (NOK 1,600 million) will mature. The €1,200 million in outstanding commercial paper matures in less than one year. Commercial paper issues are generally rolled over.

As of December 31, 2022, Klépierre had undrawn credit lines totaling €2,481 million (including bank overdrafts).

Some of Klépierre's sources of funding (bilateral loans, bonds, etc.) contain covenants. Failure to comply with these covenants may trigger early repayment. These covenants are based on the standard ratios applicable to real estate companies, and the limits imposed leave Klépierre with sufficient headroom. Failure to comply with these covenants may result in mandatory repayment.

Some Klépierre SA bonds include a bearer put option, entitling the holder to request early repayment in the event of a change of control giving rise to a downgrade in Klépierre's credit rating to below investment grade. None of the Group's other covenants refer to Standard & Poor's rating for Klépierre.

The main covenants are described in note 5.12.3.

9.3 CURRENCY RISK

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

Given the Group's limited exposure to currencies outside the eurozone, the currency risk in these countries has not been deemed to be sufficiently high to warrant hedging. Acquisitions and the corresponding financing are denominated in euros (except for Scandinavia).

In Poland and the Czech Republic, rents are billed to lessees in euros and converted into the local currency at the billing date. Lessees may choose to pay their rents in local currency or in euros. The currency risk on minimum guaranteed rents is therefore limited to any variance between the rent as invoiced and the rent actually collected if the currency should fall in value against the euro between the invoicing date and the date of payment in local currency by the lessee.

At the same time, Klépierre ensures that rent payments do not represent an excessively high proportion of tenants' revenue in order to avoid degrading their financial position in the event of a sharp increase in the value of the euro, which could increase the risk of defaulting on their payments to Klépierre.

In Turkey, rents are denominated in local currency, thereby eliminating any currency risk for tenants.

In Central Europe and in Turkey, financing is denominated in euros at Group level. Considering the limited exposure of the Group's portfolio to these countries and the expensive cost of forex hedging, especially for long durations, the Group has decided not to hedge this position.

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

At the end of 2019, Klépierre entered into a NOK/SEK cross currency swap (NOK 200 million or SEK 211 million). The economic effect of this swap is to convert a NOK bond into a SEK liability. Its carrying amount will fluctuate in line with the NOK/SEK exchange rate. This transaction is qualified as a net investment hedge, with the change in fair value over the period offsetting the foreign exchange remeasurement of the net investment recorded in shareholders' equity. As of December 31, 2022, the fair value of this instrument was nil.

Fair value of the foreign exchange rate derivatives portfolio

In millions of euros	**Fair value net of accrued interest as of 12/31/2022**[a]	**Change in fair value during 2022**	**Matching entry**
Net investment hedge	(0.0)	0.7	Shareholders' equity
TOTAL	**(0.0)**	**0.7**	

(a) Fair value of the interest rate hedging portfolio are categorized as level 2.

9.4 COUNTERPARTY RISK IN CONNECTION WITH FINANCING ACTIVITIES

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

9.4.1 Counterparty risk on marketable securities

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

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

9.4.2 Counterparty risk on hedging instruments

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

9.5 EQUITY RISK

As of December 31, 2022, Klépierre held 1,360,321 treasury shares, which are recognized at their acquisition cost as a deduction from equity.

NOTE 10 FINANCE AND GUARANTEE COMMITMENTS

10.1 COMMITMENTS GIVEN

In millions of euros	Notes	12/31/2022	12/31/2021
Commitments related to the Group's consolidated scope	10.1.1		
Purchase commitments			
Commitments related to the Group's operating activities	10.1.2	60.4	60.6
Commitments under conditions precedent			
Work completion commitments		41.5	24.7
Rental guarantees and deposits		1.6	2.0
Other		17.3	33.9
TOTAL		**60.4**	**60.6**

10.1.1 Commitments related to the Group's consolidated scope

Purchase commitments

As of December 31, 2022, the Group has no longer purchase commitments.

10.1.2 Commitments related to the Group's operating activities

Commitments under conditions precedent

Commitments under conditions precedent relate to purchase agreements on land or assets and contingent consideration on acquisitions.

Work completion commitments

Work completion commitments mainly relate to development projects in France.

Rental guarantees and deposits

"Rental guarantees and deposits" mainly comprise deposits related to local headquarters.

Other

Other commitments given mainly include payment guarantees to tax authorities.

10.1.3 Other commitments given

Other commitments given related to leases

The construction of the Saint-Lazare shopping center was authorized as part of the temporary occupation license of the public estate. The license agreement was signed in July 2008 between SOAVAL (Klépierre Group) and SNCF (National French Rail Network) for a 40-year period.

Within this period, at predetermined intervals and in return for compensation, SNCF is entitled (i) to exercise a call option on the SOAVAL shares, and (ii) to terminate the temporary occupation license.

SIIC distribution obligations carried forward

The Group, within the framework of the tax regime of *Sociétés d'investissement immobilier cotées* (SIIC), must satisfy tax distribution obligations by distributing 95% of its rental income, 70% of its real estate capital gains and 100% of its dividends stemming from subsidiaries having elected for the SIIC regime or an equivalent regime. However, this tax distribution obligation is capped at the amount of statutory distributable income, with the surplus to be distributed in the first subsequent profitable year and in subsequent years as necessary. Statutory distributable income for 2022 stands at €256.8 million and distribution obligations at €227.0 million. Accordingly, the Company's distributable capacity stands represents €29.8 million. By distributing the entire amount of distributable income, the total tax distribution obligations carried forward therefore decreased by €29.8 million, to €301.5 million as of December 31, 2022.

10.2 MUTUAL COMMITMENTS

Commitments related to development projects amounted to €10.0 million as of December 31, 2022 versus €14.0 million as of December 31, 2021. These commitments concern development work engaged (but not paid) by the Group with contractors where financial completion warranties have been received, in connection with Hoog Catharijne in the Netherlands.

10.3 COMMITMENTS RECEIVED

In millions of euros	Notes	12/31/2022	12/31/2021
Commitments related to the Group's financing activities	10.3.1	2,115.7	1,765.2
Financing agreements obtained and not used[a]		2,115.7	1,765.2
Commitments related to the Group's operating activities	10.3.2	433.9	424.6
Sale commitments		64.1	79.1
Financial guarantees received in connection with management activities (*loi Hoguet*)		180.0	160.0
Financial guarantees received from tenants and suppliers		189.8	185.5
Other			
TOTAL		**2,549.6**	**2,189.8**

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

10.3.1 Commitments related to the Group's financing activities

Financing agreements obtained and not used

As of December 31, 2022, Klépierre had €2,115.7 million in undrawn committed credit facilities, net of commercial paper.

10.3.2 Commitments related to the Group's operating activities

Sale commitments

As of December 31, 2022, sale commitments relate mainly to certain assets in France.

Financial guarantees received in connection with management activities *(Loi Hoguet)*

As part of its real-estate, leasing and property management activities, banking guarantees have been delivered to Klépierre Management for an amount capped at €180.0 million as of December 31, 2022.

Financial guarantees received from tenants and suppliers

As part of its rental business, the Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed by tenants and suppliers.

To the best of Klépierre's knowledge, there are no other material or potentially material off-balance sheet commitments, as defined by the applicable accounting standards.

10.4 SHAREHOLDERS' AGREEMENTS

The main shareholders' agreements are detailed below:

Companies (countries)	Parties to the agreement	Date of the agreement or last amendment	% controlled by the Group	Type of control	Comments
Secar SC (France)	Cardif Group, AXA Group	06/25/2021	10.00%	Significant Influence	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales (first refusal, full tag-along rights, forced tag-along rights) and in particular in the event of end of the asset management mandate assigned to Klépierre Management.
Bègles Arcins SCS (France)	Assurécureuil Pierre 3 SC	09/02/2003	52.00%	Exclusive Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales, as well as a dispute resolution clause.
Massalia Invest SCI, Massalia Shopping Mall SCI (France)	Montecristo Capital SAS	09/27/2017	60.00%	Exclusive Control	The agreement contains provisions governing relationships between shareholders of said companies, particularly with respect to the governance of Massalia Invest and Massalia Shopping Mall SCI, the terms relating to the sale and divestment by shareholders of their investment in Massalia Invest (right of first refusal, tag-along right, a change of control clause, call option) and the conditions and main methods of funding of Massalia Invest and Massalia Shopping Mall SCI. The latest amendement modifies the rules applicable to the management committee when voting on decisions related to the shopping center's food superstore.
Sanoux SCI (France)	Novaoutlet, Cogep SA	02/26/2010	75.00%	Exclusive Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales.
Secovalde SCI (France)	Vendôme Commerces SCI UGICI SCI	06/25/2021	55.00%	Exclusive Control	The agreement contains the usual protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and change of control of a shareholder.
Portes de Claye SCI (France)	Cardif Assurances Vie	04/16/2012	55.00%	Exclusive Control	The agreement contains provisions governing relations between the Company's shareholders. It provides the usual protections in the event of a proposed sale of shares to a third party: reciprocal pre emption right, reciprocal full tag-along right, full tag-along obligation for non-controlling shareholders in the event the controlling shareholder plans to sell its full equity stake. It also gives non-controlling shareholders a right of first offer in the event of a sale of assets by the Company.
Kleprim's SC (France)	Holdprim's SAS	11/30/2016	50.00%	Joint Control	The agreement gives Kleprojet 1 exit rights if the conditions precedent are not met as well as the usual protections in the event of a proposed sale of shares to a third party (first refusal and full-tag along rights), change of control of a shareholder and other provisions governing relations between shareholders.
Cecobil SCS (France)	Vendôme Commerces SCI	10/25/2007	50.00%	Joint Control	The agreement provides the usual protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and change of control of a shareholder.
Ventura SAS (France)	Advanced Retail SAS	06/09/2021	50.00%	Joint Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales, as well as a dispute resolution clause.

Companies (countries)	Parties to the agreement	Date of the agreement or last amendment	% controlled by the Group	Type of control	Comments
Lobsta & K SAS (France)	Lobsta SAS	07/30/2021	50.00%	Joint Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales, as well as a dispute resolution clause.
Antigaspi & K SAS (France)	Nous Épiceries Anti Gasti SAS	07/28/2021	30.00%	Significant Influence	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales, as well as a dispute resolution clause.
Nordica Holdco AB, Storm Holding Norway AS and Steen & Strøm AS (Sweden & Norway)	Stichting Pensioenfonds ABP, Storm ABP Holding BV and PG Strategic Real Estate Pool NV and Stichting Depositary APG Real Estate Pool	10/07/2008	56.10%	Exclusive Control	The agreement contains the usual protections for non-controlling interests: qualified majority voting for certain decisions, call option in the event of deadlock and tag-along rights, as well as the following provisions: • A one-year lock-up period applied to Steen & Strøm shares from the date of acquisition; • Each party has a right of first offer on any shares which the other party wishes to transfer to a third party. However, if shares are transferred by a party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer; • From the sixth year following the acquisition, either party may request a meeting of shareholders to vote on the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company. The vote will be subject to a two-thirds majority. The Group has the right to appoint three members to the Board of Directors including the Chairman, whereas the partner can appoint two members. The partner has protective rights pursuant to the shareholders' agreement and following the analysis of the decisions reserved for the partner.
Holding Klege Sarl (Luxembourg – Portugal)	Torelli SARL	11/24/2008	50.00%	Joint Control	The agreement contains the usual provisions governing share capital transactions, decision-making and the right to information. Both parties have pre-emption rights in the event of a proposed sale of shares in the company to a third party. Each partner has the right to appoint the same number of members to the Board of Directors. The Chairman is appointed for a period of twelve continuous months on an alternating basis with the partner. All decisions are adopted on simple majority.
Italian Shopping Centre Investment SRL (Italy)	Allianz Lebenversicherungs-Aktiengesellschaft	08/05/2016	50.00%	Joint Control	The agreement contains provisions governing the relationship between shareholders, including decisions which must be submitted to shareholders for approval. It includes a right of first offer and a clause of dispute resolution process ("deadlock").
Clivia SpA (Italy)	Finiper SpA, Finiper Real Estate & Investment BV, Iper Montebello SpA, Immobiliare Finiper Srl and Cedro 99 Srl	12/14/2007 Tacitly renewed on 12/14/2017 for an additional 10-year period	50.00%	Joint Control	The agreement contains provisions governing relations between shareholders, including a pre-emption right in the event of the sale of shares to third parties, as well as a tag-along right. The agreement also contains provisions relating to the governance of the company, and to the majority required to approve certain company decisions.
Akmerkez Gayrimenkul Yatirim Ortakligi AS (Turkey)	Several individuals	04/20/2005	46.00%	Significant Influence	The agreement contains provisions governing relations between shareholders including the composition of the Board of Directors, particularly the number of representatives of each shareholder on said Board. It also contains provisions related to the majority required to adopt decisions which must be submitted to the Board of Directors for approval.

10.5 COMMITMENTS UNDER OPERATING LEASES – LESSORS

The main clauses contained in the lessor's lease agreement are described below. Rental periods vary by country. The terms for setting and indexing rents are set out in the agreement. Indexation is used to revise the minimum guaranteed rent. The indices applied vary from country to country.

Indexation specific to each country

In France, leases are indexed to the French commercial rents index (ILC) or cost of construction index (ICC). The ILC is a compound index derived from the French consumer price index (CPI), retail trade sales value index (ICAV) and cost of construction index (ICC). Leases are modified in line with the last known index at January 1 of each year. Most leases are indexed to the ILC for the second quarter, which is published in October and applicable from January 1 of the following year.

In Belgium, the index used is the Health index (the value of this index is determined by removing a number of products from the consumer price index product basket, in particular alcoholic beverages, tobacco products and motor fuels except for LPG). Leases are indexed every year on the effective date of the lease.

In Spain, the consumer price index is measured annually on January 1.

In Italy, the system is based on the consumer price indices (excluding tobacco) for working class and junior management (ISTAT), but is more complex in its implementation. Depending on the lease, either 75% (locazione regulated leases) or 100% of the ISTAT is applied.

In Portugal, the index used is the consumer price index, excluding real estate.

In Greece, the consumer price index is applied.

The Eurostat eurozone IPCH index used in Central Europe is based on consumer prices in the EMU countries.

In Norway, leases are usually written for periods of five or ten years. Unless agreed otherwise, each party may request an annual rent review based on the trend in the Norwegian consumer price index.

In Sweden, if a lease is signed for a period of more than three years, an annual indexation based on the Swedish consumer price index is usually included in the lease contract.

In Denmark, in most cases the rent is revised annually based on changes in the Danish consumer price index. Pursuant to Danish law applicable to commercial leases, either party may request that the rent is adjusted to reflect the market rate every four years. This provision applies unless the parties agree otherwise.

In the Netherlands, in most cases the rent is revised annually based on changes in the Dutch monthly consumer price index. Furthermore, pursuant to Dutch law applicable to commercial leases, either party may request the rent to be adjusted to reflect the market rate after the end of the first lease period, or every five years from the date of the new lease.

In Germany in most cases the index used is the consumer price index, however some tenants might have a contractually agreed minimum rate of indexation that differs from the consumer price index.

In Turkey, starting from September 2018, rents are denominated in Turkish lira in advance for each rental year, with a large majority of leases subject to indexation of consumer price index per year. Leases are generally signed for a five-year period and allow the lessee to extend the contract every year, for a maximum period of ten years. In cases where the lessee uses the option to extend the lease period, the rent will increase by consumer price index per year.

Minimum guaranteed rent and variable rent

Appraised on a year-by-year basis, the rent payable is equivalent to a percentage of the revenues generated by the lessee during the calendar year concerned. The rate applied differs depending on business type. The total amount of this two-tier rent (a fixed portion plus a variable portion) can never be less than the minimum guaranteed rent (MGR).

The MGR is revised annually by applying the index rate according to the terms specified above. The variable portion of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.

All or part of the variable rent is consolidated into the MGR on renewal of the lease. In this way, the variable portion of the rent is usually reduced to zero at the beginning of the new lease. Every year, it is mechanically reduced in an amount equivalent to the rise in the MGR resulting from indexation.

Total amount of conditional rents recognized in income

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

Minimum payments made under the lease are payments that the lessee is, or may be, required to make during the term of the lease, excluding the conditional rent, the cost of services and taxes to be paid or refunded to the lessor.

Future minimum rents receivable

As of December 31, 2022, future minimum rents receivable under non-cancelable operating leases were as follows:

In millions of euros	**12/31/2022**
Less than one year	873.1
Between one and five years	1,420.3
More than five years	224.9
TOTAL	**2,518.3**

NOTE 11 EMPLOYEE COMPENSATION AND BENEFITS

11.1 PAYROLL EXPENSES

Total payroll expenses amounted to €112.7 million as of December 31, 2022, and include fixed and variable salaries plus mandatory and discretionary profit sharing for €85.3 million, pension-related expenses, retirement expenses and payroll costs for €24.9 million, and taxes and similar compensation-related payments for €2.5 million.

11.2 HEADCOUNT

As of December 31, 2022, the Group had an average of 1,015 employees, breaking down as 429 employees in France (including Belgium) and 586 employees in the other geographic segments, including 108 employees at the Scandinavian real estate company Steen & Strøm. The Klépierre Group's average headcount as of December 31, 2022 breaks down as follows:

	12/31/2022	12/31/2021
France	429	417
Scandinavia	108	126
Italy	170	169
Iberia	109	110
Netherlands & Germany[(a)]	89	96
Central Europe & Other	110	109
TOTAL	**1,015**	**1,027**

(a) Former " Netherlands" and "Germany" segments have been merged in one segment.

11.3 EMPLOYEE BENEFITS

ACCOUNTING POLICIES

Employee benefits

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

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

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

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

Short-term benefits

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

Post-employment benefits

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

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

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

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

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

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

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

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

The committee clarified the paragraphs and concluded that:

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

Long-term benefits

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

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

Severance pay

Employees receive severance pay if the Group terminates their employment contract before they reach the statutory retirement age or if they accept voluntary redundancy. Severance pay falling due more than twelve months after the reporting date is discounted.

Share-based payments

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

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

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

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

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

11.3.1 Defined contribution plans

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

11.3.2 Defined benefit plans

Provisions recognized for defined benefit pension plans totaled €7.2 million as of December 31, 2022.

In millions of euros	12/31/2021	Increases during the period	Reversals (utilized provisions)	Reversals (surplus provisions)	Other movements	Changes in the scope of consolidation	12/31/2022
Provisions for employee benefit obligations							
• Defined benefit plans	7.8		0.7		(3.0)		5.5
• Other long-term benefits	2.2		0.1		(0.6)		1.7
TOTAL	**10.0**		**0.7**		**(3.6)**		**7.2**

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

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

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

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

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

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

COMPONENTS OF THE NET OBLIGATION (FIVE-YEAR COMPARISON OF ACTUARIAL LIABILITIES)

In millions of euros	2022	2021	2020	2019	2018
SURPLUS (PLAN ASSETS LESS OBLIGATIONS)					
Gross discounted value of obligations fully or partially funded by assets	**8.0**	**9.5**	**9.1**	**10.5**	**10.5**
Fair value of plan assets	(0.2)	(0.1)	(0.2)	(0.1)	(0.2)
Discounted value of unfunded obligations	7.8	9.4	8.9	10.4	10.4
Costs not yet recognized in accordance with IAS 19					
Past service cost	0.7	0.8	0.8	1.1	1.1
Net actuarial losses or gains	(2.9)	(0.9)		(2.4)	(1.0)
Acquisitions/Disposals					
Length of service awards due	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)
Other		(1.3)			
NET OBLIGATION RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION FOR DEFINED BENEFIT PLANS	**5.5**	**7.8**	**9.4**	**8.9**	**10.3**

COMPONENTS OF RETIREMENT EXPENSES

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

MAIN ACTUARIAL ASSUMPTIONS USED FOR STATEMENT OF FINANCIAL POSITION CALCULATIONS

	12/31/2022	12/31/2021
Discount rate	3.64%	0.49%
Expected rate of return on plan assets	3.64%	0.49%
Expected rate of return on reimbursement rights	NA	NA
FUTURE SALARY INCREASE RATE	**1.50% – 2.50%**	**1.50% – 2.50%**

The discount rate is determined using the AA zero-coupon yield curve published by Bloomberg. As of December 31, 2021 the discount rate used was the 10-year iBoxx AA corporate bonds index.

The impact of the change in actuarial gains and losses represented €2.9 million as of December 31, 2022 and was recognized directly in equity.

11.4 Performance shares

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

	Plan no. 7		
	France	Other	France
Plan authorized in 2018	Part 1	Part 1	Part 2
Granted date	04/24/2018	04/24/2018	07/09/2018
End of vesting period	04/24/2021	04/24/2022	07/09/2021
End of lock-up period	04/24/2023	-	07/09/2023
Shares allotted	220,500	88,800	3,300
Shares canceled	31,966	11,400	
Shares vested	94,267	37,950	1,256
Lapsed shares as of December 31, 2022	94,267	39,450	2,044
Outstanding shares as of December 31, 2022	0	0	0

	Plan no. 8	
Plan authorized in 2019	France	Other
Granted date	05/06/2019	05/06/2019
End of vesting period	05/06/2022	05/06/2023
End of lock-up period	05/06/2024	-
Shares allotted	226,000	95,800
Shares canceled	67,700	17,950
Shares vested	79,150	0
Lapsed shares as of December 31, 2022	79,150	41,150
Outstanding shares as of December 31, 2022	0	36,700

	Plan no. 9		
	France	Other	France
Plan authorized in 2020	Part 1	Part 1	Part 2
Granted date	05/07/2020	05/07/2020	12/22/2020
End of vesting period	05/07/2023	05/07/2024	12/22/2023
End of lock-up period	05/07/2025	-	-
Shares allotted	215,300	97,600	7,250
Shares canceled	59,982	20,250	1,250
Shares vested			
Lapsed shares as of December 31, 2022			
Outstanding shares as of December 31, 2022	155,318	77,350	6,000

	Plan no. 10	
	France	Other
Plan authorized in 2021	Part 1	Part 2
Granted date	07/01/2021	07/01/2021
End of vesting period	07/01/2024	07/01/2025
End of lock-up period	07/01/2026	-
Shares allotted	331,500	155,000
Shares canceled	88,323	26,500
Shares vested	0	0
Lapsed shares as of December 31, 2022	0	0
Outstanding shares as of December 31, 2022	243,177	128,500

Plan authorized in 2022	Plan no. 11 France & Other
Granted date	07/07/2022
End of vesting period	07/07/2025
End of lock-up period	-
Shares allotted	522,357
Shares canceled	2,000
Shares vested	
Lapsed shares as of December 31, 2022	
Outstanding shares as of December 31, 2022	520,357

On July 7, 2022, 522,357 shares were allotted to management and Group employees, as part of a performance share plan, authorized by the Executive Board.

The total expense recognized for the period for all performance share plans amounted to €2.1 million and includes updates to the performance criteria for Plans no. 9, no. 10 and no. 11. It also takes into account an estimate of the number of beneficiaries at the end of each vesting period, as they may forfeit their entitlements if they leave the Klépierre Group during the period.

11.4.1 Other information

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

	Plan no. 10	
Plan authorized in 2021	**France**	**Other**
Share price on the allotment date	€21.85	€21.85
Average of the 40 opening share prices preceding July 1, 2021	€22.60	€22.60
Klépierre share price volatility: Historical volatility over 3 years, calculated as of July 1, 2021 based on daily variations	48% Klépierre share and 40% on the panel indicator; correlation: 0.65	
Dividend per share	€1.00	€1.00
Share value	€9.84	€9.01
Income for the period	€0.8 million	€0.3 million

	Plan no. 11
Plan authorized in 2022	**France & Other**
Share price on the allotment date	€18.20
Average of the 40 opening share prices preceding July 7, 2022	€20.58
Klépierre share price volatility: Historical volatility over 3 years, calculated as of July 7, 2022 based on daily variations	49.4% Klépierre share and ranking among top 10 European companies operating in the shopping center sector
Dividend per share	Normative dividend yield of 7%
Share value	€9.52
Income for the period	€0.6 million

Regarding the authorized plans in 2018, 2019 and 2020, the total amount of the expense recognized over the period amounts to €0.5 million of which €0.3 million related to France and €0.2 million related to other countries.

NOTE 12 ADDITIONAL INFORMATION

12.1 TRANSACTIONS WITH RELATED PARTIES

12.1.1 Transactions with Simon Property Group

To the Company's knowledge and including treasury shares, Simon Property Group held a 22.28% stake in Klépierre SA as of December 31, 2022.

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

12.1.2 Transactions with APG Group

To the Company's knowledge and including treasury shares, APG Group held a 6.15% stake in Klépierre SA as of December 31, 2022.

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

12.1.3 Relationships between Klépierre Group companies

Transactions between related parties are carried out at arm's length conditions. Period-end asset and liability positions and transactions conducted during the period between fully consolidated companies are eliminated in full in consolidation.

The following tables show the positions and transactions of equity-accounted companies (over which the Group has significant influence or joint control), which are not eliminated in consolidation. A full list of Klépierre Group companies accounted for using the equity method is provided in note 12.8 "List of consolidated entities".

ASSET AND LIABILITY POSITIONS WITH RELATED PARTIES AT PERIOD-END

In millions of euros	12/31/2022 Equity-accounted companies	12/31/2021 Equity-accounted companies
Loans and advances to equity-accounted companies	245.3	247.5
Non-current assets	**245.3**	**247.5**
Trade and other receivables	2.0	1.0
Other	5.8	14.9
Current assets	**7.8**	**15.9**
TOTAL ASSETS	**253.1**	**263.4**
Loans and advances from equity-accounted companies	1.4	1.2
Non-current liabilities	**1.4**	**1.2**
Trade payables	1.4	1.1
Other liabilities		
Current liabilities	**1.4**	**1.1**
TOTAL LIABILITIES	**2.8**	**2.3**

INCOME STATEMENT ITEMS RELATED TO TRANSACTIONS WITH RELATED PARTIES

In millions of euros	12/31/2022 Equity-accounted companies	12/31/2021 Equity-accounted companies
Management, administrative and related income	11.8	9.8
Operating income	**11.8**	**9.8**
Cost of net debt	9.5	9.3
Profit before tax	**21.3**	**19.1**
CONSOLIDATED NET INCOME	**21.3**	**19.1**

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

12.2 POST-EMPLOYMENT BENEFITS

The main post-employment benefits are length-of-service awards and defined benefit or defined contribution pension plans.

Post-employment benefit plans are administered by insurance companies and other independent management companies external to the Klépierre Group.

12.3 COMPENSATION FOR SUPERVISORY BOARD AND EXECUTIVE BOARD MEMBERS

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

Compensation allocated to members of the Supervisory Board for fiscal year 2022 totaled €688,000, including €102,667 payable to the Chairman of the Supervisory Board.

Cost of compensation for the Executive Board and Corporate Management Team members breaks down as follows:

In thousand of euros	12/31/2022
Short-term benefits excluding employer's contribution	3,653.4
Short-term benefits: employer's contribution	1,756.6
Post-employment benefits	168.6
Other long-term benefits	119.8
Share-based payment[a]	651.5

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

12.4 CONTINGENT LIABILITIES

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

In July 2021, the developer of the L'Espanade shopping center in Louvain-la-Neuve initiated a claim against certain Group companies to obtain the payment of two earn-outs related to the building rights of land plots adjacent to the shopping center. The preliminary hearing initially expected to occur during the second half of 2022 have been postponed to 2023.

The construction permit of an area of Field's shopping center in Copenhagen, formally classified as a department store (25,000 sqm out of a total of 65,000), has been declared invalid by administrative authorities due to non-compliance with the local development plan. The case has been brought by Field's Copenhagen AS in front of the Copenhagen City Court. Main hearing will take place in the course of 2024. Should the Court declares that such construction permit is invalid, the decision of the Court would be appealable, and a final decision would not be expected for several years. No provisions related to this case have been made in the Steen & Strøm Group accounts as at December 31, 2022.

12.5 SUBSEQUENT EVENTS

On January 19, 2023, Klépierre completed the disposal of five retail units in France, for €2.2 million. Accordingly, these assets were classified as held for sale in the consolidated financial statements for the year ended December 31, 2022.

On February 7, 2023, Klépierre completed the disposal of an additional retail unit in France who was classified as held for sale in the consolidated financial statements for the year ended December 31, 2022.

12.6 STATUTORY AUDITORS' FEES

In millions of euros	Deloitte				EY			
	2022	2021	2022	2021	2022	2021	2022	2021
Audit services	**1.2**	**1.3**	**–5%**	**91%**	**1.0**	**1.0**	**13%**	**98%**
Audit and review of individual and consolidated financial statements								
• Issuer	0.3	0.2	5%	17%	0.3	0.2	18%	21%
• Fully consolidated subsidiaries	0.9	1.0	–10%	74%	0.8	0.8	–5%	77%
Other services directly related to the Statutory Auditors' engagement								
• Issuer								
• Fully consolidated subsidiaries								
Other non-audit services*	**0.1**	**0.1**			**0.1**	**0.0**		
• Legal, tax, employment-related and other services	0.1	0.1			0.1	0.0		
TOTAL	**1.3**	**1.4**			**1.1**	**1.0**		

* *Other non-audit services for the year ended December 31, 2022 mainly included:*
- Comfort letter on the Euro Medium Term Note program – Update;
- Report on the verification of the non-financial performance statement;
- EU Taxonomy support;
- Audit of service charges for a Group subsidiary;
- Report on funds managed by a Group subsidiary.

12.7 IDENTITY OF CONSOLIDATING COMPANIES

As of December 31, 2022, Klépierre was accounted for by the equity method in the consolidated financial statements of Simon Property Group, which holds a 22.28% stake in the share capital of Klépierre (including treasury shares).

Klépierre is included in the consolidated financial statements of APG Group, which as of December 31, 2022 held a 6.15% stake in the share capital of Klépierre (including treasury shares).

12.8 LIST OF CONSOLIDATED ENTITIES

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change
HOLDING COMPANY – HEAD OF THE GROUP							
Klépierre SA	France	100.00%	100.00%	-	100.00%	100.00%	-
SHOPPING CENTERS – FRANCE							
KLE 1 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
SCOO SC	France	53.64%	53.64%	-	53.64%	53.64%	-
Klécar France SNC	France	83.00%	83.00%	-	83.00%	83.00%	-
KC3 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC4 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC5 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC9 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC10 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC12 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
KC20 SNC	France	83.00%	83.00%	-	100.00%	100.00%	-
Solorec SC	France	80.00%	80.00%	-	80.00%	80.00%	-
Centre Bourse SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Bègles Arcins SCS	France	52.00%	52.00%	-	52.00%	52.00%	-
Sécovalde SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Cécoville SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Soaval SCS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klémurs SASU	France	100.00%	100.00%	-	100.00%	100.00%	-
Nancy Bonsecours SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
Sodevac SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Odysseum Place de France SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klécar Participations Italie SAS	France	83.00%	83.00%	-	83.00%	83.00%	-
Pasteur SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Holding Gondomar 1 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Beau Sevran Invest SCI	France	83.00%	83.00%	-	100.00%	100.00%	-
Valdebac SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Progest SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Belvedere Invest SARL	France	55.00%	55.00%	-	55.00%	55.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change
Haies Haute Pommeraie SCI	France	53.00%	53.00%	-	53.00%	53.00%	-
Forving SARL	France	95.33%	95.33%	-	95.33%	95.33%	-
Saint Maximin Construction SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Pommeraie Parc SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
Champs des Haies SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
La Rive SCI	France	85.00%	85.00%	-	85.00%	85.00%	-
Rebecca SCI	France	70.00%	70.00%	-	70.00%	70.00%	-
Le Maïs SCI	France	80.00%	80.00%	-	80.00%	80.00%	-
Le Grand Pré SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
LC SCI	France	88.00%	88.00%	-	100.00%	100.00%	-
Kle Projet 1 SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Créteil SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
Albert 31 SCI	France	83.00%	83.00%	-	100.00%	100.00%	-
Galeries Drancéennes SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Portes de Claye SCI	France	55.00%	55.00%	-	55.00%	55.00%	-
Klecab SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
Klé Arcades SCI	France	53.69%	53.69%	-	100.00%	100.00%	-
Le Havre Colbert SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Massalia SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Massalia Shopping Mall SCI	France	60.00%	60.00%	-	100.00%	100.00%	-
Massalia Invest SCI	France	60.00%	60.00%	-	60.00%	60.00%	-
Klépierre & Cie SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Sanoux SCI	France	75.00%	75.00%	-	75.00%	75.00%	-
Centre Deux SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Mob SC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Alpes SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Galerie du Livre SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Les Portes de Chevreuse SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Caetoile SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Echirolles SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Sagep SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Maya SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Ayam SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Dense SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Grand Littoral SASU	France	100.00%	100.00%	-	100.00%	100.00%	-
SERVICE PROVIDERS – FRANCE							
Klépierre Management SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Conseil SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Brand Ventures SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Finance SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Financière Corio SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Kle Start SAS	France	100.00%	100.00%	-	100.00%	100.00%	-
Kle Dir SAS	France	100.00%	100.00%		100.00%	100.00%	-
Klépierre Procurement International SNC	France	100.00%	100.00%	-	100.00%	100.00%	-
SHOPPING CENTERS – INTERNATIONAL							
Klépierre Duisburg GmbH	Germany	94.99%	94.99%	-	94.99%	94.99%	-
Klépierre Duisburg Leasing GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Duisburg Leasing II GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Dresden Leasing GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Duisburg II GmbH	Germany	94.99%	94.99%	-	94.99%	94.99%	-
Klépierre Dresden GmnH	Germany	94.99%	94.99%	-	94.99%	94.99%	-
Klépierre Köln Holding GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Unter Goldschmied Köln GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Hildesheim Holding GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Projekt A GmbH & CoKG	Germany	94.90%	94.90%	-	94.90%	94.90%	-
Projekt A Vermietung GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Les Cinémas de l'Esplanade SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Foncière de Louvain-la-Neuve SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Bryggen, Vejle A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Bruun's Galleri ApS	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Field's Copenhagen I/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change
Viva, Odense A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm CenterUdvikling VI A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Klecar Foncier Iberica SL	Spain	100.00%	100.00%	-	100.00%	100.00%	
Klecar Foncier España SL	Spain	100.00%	100.00%	-	100.00%	100.00%	
Klépierre Vallecas SA	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Molina SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Plenilunio Socimi SA	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Principe Pio Gestion SA	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Real Estate España SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
SC Nueva Condo Murcia SLU	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Maremagnum food market SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Los Prados Real Estate España SLU	Spain	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Nea Efkarpia AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Foncier Makedonia AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Peribola Patras AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Immobiliare Gallerie Commerciali S.p.A	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klecar Italia S.p.A	Italy	83.00%	83.00%	-	100.00%	100.00%	-
Galleria Commerciale Di Collegno S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Serravalle S.p.A	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Assago S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Klépierre S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Cavallino S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Solbiate S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Matera S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	--
Klépierre Caserta S.r.l	Italy	83.00%	83.00%	-	100.00%	100.00%	
Shopville Le Gru S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Grandemilia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Shopville Gran Reno S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Il Maestrale S.p.A.	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Comes – Commercio e Sviluppo S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Globodue S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Globotre S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Generalcostruzioni S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
B.L.O S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Gruliasco S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Italia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Acquario S.r.l	Italy	95.06%	95.06%	-	95.06%	95.06%	-
Reluxco International SA	Luxembourg	100.00%	100.00%	-	100.00%	100.00%	-
Storm Holding Norway AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm Mediapartner Norge AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Oslo City Kjopesenter AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Oslo City Parkering AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Capucine BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Nordica BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Nederland BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Hoog Catharijne BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Nederland BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
CCA German Retail I BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
CCA German Retail II BV	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Pologne Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Polska Sp. z o.o. Rybnik SKA	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Sosnowiec Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Sadyba Best Mall Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Poznań Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Ruda Śląska Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Investment Poland Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Rybnik Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%	-	100.00%	100.00%	-

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change
KLP Lublin Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Polska Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klelou Imobiliaria Spa SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Galeria Parque Nascente SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Gondobrico SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klenord Imobiliaria SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Kleminho Imobiliaria SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Corio Espaço Guimarães SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Cz S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Plzen AS	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Nový Smíchov First Floor S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Nordica Holdco AB	Sweden	56.10%	56.10%	-	56.10%	56.10%	-
Steen & Strøm Holding AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB CentrumInvest	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Emporia	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Borlänge Köpcentrum	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Marieberg Galleria	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Allum	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Brodalen	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Partille Lexby AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Åkanten	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Porthälla	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Centrum Västerort	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Gayrimenkul Yönetimi ve Yatirim Ticaret AS	Turkey	100.00%	100.00%	-	100.00%	100.00%	-
Tan Gayrimenkul Yatirim Insaat Turizm Pazarlama ve Ticaret AS	Turkey	51.00%	51.00%	-	51.00%	51.00%	-
SERVICE PROVIDERS – INTERNATIONAL							
Projekt Arnekenstrasse Verwaltung GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Deutschland GmbH	Germany	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Belgique SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Finance Belgique SA	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm CenterService A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm Danemark A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Management Espana SL	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Hellas AE	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Italia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Finance Italia S.r.l	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm Senterservice AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Vastgoed Ontwikkeling B.V.	Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Polska Sp. z o.o.	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Portugal SA	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Ceska Républika S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Energy CZ S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm Sverige AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-

List of consolidated companies Equity-accounted companies: joint control	Country	% interest			% control		
		12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change
Cécobil SCS	France	50.00%	50.00%	-	50.00%	50.00%	-
Du Bassin Nord SCI	France	50.00%	50.00%	-	50.00%	50.00%	-
Le Havre Vauban SNC	France	50.00%	50.00%	-	50.00%	50.00%	-
Le Havre Lafayette SNC	France	50.00%	50.00%	-	50.00%	50.00%	-
Girardin 2 SCI	France	33.40%	33.40%	-	33.40%	33.40%	-
Société Immobilière de la Pommeraie SC	France	50.00%	50.00%	-	50.00%	50.00%	-
Kleprim's SCI	France	50.00%	50.00%	-	50.00%	50.00%	-
Celsius Le Murier SNC	France	40.00%	40.00%	-	40.00%	40.00%	-
Celsius Haven SNC	France	40.00%	40.00%	-	40.00%	40.00%	-
Ventura SAS	France	50.00%	50.00%	-	50.00%	50.00%	-
Lobsta & K SAS	France	50.00%	50.00%	-	50.00%	50.00%	-
Lobsta & K Serris SAS	France	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Lobsta & K Boulogne SAS	France	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Clivia S.p.A	Italy	50.00%	50.00%	-	50.00%	50.00%	-
CCDF S.p.A	Italy	49.00%	49.00%	-	49.00%	49.00%	-
Galleria Commerciale Porta di Roma S.p.A	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Galleria Commerciale 9 S.r.l	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Italian Shopping Centre Investment S.r.l	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Holding Klege S.r.l	Luxembourg	50.00%	50.00%	-	50.00%	50.00%	-
Metro Senter ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Sentrum ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Eiendom ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Metro Shopping AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Sentrum AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Nordal ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Klege Portugal SA	Portugal	50.00%	50.00%	-	50.00%	50.00%	-

List of consolidated companies Equity-accounted companies: significant influence	Country	% interest			% control		
		12/31/2022	12/31/2021	Change	12/31/2022	12/31/2021	Change
La Rocade SCI	France	38.00%	38.00%	-	38.00%	38.00%	-
La Rocade Ouest SCI	France	36.73%	36.73%	-	36.73%	36.73%	-
Du Plateau SCI	France	19.65%	19.65%	-	30.00%	30.00%	-
Achères 2000 SCI	France	30.00%	30.00%	-	30.00%	30.00%	-
Le Champ de Maïs SC	France	40.00%	40.00%	-	40.00%	40.00%	-
Société du bois des fenêtres SARL	France	20.00%	20.00%	-	20.00%	20.00%	-
Secar SC	France	10.00%	10.00%	-	10.00%	10.00%	-
Antigaspi & K SAS	France	30.00%	30.00%	-	30.00%	30.00%	-
NEAG Boulogne SAS	France	30.00%	30.00%	-	30.00%	30.00%	-
Akmerkez Gayrimenkul Yatirim Ortakligi AS	Turkey	44.85%	45.93%	−1.08%	44.85%	45.93%	−1.08%

List of deconsolidated companies at 12/31/2022	Country	% interest		% control		Comments
		12/31/2022	12/31/2021	12/31/2022	12/31/2021	
Miratur Turizm Insaat ve Ticaret AS	Turkey	0.00%	100.00%	0.00%	100.00%	Disposed
Hamar Storsenter AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Stavanger Storsenter AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Gulskogen Senter AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Parc de Coquelles SNC	France	0.00%	50.00%	0.00%	50.00%	Liquidated
Step In SAS	France	0.00%	24.46%	0.00%	24.46%	Liquidated
Klépierre Beleggingen I BV	Netherlands	0.00%	100.00%	0.00%	100.00%	Liquidated
Bresta I BV	Netherlands	0.00%	100.00%	0.00%	100.00%	Liquidated
KLP Polska Sp. z o.o. Poznań SKA w likwidacji	Poland	0.00%	100.00%	0.00%	100.00%	Liquidated
Klépierre Management Slovensko S.R.O.	Slovakia	0.00%	100.00%	0.00%	100.00%	Liquidated
Galleria Commerciale Il Destriero S.p.A	Italy	0.00%	50.00%	0.00%	50.00%	Merged
Coimbra SA	Belgium	0.00%	100.00%	0.00%	100.00%	Merged
Bègles Papin SNC	France	0.00%	100.00%	0.00%	100.00%	Merged
Kleber Odysseum SCI	France	0.00%	100.00%	0.00%	100.00%	Merged
Holding Gondomar 3 SAS	France	0.00%	100.00%	0.00%	100.00%	Merged
Klépierre Gift Cards SAS	France	0.00%	100.00%	0.00%	100.00%	Merged
LP7 SAS	France	0.00%	100.00%	0.00%	100.00%	Merged

4.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2022

To the Annual General Meeting of Klépierre,

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as the information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Klépierre for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of investment properties at fair value

Risk identified	Our response
As at December 31, 2022, as mentioned in Note 5.4.4 to the consolidated financial statements, the Group's investment properties, which are recognized at fair value, amounted to €17,757 million and investments in equity-accounted companies relating to investment properties recognized at fair value amounted to €1,217 million. The fair values used by Management are based on independent appraisals. These fair values incorporate many assumptions and estimates, in particular projected rent changes, discount rates and exit rates, estimated market rent levels, as well as recent transactions. For development assets, other factors are considered, such as projected development costs, rental stage of completion and the risks incurred until projects are completed. Determining the fair value of investment properties requires significant judgment. Therefore, given the materiality of the item in the consolidated financial statements taken as a whole and the level of judgment used in determining the fair value, the measurement of investment properties is considered to be a key audit matter. Please refer to Note 5.4 to the consolidated financial statements.	We obtained an understanding of Management's controls relating to the data used for valuations as well as the controls concerning the changes in value compared with prior periods. We tested the efficiency of the controls that we considered to be the most relevant. We assessed the competence and independence of the independent appraisers. With our specialists in real estate appraisal included in the audit team, we participated in meetings with independent appraisers, in order to understand the methodology adopted and the main assumptions used underlying the valuation of investment properties and, in particular, market trends in terms of expected rents, market yields and, for development assets, the consideration of future development costs. We examined how recent market transactions were taken into account by the independent appraisers. We reconciled the valuations of the independent appraisers with the consolidated financial statements. We performed analytical procedures by comparing the valuations with those of prior periods, as well as the assumptions used, such as discount rates and exit rates with the relevant market data. We carried out specific procedures on investment properties whose valuation and, where applicable, variations were significant, as well as those whose assumptions and variations were unusual. In this context, together with our specialists in real estate appraisal, we assessed the main parameters used by the independent appraisers, such as projected rent changes, market rent levels, discount rates and exit rates. Interviews with Management were conducted when necessary. We also assessed the appropriateness of the information on investment properties at fair value disclosed in the notes to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Executive Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Executive Board's Chairman's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF *(Autorité des marchés financiers)* agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Klépierre by your Annual General Meeting held on June 28, 2006 for DELOITTE & ASSOCIES and held on April 19, 2016 for ERNST & YOUNG Audit.

As at December 31, 2022, DELOITTE & ASSOCIES was in its seventeenth year of total uninterrupted engagement and ERNST & YOUNG Audit was in its seventh year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 30, 2023

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES

Damien Leurent Jean-Vincent Coustel

ERNST & YOUNG AUDIT

Gilles Cohen

4.3 COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

4.3.1 Balance sheet

4.3.1.1 Assets

		12/31/2022			12/31/2021
In thousands of euros	Notes	Gross	Depreciation, amortization and impairment	Net	Net
NON-CURRENT ASSETS					
Intangible assets	3.1	193,354	193,354	-	-
Property, plant and equipment	3.1	352,458	138,113	214,345	231,608
Land		61,042	13,172	47,870	51,144
Buildings and fixtures		229,878	124,600	105,278	124,098
Technical installations, plant and equipment		19	19	-	-
Other		51,779	321	51,457	51,513
Property, plant and equipment in progress		9,740	-	9,740	4,853
Financial assets	3.2	14,744,068	1,860,664	12,883,404	13,204,098
Investments	3.2.1	9,850,673	1,791,508	8,059,165	7,967,624
Loans and advances to equity investments	3.2.2	4,893,216	68,977	4,824,239	5,086,464
Other long-term investments		179	179	-	-
Other financial assets		-	-	-	150,010
TOTAL I		15,289,879	2,192,130	13,097,749	13,435,706
CURRENT ASSETS					
Advances and prepayments to suppliers		6,637	-	6,637	9,046
Receivables	3.3	22,218	4,673	17,544	19,400
Trade accounts and notes receivable		19,400	4,511	14,888	15,025
Other		2,818	162	2,656	4,376
Marketable securities and treasury shares	3.4	28,580	-	28,580	40,777
Cash and cash equivalents	3.5	146,291	-	146,291	178,691
Prepaid expenses	3.6	7,617	-	7,617	6
TOTAL II		211,343	4,673	206,669	247,921
Deferred expenses (III)	3.6	23,731	-	23,731	28,273
Loan issue premiums (IV)	3.6	25,343	-	25,343	29,504
Currency translation adjustment – assets (V)		-	-	-	-
GRAND TOTAL (I+II+III+IV+V)		**15,550,296**	**2,196,803**	**13,353,493**	**13,741,403**

4.3.1.2 Shareholders' equity and liabilities

In thousands of euros	Notes	12/31/2022	12/31/2021
SHAREHOLDERS' EQUITY	**4.1**		
Share capital (of which paid-up: 401,606)		401,606	401,606
Additional paid-in capital (from share issues, mergers and contributions)		3,585,902	4,071,219
Legal reserve		44,010	44,010
Retained earnings		(86,930)	(147,095)
Net income		**346,879**	**60,165**
Regulated provisions		-	-
TOTAL I		4,291,467	4,429,904
Provisions for contingencies and losses	**4.2**	**31,649**	**15,235**
Provision for contingencies		31,649	15,127
Provision for losses		-	108
TOTAL II		31,649	15,235
LIABILITIES			
Loans and borrowings	**4.3**	**8,996,190**	**9,254,825**
Bonds		5,624,965	6,112,189
Bank loans and borrowings		79,650	1,609
Other loans and borrowings		3,291,575	3,141,026
Due on trade receivables		**3,526**	**1,273**
Operating payables		**18,043**	**20,810**
Trade payables	4.4	12,307	14,496
Accrued taxes and payroll costs	4.5	5,736	6,315
Other payables	**4.6**	**3,890**	**7,089**
Due to suppliers of property and equipment		2	2
Other		3,888	7,087
Prepaid income	**4.7**	**1,385**	**5,330**
TOTAL III		9,023,034	9,289,327
Currency translation adjustment – liabilities (IV)	**4.8**	**7,343**	**6,937**
GRAND TOTAL (I+II+III+IV)		**13,353,493**	**13,741,403**

4.3.2 Income statement

In thousands of euros	Notes		2022	2021
OPERATING INCOME				
Rental income			31,636	25,538
• *Property rentals*			*24,501*	*19,262*
• *Costs recharged to tenants*			*7,135*	*6,276*
Fees			855	809
Reversals of depreciation, impairment, provisions, and expense transfers			6,410	4,102
Other income			900	1,387
		TOTAL I	39,801	31,836
OPERATING EXPENSES				
Purchases and external charges			(22,549)	(18,972)
Taxes other than on income			(2,496)	(2,469)
Wages and salaries			(3,104)	(3,863)
Payroll taxes			(1,093)	(2,955)
Depreciation, amortization, impairment and provisions				
• *Depreciation and amortization of non-current assets and deferred expenses*			*(8,590)*	*(8,851)*
• *Impairment of non-current assets*			*(7,855)*	*(2,641)*
• *Impairment of current assets*			*(1,805)*	*(4,617)*
• *Provision for contingencies and losses*			*(776)*	*(796)*
Other expenses			(2,252)	(1,677)
		TOTAL II	(50,521)	(46,841)
Net operating income/(expense) (I + II)	5.1		(10,720)	(15,006)
SHARE OF INCOME FROM JOINT OPERATIONS	**5.2**			
Profits allocated or losses transferred		III	122,846	97,706
Losses incurred or profits transferred		IV	(17,192)	(21,695)
FINANCIAL INCOME	**5.3.1**			
From investments in subsidiaries and affiliates			399,460	343,945
Other interest income			6,824	13,423
Reversals of provisions and expense transfers			106,810	32,466
Foreign exchange gains			2,130	905
		TOTAL V	515,224	390,739
FINANCIAL EXPENSES	**5.3.2**			
Depreciation, amortization and impairment			(160,643)	(298,224)
Interest expense			(92,574)	(103,030)
Foreign exchange losses			(2,112)	(985)
		TOTAL VI	(255,329)	(402,238)
Net financial income/(expense) (V+VI)			259,895	(11,499)
Net income from ordinary operations before tax (I+II+III+IV+V+VI)			354,829	49,506
NON-RECURRING INCOME				
On management transactions			-	-
On capital transactions			16,064	51,200
Reversals of provisions and expense transfers			24,588	97,390
		TOTAL VII	40,652	148,590
NON-RECURRING EXPENSES				
On management transactions			(145)	-
On capital transactions			(49,382)	(137,860)
Depreciation, amortization, impairment and provisions			-	(1,710)
		TOTAL VIII	(49,527)	(139,570)
Net non-recurring income/(expense) (VII-VIII)	5.4		(8,876)	9,020
Employee profit-sharing		IX	-	-
Income tax	5.5	X	926	1,640
Total income (I+III+V+VII)			**718,522**	**668,870**
Total expenses (II+IV+VI+VIII+IX+X)			**(371,643)**	**(608,704)**
NET INCOME			**346,879**	**60,165**

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Klépierre is a French joint-stock corporation (*société anonyme*) listed on compartment A of Euronext Paris. The Company's registered office is located at 26, boulevard des Capucines, 75009, Paris. The financial statements were prepared in thousands of euros, and were established for publication by the Executive Board on February 13, 2023.

The fiscal year runs from January 1 to December 31, 2022 (12 months).

The following notes are an integral part of the Company financial statements.

The Company financial statements and accompanying notes are presented in thousands of euros unless otherwise stated.

NOTE 1 SIGNIFICANT EVENTS

1.1 DISTRIBUTION APPROVED BY THE GENERAL MEETING

On April 26, 2022, the General Meeting of Shareholders approved the proposed payment of a €1.70 per share cash distribution in respect of 2021, deducted from equity premiums.

The distribution was paid to shareholders on May 16, 2022 in a total amount of €485.3 million (excluding treasury shares).

1.2 CHANGES IN NET DEBT

In January 2022, Klépierre SA redeemed €297 million worth of senior bonds maturing in April 2023 (€226.3 million out of an initial €750 million issue) and November 2024 (€70.7 million out of an initial €630 million issue) through a tender offer. The €100 million private placement falling due May 2022 was also redeemed ahead of term in February 2022 following the activation of the early redemption option (par call). These transactions were financed out of cash at hand.

The Company paid down the last former Corio bonds for €85 million in December 2022, after putting in place a five-year bank term loan of €75 million.

1.3 DISPOSAL OF A REAL ESTATE ASSET IN ORGEVAL

On May 17, 2022, Klépierre SA sold a real estate asset located in Orgeval (near Paris) for €9.1 million.

1.4 LEGAL RESTRUCTURING

Liquidation

On October 20, 2022, the following Dutch companies, which were no longer active, were liquidated:

- Bresta I B.V.;
- Klépierre Beleggingen I B.V.

On December 8, 2022, the Slovakian management company, which was no longer active, was liquidated (see note 5.4).

Asset and liability transfers ("TUP")

On October 25, 2022, the following companies were dissolved, without liquidation, under a simplified procedure:

- Bègles Papin SNC and Kléber Odysseum SCI: these transactions were completed under the ordinary corporate income tax regime;
- Holding Gondomar 3 SAS: this transaction was completed under the preferential tax regime provided for in Article 210 A of the French Tax Code (*Code général des impôts*).

On November 29, 2022, French company LP7 SAS was dissolved, without liquidation, under a simplified procedure: this transaction was completed under the ordinary corporate income tax regime.

All of these transactions were carried out without retroactive effect for tax purposes.

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 APPLICATION OF ACCOUNTING POLICIES

The Company financial statements were prepared in accordance with the French Commercial Code (*Code de commerce*), the French General Chart of Accounts (*Plan comptable général*) in force (ANC Regulation no. 2014-03 as updated to include all subsequent amendments), French law and French generally accepted accounting principles.

Generally accepted accounting principles were applied in accordance with the principle of prudence, the accrual basis of accounting and on a going concern basis.

2.2 CHANGES IN ACCOUNTING RULES AND METHODS

There were no changes in accounting methods or estimates during the year.

2.3 RECOGNITION AND MEASUREMENT METHODS

The Company applies the historical cost convention to measure and recognize assets. Property, plant and equipment and intangible assets are recognized as assets when both of the following conditions have been met:

- It is probable that the future economic benefits associated with the asset will flow to the entity;
- Their cost or value can be measured reliably.

At the recognition date, asset values are measured either at acquisition cost or cost of construction.

2.3.1 Intangible assets

Intangible assets primarily comprise technical losses allocated to "Business goodwill", and are written down in the event of impairment. Impairment recognized cannot be reversed.

2.3.2 Property, plant and equipment

This caption mainly comprises real estate assets held by the Company (principally shopping centers and adjacent land).

Gross value of property, plant and equipment

Real estate assets are recorded on the balance sheet at acquisition cost, contribution value or cost of construction or restructuring, based on the manner in which they are acquired. Gross value includes acquisition costs (transfer taxes, fees, commissions, legal and administrative fees). Interest and other expense relating specifically to the development of property, plant and equipment is capitalized in the acquisition cost.

Acquisition cost also includes eviction indemnities paid to tenants when their departure is necessitated by building renovation, reconstruction and restructuring work.

In accordance with ANC Regulation no. 2014-03, the component approach is used, where the gross value of real estate assets (other than land) is allocated to four separate components, based on the following percentages:

Components	Shopping center properties
Structures	50%
Facades	15%
General and technical installations	25%
Fittings	10%

As these scales were based on assumed "as new" values, a multiplier was applied at first-time adoption depending on the age of the individual asset components. The same method has been applied to all subsequently acquired or contributed real estate assets.

Depreciation

Real estate assets are depreciated on a straight-line basis over the useful life of each component. Land is not depreciated. Based on French Federation of Real Estate Companies (FSIF) studies, the depreciation periods used are as follows:

Components	Depreciation period (straight-line basis)
Structures	35 to 50 years
Facades	25 years
General and technical installations	20 years
Fittings	10 to 15 years

No residual value is provided for on the assets currently held.

Impairment of real estate assets

When the carrying amount of real estate assets exceeds estimated present value, an impairment loss is recognized to write down the carrying amount to present value. Present value corresponds to fair value or value in use. Impairment is first recognized against non-depreciable components. Where applicable, any technical losses allocated for accounting purposes to the related components are taken into consideration.

The fair value of real estate assets corresponds to the market value excluding transfer taxes at the reporting date, as determined by independent real estate appraisers or internally, with the exception of assets acquired within the past six months whose fair value is estimated only in the event of a loss in value. The fair value of assets covered by an agreement to sell (*promesse de vente*) is appraised at the selling price net of disposal costs.

Accordingly, since these are by nature estimates, the disposal price for certain real estate assets may differ from the appraised values, even where it occurs within a few months of the reporting date.

2.3.3 Non-current financial assets

Non-current financial assets mainly comprise:

- Equity investments held by Klépierre SA in companies directly or indirectly holding real estate assets;
- Advances to equity investments;
- Treasury shares recognized.

This item also includes merger losses and share cancellation premiums arising on unrealized gains on shares.

Equity investments

Equity investments are recognized on the balance sheet at cost, contribution value or subscription value. Acquisition costs (transfer taxes, professional, legal and administrative fees) are expensed as incurred and are not included in the carrying amount of the shares.

When the value in use is lower than the carrying value plus the technical losses allocated for accounting purposes to equity investments, an impairment loss is booked first against the merger loss and subsequently against the equity investment. The value in use is determined on a multi-criteria basis taking into account the subsidiaries' net asset value and profitability outlook.

The net asset value of real estate companies is estimated based on external appraisals conducted by independent real estate appraisers, internal appraisals, or based on the value of sale commitments, in the same manner as for directly-held properties (see impairment of real estate assets).

The carrying amount of management company shares is remeasured at each reporting date by an independent appraiser using the discounted future cash flows method.

Advances to equity investments

Loans and advances to equity investments held by Klépierre SA are recognized at face value and may be written down in the event that there is a risk of non-recovery. The Company takes account of the characteristics of the advance granted, the ability of the subsidiary to reimburse the advance, and its future prospects as appropriate. Advances to equity investments are written down only where the corresponding shares have already been written down in full.

Treasury shares

Treasury shares are recognized at cost under non-current financial assets, except for treasury shares acquired in the context of employee share grants or for market-making purposes, which are shown in marketable securities.

An impairment loss is recognized if the average share price for the last month of the fiscal year is lower than the acquisition value, except for treasury shares held for cancellation as part of a capital decrease, and for shares allocated to employee share grants, which are never written down.

2.3.4 Receivables

Receivables are recognized at face value.

The Company conducted a line-by-line analysis of trade receivables to assess counterparty risk.

An allowance is recognized against trade receivables where there is a risk of non-recovery, assessed on a multi-criteria basis taking into account the age of the receivables, their nature, the status of any ongoing recovery procedures, and the quality of any guarantees held. The amount of the allowance is calculated with or without deduction of security deposits further to the contract-by-contract risk assessment. Note 2.5 sets out the accounting treatment applied to receivables denominated in foreign currency.

Other receivables include balancing payments on swaps and deferred premiums paid further to the cancellation or restructuring of derivative hedging instruments (see note 2.4 for additional disclosures).

2.3.5 Marketable securities

Marketable securities are recognized at cost. Marketable securities comprise term deposits and treasury shares other than those classified as non-current financial assets. They are held mainly to cover performance share plans or for the purposes of promoting the liquidity of Klépierre shares.

Marketable securities are written down when their acquisition value exceeds fair value, determined by reference to the average stock market price for the last month of the fiscal year. For further information, see section 2.3.3 on treasury shares.

2.4 ACCOUNTING METHODS – LIABILITIES AND EQUITY

2.4.1 Borrowings

Borrowings and other financial liabilities are recognized at their reimbursement face value, including accrued interest not yet due. Note 2.5 sets out the accounting treatment applied to borrowings denominated in foreign currency.

2.4.2 Bond issue costs

Bond issue costs and premiums, and commissions and fees relating to bank loans are recognized under assets and taken to income on a straight-line basis over the term of the underlying agreement.

2.4.3 Forward financial instruments and hedging transactions

Derivative instruments – hedging transactions

Klépierre SA subscribes to various derivative contracts such as interest rate and currency swaps and interest rate caps to reduce the exposure of the Company's earnings, cash flows and equity to interest rate and currency fluctuations.

Klépierre SA applies the hedge accounting principles set out in the French General Chart of Accounts (Articles 628-6 to 628-17) and ANC Regulation no. 2014-03, updated notably by Regulation no. 2015-05 relating to forward financial instruments and hedging transactions.

Hedging costs (option premiums, balancing payments and other costs) are recognized to match the gains and losses on the hedged item.

Gains and losses arising on hedging transactions are recognized in the income statement to match the recognition of income and expenses of the hedged item. Gains and losses on forward financial instruments (swaps) contracted for the purpose of hedging exposure to changes in interest rates are taken to income at a rate that matches the recognition of the interest expense on the hedged borrowings.

Gains and losses on hedging instruments are classified in the same way as the hedged item and under the same income statement classification (operating or financial income and expenses).

Unrealized gains and losses on hedging transactions arising on the difference between the estimated market value of hedging agreements and their carrying amount at the reporting date are only recognized where doing so ensures matching treatment with the hedged item.

The value in use of an investment in a foreign operation may be hedged up to the equivalent value of the carrying amount in foreign currency. The impact of hedging is taken into account in the calculation of impairment losses on shares.

Gains and losses on foreign exchange derivatives arranged in connection with the hedging of foreign currency loans are taken to income over the hedging period to match gains and losses on the hedged item.

Derivative instruments – transactions not meeting the eligibility criteria for hedge accounting

Transactions that are not eligible for hedge accounting are treated for accounting purposes as "isolated open positions", in accordance with Article no. 628-18 of the French General Chart of Accounts. Gains and losses arising on these transactions are immediately recognized in the income statement, in financial income and expenses.

Any unrealized gains and losses arising on the difference between the estimated market value of the agreements and their carrying amount at the reporting date are recognized in financial income and expenses, with a contra-entry to provisions. Pursuant to the prudence principle, unrealized gains are not taken to income regardless of the market on which the instrument is traded.

Interest income and expense on these transactions is recognized in financial income and expenses.

2.4.4 Employee benefits

In accordance with Recommendation no. 2013-02 of November 7, 2013, as amended in November 2021, pension obligations are provided for in full (preferred method) and are valued in accordance with the recommended method in IAS 19 (revised). This is the same accounting treatment that is applied in the consolidated financial statements. As the Company has no employees, no commitment is calculated at the level of the parent.

2.5 CURRENCY TRANSLATION ADJUSTMENTS – TRANSACTIONS DENOMINATED IN FOREIGN CURRENCY

Receivables and payables denominated in foreign currency are translated at the period end and recognized in local currency based on the latest exchange rate published by Banque de France.

If the application of the exchange rate on the reporting date changes the previously-recognized local currency amounts, any translation differences are recorded under currency translation adjustments.

Unrealized gains ("Currency translation adjustment - liabilities") are not recognized in income but are recorded under liabilities, whereas a provision for contingencies ("Currency translation adjustment - assets") is set aside for unrealized losses to the extent of the unhedged risk.

Payments related to these receivables and payables are compared to the original historical values and give rise to the recognition of foreign exchange gains and losses. These gains and losses are not offset.

2.6 ACCOUNTING METHODS – INCOME STATEMENT

2.6.1 Operating income and expenses related to the leasing business

Operating income and expenses mainly comprise rents and rebilled expenses. Rents are recognized on a straight-line basis over the term of the lease. Service charges are invoiced to tenants based on the approved budget, and adjusted once the settlement of service charges is realized.

Step-up rents and rent-free periods

Step-up rents and rent-free periods are recognized on a straight-line basis over the reference period. The reference period adopted is the first non-cancelable lease term.

Early termination penalties

Tenants who terminate leases prior to the contractual expiration date are liable to pay early termination penalties, which are credited to income for the period when in which they are recognized

Key money

Key money paid by tenants is recognized over the non-cancelable lease term.

Letting fees

Letting, re-letting and renewal fees are recognized as expenses for the fiscal year.

Recognition of income from fixed assets passed on to tenants

Income from fixed assets passed on to tenants is recognized over the non-cancelable lease term to the extent that the annual amount exceeds €0.6 million per property.

2.6.2 Mergers and similar transactions

Gains and losses arising on merger transactions are determined as the difference between the net financial position of the merged entity and the carrying amount of the shares in the balance sheet of the parent entity.

Technical surpluses

Any gains from these transactions are recognized in financial income to the extent of the share in the merged entity's accumulated retained earnings since the acquisition of its shares. Any surpluses are taken to equity.

Technical losses

Losses arising on mergers that cannot be justified by unrealized gains that are not recognized in the financial statements of the merged entity are recognized in financial income and expenses. Technical losses corresponding to unrealized and unrecognized gains (generally the case for mergers of entities under joint control carried out at book value) are recognized under other property, plant and equipment, intangible assets, non-current financial assets or in a current asset account based on the classification of the unrealized gains on the underlying transferred assets. Technical losses are subject to the same depreciation, amortization and impairment rules as the underlying asset to which they are allocated.

2.6.3 Tax regime adopted by the Company

Klépierre SA has elected to be taxed under the French real estate investment company (*Sociétés d'investissement immobilier cotées -* SIIC) tax regime in accordance with the terms of Article 208 C of the French Tax Code.

As such, it is exempt from corporate income tax on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a corporate purpose identical to that of a SIIC or shareholdings in subsidiaries having elected for SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated;
- Dividends received (i) from subsidiaries having elected for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, or (ii) from subsidiaries outside France subject to a tax regime that is comparable to SIIC status, provided that they are redistributed during the fiscal year following the year in which they are generated.

The Company is subject to income tax under the conditions of ordinary law on its other income (including financial income, dividends from French or foreign subsidiaries not subject to SIIC rules or a comparable regime outside of France, and its real estate management activity carried out through pass-through subsidiaries).

NOTE 3 BALANCE SHEET ASSETS

3.1 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

3.1.1 Gross non-current assets

In thousands of euros	Gross amount at 12/31/2021	Acquisitions, new businesses and contributions	Reductions by disposals, retirement of assets	Inter-item transfers	Gross amount at 12/31/2022
INTANGIBLE ASSETS					
Technical merger loss	184,564	-	-	-	184,564
Other	8,790	-	-	-	8,790
Total	**193,354**	**-**	**-**	**-**	**193,354**
PROPERTY, PLANT AND EQUIPMENT					
Land	62,104	-	(1,062)	-	61,042
Structures	125,056	-	(5,105)	-	119,951
Facades, cladding and roofing	30,464	-	(2,927)	1	27,539
General and technical installations	51,391	-	(1,817)	157	49,732
Fittings	33,302	-	(706)	60	32,656
Property, plant and equipment in progress	4,853	5,113	(8)	(218)	9,740
Other property, plant and equipment	51,798	-	-	-	51,798
• *Technical loss on land*	*49,364*	-	-	-	*49,364*
• *Technical loss on structures*	*2,399*	-	-	-	*2,399*
• *Other*	*34*	-	-	-	*34*
Total	**358,968**	**5,113**	**(11,624)**	**-**	**352,458**
TOTAL GROSS NON-CURRENT ASSETS	**552,322**	**5,113**	**(11,624)**	**-**	**545,811**

The amount of €184.6 million in technical losses corresponds to the unallocated portion of the technical loss resulting from the merger of Corio NV. This technical loss was written down in full at the end of the 2015 fiscal year.

Technical merger losses allocated to land and structures

Transactions	Dates	Underlying assets transferred in the merger or transfer of assets and liabilities	Gross amount
Merger Centre Jaude	06/08/2015	Real estate asset (Centre Jaude shopping center)	46,342
Merger Carré Jaude 2	07/31/2015	Real estate asset (Carré Jaude 2 shopping center)	1,459
Merger Corio SAS	03/13/2017	Real estate asset (Saint-Étienne Centre Deux shopping center)	3,963
TOTAL			**51,763**

Property, plant and equipment in progress mainly corresponds to investment expense related to work on the Clermont Jaude and Saint-Étienne Centre Deux shopping centers.

3.1.2 Depreciation, amortization and impairment

In thousands of euros	Depreciation and amortization at 12/31/2021	Additions	Disposals	Inter-item transfers	Depreciation and amortization at 12/31/2022
INTANGIBLE ASSETS					
Technical merger loss	184,564	-	-	-	184,564
Other	8,790	-	-	-	8,790
Total	**193,354**	**-**	**-**	**-**	**193,354**
PROPERTY, PLANT AND EQUIPMENT					
Structures	44,476	2,822	(1,507)	-	45,792
Facades, cladding and roofing	14,829	1,015	(1,694)	-	14,151
General and technical installations	28,253	2,379	(1,397)	-	29,235
Fittings	15,915	1,918	(470)	-	17,362
Other property, plant and equipment	285	55	-	-	340
• *Technical loss on land*	-	-	-	-	-
• *Technical loss on structures*	*266*	*55*	-	-	*321*
• *Other*	*19*	-	-	-	*19*
Total	**103,758**	**8,190**	**(5,068)**	**-**	**106,880**
Total depreciation and amortization	**297,112**	**8,190**	**(5,068)**	**-**	**300,234**

In thousands of euros	Impairment at 12/31/2021	Additions	Reversals	Inter-item transfers	Impairment at 12/31/2022
PROPERTY, PLANT AND EQUIPMENT					
Land	10,960	2,437	(225)	-	13,172
Structures	12,642	5,418	-	-	18,060
Total impairment	**23,602**	**7,855**	**(225)**	**-**	**31,232**
TOTAL DEPRECIATION AND IMPAIRMENT	**320,714**	**16,045**	**(5,293)**	**-**	**331,466**

In 2022, changes in depreciation, amortization and impairment are mainly due to impairment recognized against two real estate assets for €7.9 million.

3.1.3 Net non-current assets

In thousands of euros	Net amount at 12/31/2021	Increases net of depreciation, amortization and impairment	Decreases net of reversals	Inter-item transfers	Net amount at 12/31/2022
INTANGIBLE ASSETS					
Technical merger loss	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT					
Land	51,144	(2,437)	(837)	-	47,870
Structures	67,938	(8,240)	(3,598)	-	56,099
Facades, cladding and roofing	15,635	(1,015)	(1,233)	1	13,388
General and technical installations	23,138	(2,379)	(420)	157	20,497
Fittings	17,388	(1,918)	(235)	60	15,294
Property, plant and equipment in progress	4,853	5,113	(8)	(218)	9,740
Other property, plant and equipment	51,513	(55)	-	-	51,457
• *Technical loss on land*	*49,364*	-	-	-	*49,364*
• *Technical loss on structures*	*2,133*	*(55)*	-	-	*2,078*
• *Other*	*15*	-	-	-	*15*
Total	231,608	(10,932)	(6,331)	-	214,345
TOTAL NET NON-CURRENT ASSETS	**231,608**	**(10,932)**	**(6,331)**	**-**	**214,345**

3.2 NON-CURRENT FINANCIAL ASSETS

3.2.1 Equity investments

In thousands of euros	
GROSS EQUITY INVESTMENTS AT BEGINNING OF YEAR	**9,717,652**
Acquisitions of shares	271,098
Decreases in shares	(15,238)
Disposals and transfers of shares	(123,033)
Technical losses on equity investments	194
GROSS EQUITY INVESTMENTS AT END OF YEAR	**9,850,673**

Acquisitions of shares mainly correspond to:

- Subscriptions to capital increases by Klépierre SA subsidiaries, including Klépierre Alpes SAS for €47.2 million, Klépierre Échirolles SNC for €28.2 million, Klépierre Créteil SCI for €26.6 million and Cécoville SAS for €24.5 million;
- The contribution of Odysseum Place De France SNC shares for €74.4 million following the transfer of the assets and liabilities of Kléber Odysseum SCI to Klépierre SA in a merger transaction.

Decreases in shares mainly correspond to the capital decrease of Du Bassin Nord SCI.

Disposals and transfers of shares mainly correspond to the:

- Cancellation of shares in Kléber Odysseum SCI, Bègles Papin SNC, Holding Gondomar 3 SAS and LP7 SAS for a total amount of €94.1 million following the merger of the companies during the year (see note 1);
- Cancellation of shares in Bresta I B.V., Klépierre Beleggingen I B.V. and Klepierre Management Slovensko s.r.o. for €23.6 million following the liquidation of these companies (see note 1.4).

Impairment of equity investments

In thousands of euros	Impairment at 12/31/2021	Additions	Reversals	Mergers	Impairment at 12/31/2022
NON-CURRENT FINANCIAL ASSETS					
Impairment of equity investments	1,750,028	104,766	(62,808)	(478)	1,791,508
TOTAL IMPAIRMENT	**1,750,028**	**104,766**	**(62,808)**	**(478)**	**1,791,508**

Impairment of equity investments mainly corresponds to:

- Impairment losses recognized during the year, concerning:
  - Klépierre Nederland B.V. for €36.9 million;
  - Les Portes de Chevreuse SNC for €16.3 million (following the capital increase carried out by capitalizing debt, the impairment previously recognized against the debt was reversed and set aside as a provision for impairment of investments in 2022).
- Reversals of impairment losses on the shares of:
  - Akmerkez Gayrimenkul Yatirim Ortakligi AS for €22.5 million;
  - Bresta I B.V. and Klépierre Beleggingen I B.V. for €23.4 million following their liquidation (see note 1.4).

Financial information on subsidiaries and investments

Financial information on subsidiaries and investments *In thousands of euros*	**Share capital***	**Shareholders equity other than share capital and net income***	**% interest**	**Net income at year end**	**Pre-tax revenues**	**Gross book value**	**Net book value**	**Guarantees and sureties given**	**Loans and advances granted**	**Dividends received**
1. SUBSIDIARIES MORE THAN 50% OWNED										
Ayam SNC	3	-	90	71	-	8,029	4,301	-	443	-
Bègles d'Arcins SCS	26,679	35,311	52	11,574	22,309	44,991	44,991	-	16,793	-
Caetoile SNC	3	38,365	90	8,306	11,942	152,582	152,582	-	-	4,953
Capucine B.V.	39,494	307,000	100	28,701	-	515,979	515,979	-	-	-
Cécoville SAS	3,520	208,588	100	22,676	34,739	281,097	281,097	-	-	7,026
Centre Bourse SNC	3,813	-	100	709	3,269	47,419	7,319	-	27,591	-
Centre Deux SNC	3	34,106	91	2,983	6,252	89,845	57,916	-	84	1,250
Dense SNC	3	30,999	91	4,303	8,208	94,725	94,725	-	-	2,568
Financière Corio SAS	3	(47)	100	(52)	-	1,571	-	-	43,248	-
Foncière de Louvain-la-Neuve SA	12,062	(13,272)	100	25,385	18,960	12,064	12,064	-	125,454	-
Galerie du livre SAS	76	1,987	100	(7)	93	6,309	6,089	-	-	34
Galleria Commerciale Klépierre SRL	1,560	31,397	100	225	2,812	41,052	35,955	-	2,800	9,000
Galeries Drancéennes SNC	4	600	100	1,796	4,553	58,341	19,065	-	10,713	-
Gondobrico SA	3,322	353	100	500	985	3,516	3,516	-	1,462	-
Le Havre Colbert SNC	80	9,947	100	914	1,572	10,026	10,026	-	2,768	-
Holding Gondomar 1 SAS	5,085	24,362	100	5,252	6,653	64,739	64,739	-	8,988	1,642
KLE 1 SAS	9,580	54,359	100	8,075	151	117,166	117,166	-	53,982	6,155
Klecab SCI	450	1,350	100	97	474	1,800	1,800	-	1,207	-
Klé Projet 1 SAS	3,754	18,789	100	(3,221)	1,072	37,201	28,172	-	6,222	-
Klecar Foncier España SL	250	1,709	100	6,169	13,372	192,735	167,941	235	43,225	6,717
Klecar Foncier Iberica SL	251	50	100	3,226	321	46,316	6,628	-	-	34
Klécar France SNC	333,086	-	83	45,875	6,341	455,060	455,060	-	-	-
Klécar Participations Italie SAS	20,456	2,079	83	513	-	17,587	17,587	-	60,088	-
Klémurs SAS	91,542	73,786	100	40,417	15,930	238,942	214,013	-	-	14,518
Klépierre Alpes SAS	186	93,157	100	10,271	18,557	279,761	259,966	-	-	4,610
Klépierre Conseil SAS	1,108	5,622	100	116	60	7,934	7,934	-	122	40
Klépierre Créteil SCI	33,238	37,851	100	7,934	5,477	102,229	80,482	-	-	-
Klépierre Échirolles SNC	28,173	(7,247)	100	(3,608)	20	34,736	17,303	-	-	-
Klépierre et Cie SNC	503	10,128	100	1,260	-	40,205	38,341	-	-	1,032
Klépierre Finance SAS	38	78	100	(136)	675	1,599	-	-	-	-
Klépierre Foncier Macedonia SA	190	(13,238)	100	632	1,262	1,999	-	-	18,958	-
Klépierre Grand Littoral SAS	69,427	(14,714)	100	810	17,097	360,115	62,028	-	56,776	-
Klépierre Italia SRL	62,390	513,007	100	68,802	-	1,144,425	1,144,425	-	1,436,061	2,341
Klépierre Management Belgique	65	335	100	171	2,178	397	397		-	-
Klépierre Management Ceska Republika s.r.o*	124	141	100	(233)	2,710	10,500	10,500	-		-
Klépierre Management Deutschland GmbH	25	2,231	100	(719)	8,814	25	25	-	13,720	-
Klépierre Management España SL	205	148	100	237	11,079	37,862	37,862	-	-	-
Klépierre Management Hellas SA	48	(534)	100	(139)	153	1,597	-	-	403	-
Klépierre Management Polska Sp. z o.o.*	11	1,204	100	(406)	3,148	10,900	10,800	-	-	-
Klépierre Management Portugal SA	200	40	100	574	2,827	16,965	9,100	-	-	398
Klépierre Management SNC	1,682	11,146	100	1,260	90,789	136,473	136,473	1,208	-	-
Klépierre Massalia SAS	10,864	(12,461)	100	(46)	-	13,208	-	-	15,577	-
Klepierre NEA Efkarpia SA	90	(134)	100	107	216	240	47	-	1,657	-
Klépierre Nederland B.V.	136,182	1,104,234	100	431	-	1,888,564	1,209,455	-	614,006	-
Klépierre Nordica B.V.	377,640	366,576	100	106,937	-	675,657	675,657	-	-	-

Financial information on subsidiaries and investments *In thousands of euros*	**Share capital***	**Shareholders equity other than share capital and net income***	**% interest**	**Net income at year end**	**Pre-tax revenues**	**Gross book value**	**Net book value**	**Guarantees and sureties given**	**Loans and advances granted**	**Dividends received**
Klépierre Perivola Patras SA	674	1,191	100	469	961	675	675	-	4,005	-
Klépierre Plenilunio Socimi SA	5,000	42,658	100	17,507	25,242	234,514	234,514	-	91,495	15,534
Klépierre Procurement International SNC	3,693	-	100	(1,499)	1,734	3,693	3,693	-	-	-
Klépierre Real Estate España SL	54,437	11,924	100	2,783	11,678	262,059	131,652	-	37,322	780
Klépierre Vallecas SA	60	69,590	100	17,594	25,350	248,900	248,900	-	104,124	16,205
Klé Start SAS	5	(232)	100	(141)	169	861	-	-	707	-
Les Portes de Chevreuse SNC	16,303	(17,081)	100	(353)	-	16,302	-	-	-	-
Los Prados Real Estate SL	3	-	100	-	-	3	3	-	-	-
Maya SNC	3	-	90	949	-	33,596	24,621	-	1,713	-
Mob SCI	4,650	(1,480)	100	(9)	125	8,754	3,571	-	-	-
Nancy Bonsecours SCI	3,054	3,053	100	(115)	-	6,565	6,106	-	2,406	-
Nueva Condo Murcia SLU	6,949	106,473	100	12,300	20,862	174,068	174,068	-	32,715	10,295
Odysseum Place de France SNC	97,712	-	100	11,580	11,580	123,417	123,417	1,495	81,781	-
Pasteur SC	227	(8,350)	100	362	2,593	2,091	-	2,427	23,904	-
Portes de Claye SCI	56,262	170,318	55	(7,619)	15,758	124,619	124,619	-	-	-
Principe Pio Gestion SA	7,212	35,070	100	6,174	12,989	180,000	148,741	-	8,262	6,568
Progest SAS	8,114	32,184	100	7,410	1,135	123,188	123,188	-	-	-
Reluxco International SA	730	(27,360)	100	(1,451)	-	122,080	-	-	76,807	-
Sagep SAS	470	5,616	100	(5,002)	546	28,634	1,187	-	-	-
Saint-Maximin Construction SCI	2	-	55	47	53	524	318	-	-	-
Sanoux SCI	14	(10,508)	75	986	7,537	-	-	-	-	-
SCOO SC	25,215	342,219	54	6,929	56,816	207,856	207,856	-	-	-
Sécovalde SCI	12,189	115,929	55	30,654	56,935	92,482	92,482	-	49,187	-
Soaval SCS	4,501	33,342	99	12,431	29,986	42,046	42,046	-	38,541	-
Sodévac SNC	2,918	26,245	100	2,808	6,284	29,163	29,163	-	-	-
TOTAL I				**523,536**	**613,403**	**9,370,575**	**7,740,347**	**5,365**	**3,115,317**	**111,700**
2. INVESTMENTS BETWEEN 10% AND 50% OWNED										
Akmerkez Gayrimenkul Yatirim Ortakligi AS*	1,866	5,257	45	8,667	10,883	224,269	71,834	-	-	3,010
Du Bassin Nord SCI	48,913	19,936	50	(22,067)	9,161	34,425	34,425	-	-	-
Cecobil SCS	5,122	10,166	50	9,919	18,700	7,642	7,642	-	11,377	-
Forving SARL	11	25	27	(1)	-	682	378	-	-	-
Klépierre Brand Ventures SNC	330	-	49	2,838	12,025	490	162	-	-	-
Klépierre Köln Holding GmbH	25	2,625	10	(119)	-	2,703	1,694	-	-	-
Le Havre Lafayette SNC	525	9	50	3,708	5,201	1,702	1,702	-	3,804	-
Le Havre Vauban SNC	300	5	50	(31)	692	463	463	-	4,013	-
Secar SC	9,150	-	10	29,801	50,939	80,330	73,697	-	4,205	-
Solorec SC	4,869	2,768	49	27,895	55,873	124,104	124,104	-	98,456	-
Ucgen Bakim Ve Yonetim Hizmetleri AS*	-	-	10	-		16	-	-	-	-
TOTAL II				**60,610**	**163,474**	**476,826**	**316,102**	**-**	**121,855**	**3,010**
3. INVESTMENTS LESS THAN 10% OWNED										
Du Plateau SCI	-	602	4	2,156	2,491	895	895	-	-	-
Kle Arcades SC	10	-	-	50	318	-	-	-	-	-
Klepierre Gayrimenkul Yönetimi Ve Yatrim Ticaret AS*	37,298	(38,191)	1	(3,710)	10,083	760	292	-	24,000	-
La Rive SCI	2	(3,410)	2	4,276	5,221	709	709	-	-	-
La Rocade Ouest SCI	383	-	8	542	782	908	821	-	-	-
Valdebac SCI	1,324	11,916	-	193	-	-	-	-	-	-
TOTAL III				**3,507**	**18,895**	**3,272**	**2,717**	**-**	**24,000**	**-**
GRAND TOTAL I + II + III				**587,653**	**795,772**	**9,850,673**	**8,059,165**	**5,365**	**3,261,172**	**114,710**

* *For foreign currency entities, data is translated at the closing rate.*

3.2.2 Loans and advances to equity investments

In thousands of euros	12/31/2022	12/31/2021
Advances to equity investments	4,551,687	5,016,429
Accrued interest on advances	69,460	69,654
Share of net income and dividends	272,069	103,808
Impairment of advances to equity investments	(68,977)	(103,427)
TOTAL	**4,824,239**	**5,086,463**

The table of subsidiaries and investments provides additional disclosures on advances granted by subsidiary.

Changes in loans and advances to equity investments are mainly attributable to the:

- Repayments of advances received during the year for €598.7 million, of which €172.5 million relating to Klépierre Nederland B.V., €58.9 million to Cécoville SAS, €46.3 million to Klépierre Alpes SAS, and €36 million to Reluxco International SA;
- Subscription to capital increases of subsidiaries by offsetting debts for €118.9 million, including Klépierre Échirolles SNC, Klépierre Créteil SCI, Klé 1 SAS and Les Portes de Chevreuse SNC;
- Appropriation of the share of 2021 earnings and dividends ahead of term for €135.5 million;
- Capitalization at January 1, 2022 of outstanding interest at December 31, 2021 for €43.9 million.

Reversals of impairment of loans and advances to equity investments recognized during the year, notably:

- Les Portes de Chevreuse SNC for €16.2 million (see note 3.2.1);
- Reluxco International SA for €16 million (see note 4.2).

3.2.3 Other financial assets

At December 31, 2021, other financial assets consisted solely of term deposits that were settled in full during fiscal year 2022.

3.3 TRADE AND OTHER RECEIVABLES

This item primarily comprises trade receivables representing a gross value of €19.4 million and a net value of €14.9 million after deducting the allowance for bad debts. The net value of trade receivables at December 31, 2021 was €15 million.

In thousands of euros	12/31/2022	12/31/2021
Trade receivables	19,400	20,476
Allowances for bad debts	(4,511)	(5,452)
NET VALUE OF TRADE RECEIVABLES	**14,888**	**15,025**

The bulk of trade receivables are due in less than one year.

Most other receivables also have a maturity of less than one year and comprise:

In thousands of euros	12/31/2022	12/31/2021
Tax receivables - VAT	1,802	3,452
Other receivables	1,016	925
TOTAL	**2,818**	**4,376**

3.4 MARKETABLE SECURITIES AND TREASURY SHARES

In thousands of euros	12/31/2022	12/31/2021
Marketable securities and treasury shares	28,580	33,554
Term accounts	-	10,000
Impairment of marketable securities and treasury shares	-	(2,777)
TOTAL	**28,580**	**40,777**

Information on treasury shares

At December 31, 2022, the Company held a total of 1,360,321 treasury shares (0.47% of shares in issue), with a carrying amount of €28.6 million.

These treasury shares are allocated as follows:

- 36,700 shares held for the 2019 performance share plan;
- 109,836 shares held for the 2020 performance share plan;
- 279,748 shares held for the 2021 performance share plan;
- 317,922 shares earmarked on July 7, 2022 to the 2022 share allotment plan;
- 616,115 shares held for future share allotment plans.

2,767,120 treasury shares held under the liquidity agreement were sold during 2022, resulting in a net gain of €0.5 million.

3.5 CASH AND CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS

This caption mainly corresponds to:

- Bank accounts for €89.4 million;
- Premiums related to cash instruments for €48.8 million, recognized over the respective terms of each hedge.

3.6 PREPAID EXPENSES – DEFERRED EXPENSES

In thousands of euros	12/31/2022	12/31/2021
Prepaid expenses	**7,617**	**6**
Deferred expenses	**23,731**	**28,273**
• Bond issue costs	17,970	21,092
• Bank loan issue costs	5,761	7,181
Loan issue premiums	**25,343**	**29,504**
TOTAL	**56,692**	**57,783**

Prepaid expenses consist mainly of interest due in 2023 and settled in advance on commercial paper subscribed in 2022.

3.7 ACCRUED INCOME

Accrued income consists primarily of:

- Accrued interest due on advances to equity investments in an amount of €69.5 million;
- Accrued receivables for €12.2 million.

NOTE 4 BALANCE SHEET LIABILITIES

4.1 SHAREHOLDERS' EQUITY

In thousands of euros	12/31/2021	Appropriation of profit	Distribution	Other	12/31/2022
Share capital[(a)]	**401,606**	**-**	**-**	**-**	**401,606**
Additional paid-in capital from share issues, mergers and contributions	**4,071,219**	**-**	**(487,664)**	**2,313**	**3,585,868**
• Issue premiums	4,045,489	-	(461,934)	-	3,583,555
• Contribution premiums	25,730	-	(25,730)	2,313[(b)]	2,313
Technical merger surplus	**-**	**-**	**-**	**35**	**35**
Legal reserve	**44,010**	**-**	**-**	**-**	**44,010**
Retained earnings	**(147,095)**	**60,165**	**-**	**-**	**(86,930)**
Net income/(loss) for the year	**60,165**	**(60,165)**	**-**	**-**	**346,879**
TOTAL	**4,429,904**	**-**	**(487,664)**	**2,348**	**4,291,467**
(a) Composition of share capital:					
Ordinary shares	*286,861,172*				*286,861,172*
Par value (in euros)	*1.40*				*1.40*

(b) Portion of distribution relating to treasury shares.

In accordance with the resolutions approved by the General Meeting of Shareholders on April 26, 2022, the Company distributed a total amount of €487.7 million or €1.70 per share, including €461.9 million in issue premiums and €25.7 million in contribution premiums.

Distributions payable on treasury shares were allocated to contribution premiums in an amount of €2.3 million.

4.2 PROVISIONS FOR CONTINGENCIES AND LOSSES

In thousands of euros	12/31/2021	Additions	Reversals	12/31/2022
Other provisions for contingencies and losses	15,235	20,239	3,825	31,649
TOTAL	**15,235**	**20,239**	**3,825**	**31,649**

Additions to this item mainly correspond to a €14 million contingency provision in respect of a comfort letter provided to a subsidiary (previously recognized in impairment of loans) and to €6.1 million in provisions for bonus share.

Reversals for the period mainly concern provisions for bonus share written back in an amount of €2.7 million.

4.3 LOANS AND BORROWINGS

In thousands of euros	12/31/2022	12/31/2021
Bonds	**5,624,965**	**6,112,189**
• Principal	5,585,400	6,070,000
• Accrued interest[(a)]	39,565	42,189
Bank loans and borrowings	**79,650**	**1,609**
• Credit facilities	75,000	-
• Accrued interest on credit facilities	627	480
• Bank overdrafts	-	626
• Accrued interest on swaps	4,023	503
Other loans and borrowings	**3,291,575**	**3,141,026**
• Security deposits and guarantees received	3,722	3,968
• Cash pooling	2,064,176	1,613,748
• Commercial paper	1,199,876	1,500,000
• Share in net income	23,802	23,310
TOTAL	**8,996,190**	**9,254,825**

(a) Coupon payable annually depending on the due date of the loan.

Klépierre redeemed €484.6 million worth of bonds in 2022. These transactions were financed out of cash at hand.

Maturity dates of borrowings as of December 31, 2022

In thousands of euros	Total	Less than one year	One to five years	More than five years
Bonds	**5,624,965**	**563,265**	**1,961,700**	**3,100,000**
• Principal	5,585,400	523,700[(a)]	1,961,700[(b)]	3,100,000[(c)]
• Accrued interest	39,565	39,565	-	-
Bank loans and borrowings	**79,650**	**4,650**	**75,000**	**-**
• Credit facilities	75,000	-	75,000	-
• Accrued interest on credit facilities	627	627	-	-
• Accrued interest on swaps	4,023	4,023	-	-
Other loans and borrowings	**3,291,575**	**3,287,853**	**-**	**3,722**
• Security deposits and guarantees received	3,722	-	-	3,722
• Cash pooling	2,064,176	2,064,176	-	-
• Commercial paper	1,199,876	1,199,876	-	-
• Share in net income	23,802	23,802	-	-
TOTAL	**8,996,190**	**3,855,768**	**2,036,700**	**3,103,722**

(a) April 2023: €523,700,000.
(b) November 2024: €556,700,000, October 2025: €255,000,000, February 2026: €500,000,000, February 2027: €600,000,000, May 2027: €50,000,000.
(c) May 2029: €600,000,000, July 2030: €600,000,000, February 2031: €600,000,000, September 2031: €600,000,000, December 2032: €700,000,000.

Klépierre SA's main credit agreements contain covenants, whose breach could result in the mandatory early repayment of the debt. As of December 31, 2022, Klépierre SA complied with all its obligations arising from its borrowings, as regards the covenants applicable to the following financing:

Financing	Ratios/covenants	Limit[(a)]	12/31/2022	12/31/2021
Syndicated loans and bilateral loans	Net debt/portfolio value ("Loan to Value")	≤60%	37.7%	38.7%
	EBITDA/Net interest expenses[(b)]	≥2.0x	10x	8.3x
	Secured debt/portfolio value[(c)]	≤20%	0.6%	0.6%
	Portfolio value[(d)]	≥€10 bn	€17.1 bn	€17.7 bn
Bond issues	Secured debt/Revalued Net Asset Value[(c)]	≤50%	0.7%	0.8%

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

The above ratios are calculated on the basis of the Group's consolidated financial statements.

4.4 TRADE PAYABLES

This item consists solely of payables and provisions for accrued payables to suppliers.

The bulk of these payables are due in less than one year.

In order to improve the readability of the balance sheet, advances and payments on invoices relating to charges on buildings are presented as a deduction from trade payables.

4.5 ACCRUED TAXES AND PAYROLL COSTS

The bulk of these payables are due in less than one year.

In thousands of euros	12/31/2022	12/31/2021
Payroll and other	2,139	2,517
Tax and social security payables	3,597	3,797
TOTAL	**5,736**	**6,315**

4.6 OTHER PAYABLES

The bulk of these payables are due in less than one year.

In thousands of euros	12/31/2022	12/31/2021
Discounts granted to customers	379	3,691
Other	3,509	3,396
TOTAL	**3,888**	**7,087**

At December 31, 2021, "Discounts granted to customers" mainly included Covid-19-related rent abatements.

"Other" mainly corresponds to credit notes to be issued to tenants in respect of the settlement of charges for €1.2 million (€1.1 million at December 31, 2021).

4.7 PREPAID INCOME

In thousands of euros	12/31/2022	12/31/2021
Deferral of bond issue premiums	717	1,102
Key money	86	294
Other	582	3,934
TOTAL	**1,385**	**5,330**

"Other" corresponds mainly to the recognition of income from fixed assets passed on to tenants. At December 31, 2021, this caption also included €2.7 million in 2022 interest income collected early on commercial paper subscribed in 2021.

4.8 CURRENCY TRANSLATION ADJUSTMENT – LIABILITIES

Currency translation adjustments recorded under liabilities chiefly correspond to the cumulative foreign exchange gains realized on currency swaps hedging USD exposure in connection with Akmerkez's Turkish assets for an amount of €6.8 million.

4.9 ACCRUED EXPENSES

Accrued expenses mainly include:

- €8.3 million in provisions for accrued payables;
- €4 million in accrued interest payable.

NOTE 5 INCOME STATEMENT ITEMS

5.1 NET OPERATING INCOME (EXPENSE)

In 2022, rental income in France amounted to €31.6 million, including €24.5 million in rent and €7.1 million in rebilled rental expenses.

Net operating expense came to €10.7 million, an improvement of €4.3 million on 2021 net operating expense, mainly attributable to higher rental income offset by an increase in impairment charged against real estate assets.

5.2 SHARE OF INCOME FROM JOINT OPERATIONS

This item amounted to €105.7 million in 2022, and mainly included:

- The Company's share of 2021 income in Cecobil SCS, Soaval SCS and Bègles Arcins SCS for €20.3 million, which was distributed in accordance with the decisions of the shareholders of the limited partnerships;
- The Company's share of 2022 income, primarily in Klécar France SNC, Sécovalde SCI, Solorec SC and Odysseum Place De France SNC, amounting to €98.9 million;
- The Company's share of the 2022 losses recorded at Du Bassin Nord SCI and Portes de Claye SCI.

5.3 FINANCIAL INCOME (EXPENSE)

The Company recorded net financial income of €259.9 million for the year ended December 31, 2022, versus net financial expense of €11.5 million for the year ended December 31, 2021. This change mainly reflects the increase in income from equity investments, the decrease in impairment of investments due mainly to the improved outlook in 2022 than in 2021 for real estate asset values, and the increase in interest income on advances to subsidiaries.

5.3.1 Financial income

In thousands of euros	2022	2021
Income from equity investments	301,823	257,639
Interest on advances to associates	97,638	86,305
Bank interest on loans[(a)]	-	5,915
Interest on current accounts and deposits[(a)]	131	24
Other financial income	3,408	4,587
Swap-related and other hedging instrument expenses[(a)]	3,285	2,897
Reversal of financial provisions	105,975	32,132
Transferred financial expenses	835	335
Other foreign exchange gains	2,130	905
TOTAL FINANCIAL INCOME	**515,224**	**390,739**

(a) *Gains and losses on swaps, interest on borrowings and cash pooling are netted.*

Income from equity investments mainly corresponds to dividends in respect of 2021 received during the year, as well as to distributions of reserves received. The year-on-year change in this item is mainly due to the increase in the dividend received from Klécar Participation Italie SAS for €22.4 million and the exceptional distribution of €167 million from Klépierre Nordica B.V., compared with €145 million in premiums received in 2021 from Klépierre Nederland B.V.

The year-on-year change in interest on advances to associates is mainly due to the rise in the interest rate on advances granted to French companies, and to the full-year impact in 2022 of advances granted at the end of 2021.

As at December 31, 2022, net income on interest rate swaps and other hedging transactions corresponds to:

- Premiums and balancing payments on swaps and hedging instruments, representing a net expense of €7.1 million;
- Net gains of €10.4 million on interest rate swaps qualifying as hedges.

Reversals of financial provisions primarily correspond to reversals of provisions for equity investments in an amount of €101.9 million and the reversal of provisions on treasury shares for €4.1 million.

5.3.2 Financial expenses

In thousands of euros	2022	2021
Interest on bonds	83,178	94,413
Bank interest on loans[a]	208	-
Other interest[a]	147	481
Other financial expenses	9,041	8,136
Amortization of bond premiums	4,160	4,023
Amortization of loan issue costs	5,006	5,615
Additions to financial provisions	151,477	288,585
Other foreign exchange losses	2,112	985
TOTAL FINANCIAL EXPENSES	**255,329**	**402,238**

(a) Gains and losses on swaps, interest on borrowings and cash pooling are netted.

Other financial expenses mainly correspond to commissions on borrowings for €8.1 million.

Additions to financial provisions primarily correspond to provisions for equity investments in an amount of €146.2 million and provisions for the allotment of free shares for €5.3 million.

5.4 NON-RECURRING INCOME (EXPENSE)

In thousands of euros	2022	2021
Gains and losses on disposals of investment properties and intangible assets	2,499	(824)
Gains and losses on disposals of equity investments	(3,956)	(81,494)
Gains and losses on disposals of treasury shares[a]	(1,561)	(3,954)
Gains and losses on bond redemptions	(6,716)	-
Other non-recurring expense and income	(23,730)	(388)
Additions and reversals of provisions and impairment	23,563	94,842
Transferred non-recurring expenses	1,025	837
TOTAL	**(8,876)**	**9,020**

(a) Gains and losses net of expense of free shares delivered during the year and re-invoiced to subsidiaries.

Gains and losses on disposals of investment properties and intangible assets mostly comprises the capital gain on the disposal of a property in Orgeval, France.

The "Other non-recurring expense and income" and "Additions and reversals of provisions and impairment" lines mainly reflect the impacts of the liquidation of the Dutch companies Klépierre Beleggingen I B.V. and Bresta I B.V. (see note 1.4).

The "Transferred non-recurring expenses" line corresponds to the capital loss on free shares delivered to corporate officers, reclassified within operating expenses.

In 2021, net non-recurring income consisted mainly of proceeds from the sale of shares in Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH.

5.5 INCOME TAX

In thousands of euros	2022	2021
Income tax and contributions	926	1,640
TOTAL	**926**	**1,640**

In 2022, taxable income generated in the non-SIIC sector gave rise to an income tax expense of €1.1 million offset by a €2 million tax credit related to government support during the Covid-19 crisis.

The Company has tax losses carried forward from previous periods that can be offset against fiscal income subject to corporate income tax. For fiscal year 2022, the Company recognized €5.5 million of these loss carryforwards that brings the total stock of loss carryforwards to €417.6 million as at December 31, 2022.

NOTE 6 OFF-BALANCE SHEET COMMITMENTS

6.1 RECIPROCAL COMMITMENTS RELATING TO HEDGING INSTRUMENTS

As of December 31, 2022, Klépierre SA holds a portfolio of interest-rate hedging instruments intended to hedge a portion of current and future debt on the basis of the total funding requirements and corresponding terms set out in the Group's financing policy.

The fair value of derivative instruments is measured on the basis of data communicated by bank counterparties as of December 31, 2022.

Interest rate derivatives

	12/31/2022	
In thousands of euros	Notionals by type of instrument	Fair values excluding accrued interest (net by type of instrument)
Fixed payer swaps – hedging transactions	1,075,000	48,458
Fixed receiver swaps – hedging transactions	1,200,000	(118,628)
Caps	2,050,000	54,540
Collar	100,000	2,478

Impact on income

In thousands of euros	12/31/2022	
Interest booked	**Income**	**Expenses**
Fixed payer swaps – hedging transactions	2,545	(1,135)
Fixed receiver swaps – hedging transactions	8,578	(4,411)
Caps	4,848	-
Collar	-	-

6.2 OTHER COMMITMENTS

In thousands of euros	12/31/2022	12/31/2021
COMMITMENTS GIVEN		
Financial guarantees given	20,870	23,599
Other commitments given	7,160	7,160
TOTAL	**28,030**	**30,759**
COMMITMENTS RECEIVED		
Deposits received from tenants	1,096	1,326
Financing commitments received from financial institutions[a]	1,935,000	1,610,000
Commitments on sale of buildings/Equity investments	2,427	9,100
TOTAL	**1,938,523**	**1,620,426**

(a) Net of outstanding commercial paper.

Companies *(countries)*	**Partners**	**Date of the agreement or last amendment**	**Comments**
Bègles Arcins SCS (France)	Assurécureuil Pierre 3 SC	09/02/2003	The agreement contains provisions relating to the governance of the company, and the customary protections in the event of proposed share sales, as well as a dispute resolution clause.
Akmerkez Gayrimenkul Yatirim Ortakligi AS (Turkey)	Several individuals	04/20/2005	The agreement contains provisions governing relations between shareholders including the composition of the Board of Directors, particularly the number of representatives of each shareholder on said Board. It also contains provisions relating to the majority required to adopt decisions which must be submitted to the Board of Directors for approval.
Clivia SpA (Italy)	Finiper SpA, Finiper Real Estate & Investment BV, Iper Montebello SpA, Immobiliare Finiper Srl and Cedro 99 Srl	12/14/2007	The agreement contains provisions governing relations between shareholders, including a pre-emption right in the event of the sale of shares to third parties, as well as a tag-along right. The agreement also contains provisions relating to the governance of the company, and to the majority required to approve certain company decisions.
Nordica Holdco AB, Storm Holding Norway AS and Steen & Strøm AS (Sweden & Norway)	Stichting Pensioenfonds ABP, Storm ABP Holding BV and PG Strategic Real Estate Pool NV and Stichting Depositary APG Real Estate Pool	10/07/2008	The agreement contains the customary protections for non-controlling interests: qualified majority voting for certain decisions, call option in the event of deadlock and tag-along rights, as well as the following provisions: • A one-year lock-up period applied to Steen & Strøm shares from the date of acquisition; • Each party has a right of first offer on any shares which the other party wishes to transfer to a third party. However, if shares are transferred by a party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer; • From the sixth year following the acquisition, either party may request a meeting of shareholders to vote on the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company. The vote will be subject to a two-thirds majority. The Group has the right to appoint three members to the Board of Directors including the Chairman, whereas the partner can appoint two members. The partner has protective rights pursuant to the shareholders' agreement and following the analysis of the decisions reserved for the partner.
Holding Klege Sarl (Luxembourg – Portugal)	Torelli SARL	11/24/2008	The agreement contains the usual provisions governing share capital transactions, decision-making and the right to information. Both parties have pre-emption rights in the event of a proposed sale of shares in the company to a third party. Each partner has the right to appoint the same number of members to the Board of Directors. The Chairman is appointed for a period of twelve continuous months on an alternating basis with the partner. All decisions are adopted on simple majority.
Sanoux SCI (France)	Novaoutlet, Cogep SA	02/26/2010	The agreement contains provisions relating to the governance of the company, and the customary protections in the event of proposed share sales.
Italian Shopping Centre Investment SRL (Italy)	Allianz Lebenversicherungs -Aktiengesellschaft	08/05/2016	The agreement contains provisions governing the relationship between shareholders, including decisions which must be submitted to shareholders for approval. It includes a right of first offer and a *"deadlock"* dispute resolution clause.
Massalia Invest SCI, Massalia Shopping Mall SCI (France)	Montecristo Capital SAS	09/27/2017	The agreement contains provisions governing relationships between shareholders of said companies, particularly with respect to the governance of Massalia Invest and Massalia Shopping Mall SCI, the terms relating to the sale and divestment by shareholders of their investment in Massalia Invest (right of first refusal, tag-along right, a change of control clause, call option) and the conditions and main methods of funding of Massalia Invest and Massalia Shopping Mall SCI. The latest amendment modifies the rules applicable to the management committee when voting on decisions related to the shopping center's food superstore.
Secar SC (France)	Cardif Group, AXA Group	06/25/2021	The agreement contains provisions relating to the governance of the company, and the usual protections in the event of proposed share sales (first refusal, full tag-along rights, forced tag-along rights) and in particular in the event of end of the asset management mandate assigned to Klépierre Management.
Sécovalde SCI (France)	Vendôme Commerces SCI UGICI SCI	06/25/2021	The agreement contains the customary protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and change of control of a shareholder.

NOTE 7 OTHER DISCLOSURES

7.1 CASH POOLING

On November 30, 2000, Klépierre SA joined a cash pool managed by Klépierre Finance SAS. A new cash pooling agreement was entered into on April 5, 2017. At December 31, 2022, Klépierre SA's liability with respect to the cash pool with Klépierre Finance SAS amounted to €2,064.2 million.

7.2 HEADCOUNT

At December 31, 2022, Klépierre SA had no employees.

7.3 LOANS AND GUARANTEES IN RESPECT OF EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS

None.

7.4 COMPENSATION PAID TO CORPORATE OFFICERS AND SUPERVISORY BOARD MEMBERS

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

Gross compensation paid to corporate officers for 2022 amounted to €3,542,680.

Compensation allocated to Supervisory Board members (formerly known as directors' fees) in respect of fiscal year 2022 totaled €688,000, including €100,367 corresponding to the gross annual amount allocated to the Chairman of the Supervisory Board in respect of 2022.

7.5 INFORMATION ON CONSOLIDATION AND TRANSACTIONS WITH RELATED PARTIES

Klépierre SA's Company financial statements are fully consolidated by the Klépierre Group, of which it is the consolidating entity.

As of December 31, 2022, the Klépierre Group is accounted for under the equity method by Simon Property Group and APG, which at that date held 22.28% and 6.15% stakes in the share capital of Klépierre (including treasury shares), respectively.

Transactions with related parties are conducted at arm's length terms.

7.6 SUBSEQUENT EVENTS

None.

4.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

This is a free translation into English of the Statutory Auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To annual general meeting of KLÉPIERRE

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of KLÉPIERRE for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the KLÉPIERRE as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*), for the period from January 1, 2022 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Impairment of equity investments

Risk identified	Our response
As at December 31, 2022, KLÉPIERRE holds equity investments for a net amount of €8,059,165 thousand after impairment of €1,791,508 thousand, in companies mainly owning shopping centers. As detailed in Note 2.3.3 of the financial statements, impairment tests for equity investments of real estate companies are based on revalued net assets calculated by considering mainly the appraisal value of the real estate assets owned. The valuations of real estate assets retained by management are determined by independent appraisers, internal appraisals or based on the value of sale commitments. These values incorporate many assumptions and estimates, in particular projected rent changes, discount rates and exit rates, estimated market rent levels, as well as recent transactions. Determining the appraised value of investment properties of real estate companies requires significant judgement. Therefore, the impairment of equity investments is considered to be a key audit matter due to the significance of the item in the financial statements as a whole, combined with the judgement exercised in determining the net asset values. Please refer to Notes 2.3.3 and 3.2.1 to the financial statements.	We obtained an understanding of management's controls relating to the calculation of revalued net assets of equity investments. With respect to the valuation of the underlying real estate assets, we considered management's controls on the data used for these valuations and the controls concerning the changes in value compared with prior periods. We tested the efficiency of the controls that we considered to be the most relevant. We assessed the competence and independence of the independent appraisers. With our specialists in real estate appraisal included in the audit team, we participated in meetings with independent appraisers, in order to understand the methodology adopted and the main assumptions used underlying the valuation of real estate assets, including in particular expected rents and market yields. We examined how recent market transactions were taken into account by the independent appraisers. We performed analytical procedures by comparing the valuations with those of prior periods, as well as the assumptions used, such as discount rates and exit rates with the relevant market data. We carried out specific procedures on real estate assets whose valuation and, where applicable, variations were significant, as well as those whose assumptions and variations were atypical. In this context, together with our specialists in real estate appraisal, we assessed the main parameters used by the independent appraisers, such as projected rent changes, market rent levels, discount rates and exit rates. Interviews with management were conducted when necessary. On a sample of equity investments, we recomputed the revalued net asset amounts based on the valuation of the underlying real estate assets. We also assessed the correct calculation of impairment for the equity investments.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the executive board and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (*Code de commerce*).

Report on corporate governance

We attest that the supervisory board's report on corporate governance sets out the information required by Article L. 225-37-4, L.22-10-10 and L. 22-10-9 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remuneration and benefits received by or awarded to the members of the executive board and of the supervisory board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the chairman of the executive board , complies with the single electronic format defined in the Commission Delegated Regulation (EU) No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of KLÉPIERRE by the annual general meeting held on June 28, 2006 for Deloitte & Associés and held on April 19, 2016 for ERNST & YOUNG Audit.

As at December 31, 2022, Deloitte & Associés was in its seventeenth year of total uninterrupted engagement and ERNST & YOUNG Audit was in its seventh year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by executive board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 30, 2023
The Statutory Auditors
French original signed by

ERNST & YOUNG AUDIT
Gilles COHEN

DELOITTE & ASSOCIÉS
Damien LEURENT **Jean-Vincent COUSTEL**

4.5 REPORT OF THE SUPERVISORY BOARD TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING TO BE HELD ON MAY 11, 2023

Dear Shareholders,

We remind you that, in accordance with the provisions of Article L. 225-68 of the French Commercial Code, the Supervisory Board is required to present its observations to the annual general meeting on the Executive Board's management report and on the Company and consolidated financial statements established by the Executive Board for the year ended December 31, 2022.

The Executive Board has provided the Supervisory Board with the Company and consolidated financial statements and its management report within three months of the end of the financial year.

The Supervisory Board has also been kept regularly informed by the Executive Board about the Company's and its Group's activity, and has carried out, for the purposes of its duties, the necessary audits and controls, having examined the recommendations made by the Specialized Committees (Investment Committee, Audit Committee, Nomination and Compensation Committee and Sustainable Development Committee).

After having examined the recommendations made by the Audit Committee on February 13, 2023, we have no observation to make with respect to either the Executive Board's management report or the Company and consolidated financial statements for the year ended December 31, 2022.

The Supervisory Board would like to express its sincere thanks to the Executive Board and to all employees for their work and efforts during 2022.

February 14, 2023

The Supervisory Board

4.6 OTHER INFORMATION

4.6.1 Five-year financial summary (data provided pursuant to Article R. 225-102 of the French Commercial Code)

In euros	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
SHARE CAPITAL AT YEAR-END					
Share capital	401,605,641	401,605,641	419,914,877	423,729,733	440,098,488
Number of existing ordinary shares	286,861,172	286,861,172	299,939,198	302,664,095	314,356,063
RESULTS OF OPERATIONS FOR THE FISCAL YEAR					
Pre-tax revenues	32,491,079	26,346,644	30,825,521	37,514,455	35,837,366
Earnings before tax, employee profit-sharing, amortization and provisions	390,478,019	243,444,885	204,206,417	766,727,962	566,377,797
Coporate income tax	(925,926)	(1,639,729)	(1,249,201)	2,000,073	(2,636,003)
Earnings after tax, employee profit-sharing, amortization and provisions	346,879,370	60,165,268	(170,134,750)	317,738,694	350,223,680
Dividends paid	259,949,713[(a)]	0[(b)]	0[(c)]	665,861,009[(d)]	660,147,732
EARNINGS PER SHARE					
Earnings before tax, employee profit-sharing, amortization and provisions	1.36	0.85	0.68	2.53	1.80
Earnings after tax, employee profit-sharing, amortization and provisions	1.21	0.21	(0.57)	1.05	1.11
Net dividend per share	0.91[(a)]	0[(b)]	0[(c)]	2.20[(d)]	2.10
PERSONNEL[(e)]					
Average headcount during the fiscal year	2.2	3.0	2.1	2.4	3.6
Total payroll and employee benefits	3,917,000	5,068,440	2,343,761	3,517,997	3,488,169

(a) Subject to the approval of the shareholders at the Annual General Meeting on May 11, 2023, to which an additonal distribution, deducted from available equity premiums, of €0.84 per share will also be proposed.
(b) Amount distributed deducted from available equity premiums in 2022: €487,663,992 (corresponding to €1.70 per share).
(c) Amount distributed deducted from available equity premiums in 2021: €294,848,054 (corresponding to €1 per share).
(d) Including distribution deducted from available equity premiums in 2020 : €0.85 per share.
(e) The average headcount and the related payroll and employee benefits include corporate officers who don't have an employment contract.

4.6.2 Acquisition of equity holdings and movements in equity securities impacting the Company financial statements of Klépierre SA

Kléber Odysseum SCI, which held 50% of the shares in the subsidiary Odysseum Place de France SNC, was transferred to Klépierre SA on November 29, 2022 following the dissolution, without liquidation, of Kléber Odysseum SCI, thereby increasing its direct holding in the company by 50% during the year.

4.6.3 Average supplier payment period and of customers (data provided pursuant to Article L. 441-6-1 of the French Commercial Code)

UNPAID INVOICES RECEIVED AND ISSUED AT THE BALANCE SHEET DATE FOR THE YEAR IN WHICH THE TERM HAS EXPIRED

	Article D. 441 l. -1°: Invoices received but not paid at the closing date of the fiscal year for which the term has expired						**Article D. 441 l. -2°: Unpaid invoices issued at the closing date of the fiscal year for which the term has expired**					
In euros	**0 days (optional)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (one day and more)**	**0 days (optional)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (one day and more)**
(A) LATE PAYMENT BANDS												
Number of invoices concerned	0					**0**	0					**1,511**
Total amount of invoices concerned (including VAT)	0	0	0	243,352	0	**243,352**	0	23,644	46,983	53,421	5,906,070	**6,030,117**
Percentage of total purchases for the year (including VAT)	0%	0%	0%	1%	0%	**1%**						
Percentage of sales for the year (including VAT)							0.00%	0.06%	0.12%	0.13%	14.74%	**15.05%**
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNIZED PAYABLES AND RECEIVABLES												
Number of invoices excluded	1						0					
Total amount of invoices excluded (including VAT)	3,033						0					
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL TERMS – ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)												
Payment terms used to calculate payment delays	Contractual deadline: 45 days						Contractual deadline: 45 days					

4.6.4 Outcome of the share buyback program (data provided pursuant to Article L. 225-211 of the French Commercial Code)

In number of treasury shares	**Liquidity agreement**	**Future shares**	**Share allotments**	**External growth**	**Share buyback program**	**Total**
POSITION AT 12/31/2021	**-**	**930,369**	**547,052**	**-**	**-**	**1,477,421**
Free share plan adjustments*		(314,254)	314,254			**-**
Allocations exercised during the year			(117,100)			**(117,100)**
Purchases	2,767,120					**2,767,120**
Sales	(2,767,120)					**(2,767,120)**
POSITION AT 12/31/2022	**-**	**616,115**	**744,206**	**-**	**-**	**1,360,321**

* *Updating of the number of beneficiaries to reflect employee turnover.*

During 2022, 2,767,120 shares were bought back at an average price per share of €21.45, and 2,767,120 shares were sold at an average price per share of €21.47.

At December 31, 2022, Klépierre SA held 1,360,321 of its own shares representing a total value of €28.6 million based on net book value and €1.9 million at par.


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2021

5 RISK AND CONTROL

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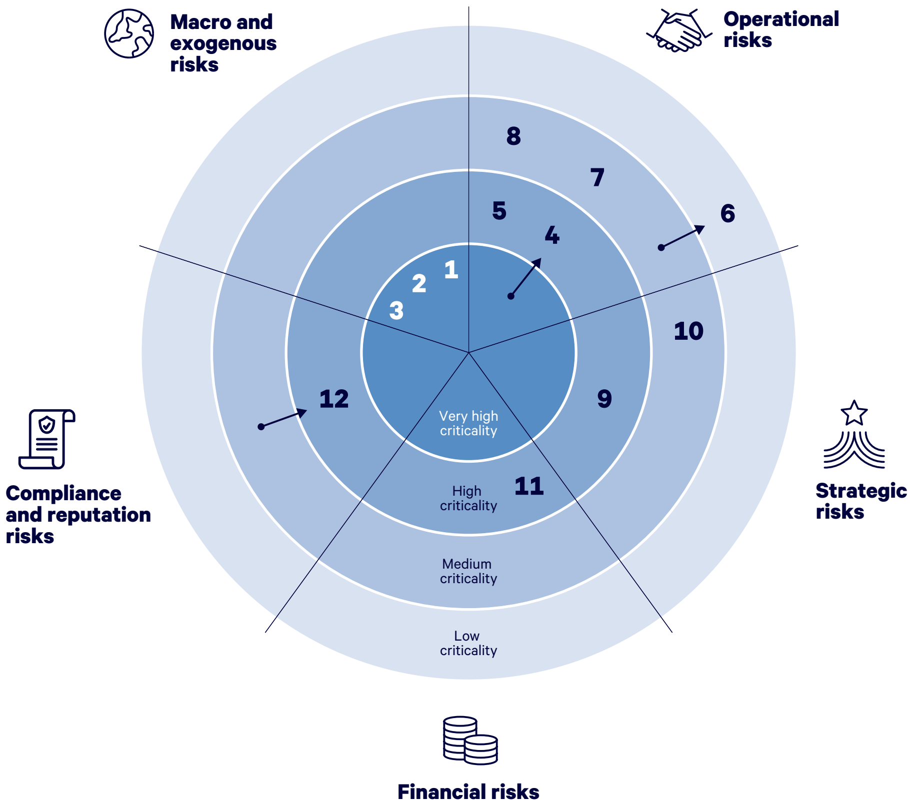
5.1 KEY RISK FACTORS

CRITICALITY MAP



Risk categories		Main risks	Related strategic priority(ies)	Residual criticality*	Year-on-year criticality change
Macro and exogenous	1	Macro-environment	Capital allocation, Financial discipline	Very high	→
	2	Consumption habits	CSR Engagement, Operational excellence	Very high	→
	3	Clients (retailers)	Capital allocation, Operational excellence	Very high	→
Operational	4	Health, safety and security	Capital allocation, CSR Engagement, Operational excellence	High	↓
	5	Human capital	Capital allocation, CSR Engagement, Operational excellence	High	→
	6	Joint venture partners and co-owners	Operational excellence	Low	↓
	7	Real estate development	Capital allocation, Financial discipline	Medium	→
	8	Suppliers, service providers	CSR Engagement, Operational excellence	Medium	→
Strategic	9	Property investment market and asset rotation	Capital allocation, Financial discipline	High	→
	10	Climate & environment	CSR Engagement	Medium	→
Financial	11	Financing and liquidity	Financial discipline	High	→
Compliance and reputation	12	Regulatory & Compliance	CSR Engagement, Operational excellence	High	↑

Klépierre's strategic priorities:
Capital allocation · *CSR Engagement* · *Operational excellence* · *Financial discipline*

*Residual criticality (= impact × probability × level of control)

Low · *Medium* · *High* · *Very high*

5.1.1 Introduction

Investors are advised to carefully review each of the risks described below as well as all the information contained in this Universal Registration Document. The risks and uncertainties set out here are not the only ones faced by the Group. Other risks and uncertainties, of which the Group is not currently aware, or does not consider material or specific, may also have an adverse impact on its business, financial position and results.

The material and specific risks to the Group are presented below, grouped into five categories: macro and exogenous risks, strategic risks, operational risks, financial risks, and compliance and reputation risks.

These risks have been selected on the basis of their "gross" impact and probability before taking into account risk management and internal control mechanisms put in place by the Group. Such risks are presented in the table below according to their "residual" criticality estimated as a combination of their impact and probability. Residual criticality factors in all the measures taken by the Group to reduce their impact or probability as well as the internal and external factors that mitigate them.

Within each category, risks are presented as follows:

- In the form of residual criticality, or net risk (i.e., gross risk after taking into account the effectiveness of mitigation, prevention and protection measures);
- In relation to the Group's strategic priorities as defined below to which the risk is linked; and
- With an indication of a change in criticality from last year, if any.

The Group has defined its strategic priorities around the following areas :

- **Capital allocation:** which aims to continue investing in prime centers in the heart of Europe's largest cities (see pages 12-13);
- **CSR engagement:** based on an ambitious sustainable development policy, Act4Good™ (see page 18);
- **Operational excellence:** which is based on three pillars, Retail First, Let's Play, and Clubstore (see pages 16-17); and
- **Financial discipline:** which aims to have a judicious use of borrowings. It materializes through very robust financial rating, optimal access to capital markets, a sharp decline in debt (see pages 20-21).

During its examination of the Group's 2022 risk map, the Supervisory Board, based on a recommendation by the Audit Committee, reviewed the level of the impact of the materialization of each risk, the probability of its occurrence, and the associated risk management and control mechanisms.

The 2022 risk map update led to the following changes compared to the 2021 Universal Registration Document:

- **Legal and regulatory risks** were assessed as being of higher criticality due to recently adopted legal obligations (geopolitical sanctions, climate disclosures, etc.) or reinforced external oversight (anticorruption, GDPR, etc.);
- **Health, safety and security risks** were assessed as being of lower criticality notably as a result of the phasing out of the Covid pandemic; and
- **Joint-venture partner and co-owner risks** were assessed as being of a lower criticality as per the findings of an internal audit conducted in 2022 on this topic.

Non-financial risks which are not significant or specific are described in the non-financial performance statement section of this Universal Registration Document (see section 3.1.3 – Managing key trends, risks, and opportunities).

5.1.2 Summary of principal risk factors

5.1.2.1 Macro and exogenous risks

1 — MACRO-ENVIRONMENT (ECONOMIC, DEMOGRAPHIC, POLITICAL)

Capital allocation

Financial discipline

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

In every country in which the Group does business, the success of its operations is dependent on the key macroeconomic factors that impact the commercial real estate markets: GDP (Gross Domestic Product) growth, purchasing power, consumption, inflation, exchange rates, unemployment, urban growth, local demographic factors and geopolitical stability. Accordingly, any deterioration in the macroeconomic conditions may have an impact on the Group's operations and financial performance, asset values and investments.

Impacts

A negative macroeconomic outlook—especially its consequences on the labor market and purchasing power—is likely to manifest itself in lower footfall and retailer sales at Klépierre's malls. This could diminish Klépierre's ability to increase rents on renewal of leases and may require Klépierre to grant temporary rent relief to alleviate occupancy costs. Variable income, based on retailer sales, would also be automatically reduced. Should deflationary pressures settle in over several years, it could lead retailers to default on their rental obligations and close certain stores, mechanically reducing the rental revenue collection rate. Falling rental income and higher vacancy rates could penalize asset values and attractiveness on the investment market. In countries outside the eurozone where rents are denominated in euros, a change in exchange rates could have adverse impact on operating and finance costs for retailers making the existing rental terms less sustainable, and potentially leading in the medium term to lower rents, higher vacancy and lower asset values. In countries outside the eurozone where rents are denominated in local currency, a change in exchange rates could have an impact on the value of the property in euros for the portion not hedged with loans, currency swaps, etc.

A sudden or unexpected deterioration in the geopolitical environment of one or several of the countries in which Klépierre operates could have adverse consequences on the Group's business, return on investments and the value of the assets concerned.

Risk mitigation measures

The diversified nature of Klépierre's portfolio, with more than 100 assets across numerous European countries and many thousands of tenants from across the retail industry spectrum, mitigates risks associated with adverse changes in macroeconomic conditions in any one market. Rents paid by the top ten tenants represent just 12% of Klépierre's revenue. Furthermore, the annual rent indexation mechanism provides the Group with an economic hedge against inflation.

The Group's main tenants represent the leading companies in their sectors. All tenants are subject to a financial review before signing leases with Klépierre, and must provide financial guarantees. The use of long-term leases with a high proportion of minimum guaranteed rents provides a stable rental income, with only a minority of early exit clauses activated. On top of monthly reviews of occupancy cost ratios, the Group regularly consults retailers to gain insight into their performance and assess their financial robustness. On a case-by-case basis, the Group offers to align their retail format with their positioning, development plans and ability to pay rents.

Assets are based in thriving urban locations and each one can generally be accessed within 30 minutes by a million people, ensuring an overall satisfactory catchment area including in times of a downturn in the consumer spending cycle.

Asset performance is regularly monitored by asset managers and individual business plans are updated annually for all the malls.

Asset disposals are executed regularly to streamline the portfolio, also enabling the Group to verify the accuracy of the valuations reported in its books.

Klépierre also regularly renews the merchandizing mix of its shopping centers and adapts offerings to macroeconomic trends in order to meet customers' expectations. For example, the Group ensures that the retail brands in its shopping centers are adapted to household incomes in each catchment area.

New developments

Overall, the European economy recovered strongly in 2022, benefitting from the post-Covid-19 rebound. Nevertheless, amid the context of war in Ukraine, supply bottlenecks and the zero Covid policy in China, inflation soared while GDP growth decelerated month on month. According to the November 2022 OECD Economic Outlook, 2023 annual GDP is forecast to increase slightly by 0.5% in the eurozone.

Furthermore, financing conditions tightened since the beginning of 2022, with several interest rate hikes by the European Central Bank. Designed to ease inflationary pressures, this policy marks a change from the ultra-low interest rate environment of the past decade and could ultimately weigh on the outlook while raising the prospect of recession. However, household savings and public spending are expected to support the labor market, with an improving unemployment forecast.

Against this backdrop, energy costs have become a major concern for retailers and consumers, and while it is still too early to measure the full extent of the impact of the geopolitical crisis on the economy, it will undoubtedly hamper global growth. Additionally, the disruption in certain supply chains resulting directly from the conflict or from the sanctions adopted against Russia could also affect the ability of certain retailers to operate under satisfactory conditions. Klépierre does not have operations in any of the countries in the current conflict zone. Nevertheless, the increase in energy and certain raw material costs could adversely impact the Group's profitability. A number of measures have been taken to stem the effect of higher costs, including:

- Making regular and advance purchases of energy to secure quantities and smooth out costs, amid significant price volatility;
- Re-tendering significant service contracts (safety, security, cleaning, facility management, etc.);
- Adjusting uncommitted development projects (where contracts have not yet been signed) in order to:
  - Assess potential additional costs and adjust budgets accordingly,
  - Prioritize locally available materials in the specifications,
  - Modify certain provisions in the design phase where possible.

Tension in energy and commodity markets could also affect the profitability of the Group’s customers. If inflation is not sufficiently offset by wage increases or government support measures, consumers’ purchasing power may also be eroded. Any such loss of purchasing power generally affects discretionary purchases such as vacations, culture and eating out, whereas the Group’s shopping centers are mainly positioned to meet everyday needs like food, clothing, healthcare products and affordable restaurants. If this adverse situation were to deteriorate over a prolonged period, however, it could result in the Group’s retailers defaulting on payments or even filing for bankruptcy.

Nevertheless, the decline in energy prices observed in early 2023, coupled with massive public support for households and the faster-than-expected reopening of the Chinese economy, could cushion the downturn.

Despite this uncertain outlook, Klépierre is well positioned to face the macroeconomic challenges ahead, thanks to its strong fundamentals: a unique platform of prime shopping malls, a geographically diversified asset base and a rigorous asset selection strategy.

2 — CONSUMPTION HABITS

CSR Engagement

Operational excellence

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

Consumption habits may evolve in an adverse way for the shopping center business. Such evolutions include the following:

- Technology-driven changes, namely e-commerce, taking hold across the markets in which Klépierre operates and prompting many retailers to adjust their business models and close certain assets in their brick-and-mortar portfolios;
- Consumers becoming more environmentally and socially aware was the second element to factor in, with a particular emphasis on its effect on how —and how much—they consume; and
- Certain consumers redirecting a portion of their budgets and free time to other types of activities (travel, sports, etc.).

Impacts

The fear for the continued growth of online retail having a negative impact on footfall and tenant sales, and causing a disruption in some retail segments, or even rendering some stores unprofitable (fashion retailers in particular), has now become less of a concern. A reduced demand for new retail space as brick-and-mortar retailers moved their operations online did not actually materialize to the degree initially expected.

The growth in consumers' environmental awareness and the reallocation of their available resources might however still have an impact on the profitability of certain tenants and in time, on the relevance of their presence in shopping centers (especially in view of the growing trend to buy used rather than new goods, "second life" and "deconsumerism").

Consequently, increasing vacancy rates and downward pressure on rents would affect rental income and asset values.

The following factors triggered or intensified the impact of other consumption trends:

- Rising inflation adversely affected consumer buying power and consequently the global turnover of retailers. The possible negative impact on retailers' capabilities to continue to invest in their new concepts and in digital innovation and, consequently, the attractiveness of their commercial offer is still to be fully appraised. Increasing inflation rates in the countries where the Group operates may also trigger some social tensions as well as retail market disruptions;
- The rental income of some Group assets may depend on flagship stores/department stores and could suffer a material adverse impact if one or more of these tenants were to terminate their leases, fall into bankruptcy or equivalent scheme, triggering financial impacts, or fail to renew these contracts, and/ or if their location were considered to lack attractiveness, and/or in the event of consolidation between these retail companies.

Risk mitigation measures

Through its asset rotation policy, Klépierre has for many years now been refocusing its portfolio of shopping centers on key locations with strong demand and tourist appeal, in order to reduce exposure to secondary retail destinations where sales per square meter are low and leasing demand is limited. The portfolio comprises flagship retail destinations where large national and international retailers operate their best and most profitable stores.

To meet customers' expectations, a growing number of retailers have developed an omnichannel strategy which can be defined as a leading and nurturing customer engagement approach. As part of this strategy, retailers give customers access to their products, offers and support services on all available channels, platforms and devices. Whether customers are shopping online from a desktop or mobile device, by phone or in a brick-and-mortar store, the experience is meant to be equally seamless.

Taking advantage of the new omnichannel environment means selecting retailers that are agile and fast enough to offer an enhanced, quality-driven online and offline customer experience. The Group also facilitates these trends by supporting retailers financially and "extra-financially" (experts' advice, trainings, awareness, etc.) in transforming their store formats and enhancing their appeal.

Klépierre also leverages digital technology to offer new services to both its retailers and shoppers, using data to monitor the changing needs of its customers and thereby better meet their expectations.

The Group implements a series of initiatives aimed at giving customers more reasons to visit, or stay longer, in its malls: beyond constantly adapting the retail offering (e.g., modular tenant spaces), these initiatives include creating entertaining concepts and events, enhancing the food offering, and enriching the customer journey. Particularly, since 2021, Klépierre keeps on supporting its "Value for Money" initiative, which aims to provide consumers with attractive shopping deals, discounts, and exclusive offers on a rolling basis, in order to help them cope with an increasingly challenging economic environment. The Group has also put in place omnichannel shopping hubs that combine the possibility to shop online and pick up purchases in a dedicated physical space complete with additional omnichannel services (lockers, fitting rooms, concierge, etc.).

Through Act for Good®, its ambitious CSR strategy, Klépierre also aims to promote sustainable retail and increase the contribution of its malls to local economies and communities through spaces dedicated to local initiatives, job forums as well as charity events.

New developments

After the lifting of security measures and travel restrictions in most countries as the pandemic waned, the challenge for Klépierre has been to analyze the available consumer data in order to refine its knowledge of the new behaviors, needs and purchasing habits that have emerged in the last two years.

Identifying some of these new behaviors has enabled the Group to put in place new solutions, such as a Europe-wide loyalty program, to which 37 shopping centers had already signed up by the end of 2022. This program leverages new digital channels to offer consumers additional and pertinent benefits designed to enhance loyalty and position its shopping centers as the consumers' shopping destination of choice.

This loyalty application is part of a larger initiative launched in 2021, aimed at guaranteeing a permanent offer of deals and promotions. One of its major components is the "Value for Money" program. The B2C communication platform to support this initiative, "Feel Good Deals", was also released.

The Group has also achieved important milestones to leverage the power of data analytics, with the launch of a new marketing dashboard regrouping more than 100 KPIs previously scattered in over 15 different applications. The Group's data platform, constantly enriched with new sources and combined with powerful analysis tools, provides greater insight into shopping center visitors, improving communication and interaction as well as the selection of retailers, in order to meet their expectations.

3 — CLIENTS (RETAILERS)

Operational excellence

Related strategic priorities

Residual criticality

→

Year-on-year criticality change

Description

Klépierre's success is intrinsically linked to that of the tenants in its shopping centers. They are confronted with transformational challenges in their industry, and most of the risks that concern them could also have an impact on the Group's results. It is therefore essential to select shopping center tenants based on their attractiveness, unique offer, sales potential and financial solidity. Klépierre's shopping centers are in an area where shifts in customer habits and trends happen much more rapidly than it did in the past. The best way to minimize this risk is to constantly upgrade the merchandise mix by replacing outdated brands with new, innovative and desirable brands.

Impacts

The rents paid by Klépierre's tenants represent nearly all of the Group's operating income. The inability of one of Klépierre's major tenants to pay its rent could substantially impact Klépierre's revenue. Some leases include a variable portion of rent indexed to the retailer's sales. Accordingly, a decrease in retailer sales would adversely impact Klépierre's earnings.

The retailer mix in malls affects their attractiveness for visitors, and therefore profitability. The loss of an anchor retailer in a given shopping center could have a knock-on effect and lead to the departure of other tenants, adversely impacting Klépierre's revenue and by extension, the value of its assets.

Changes in the competitive retail landscape could result in a greater concentration of retailers' physical points of sale at locations considered strategic for their business models. A failure to adequately reposition Klépierre's portfolio or realign its geographical footprint with that of its retailers could lead to higher vacancy rates at Klépierre malls and consequently, to a decrease in the value of its assets.

Risk mitigation measures

Diversifying Klépierre's portfolio serves to limit its exposure to a bankruptcy or the departure of a key customer. In 2022, the top ten retailers only represent 12% of invoiced rents in terms of their contributions to rental income.

Klépierre's strategy of focusing its asset portfolio on thriving, fast-growing catchment areas is consistent with retailers' drive to reposition their physical points of sale at prime locations.

The last decade has seen an increase in online sales and a blurring of the lines between physical and digital retail. The merger of these streams has pushed most tenants to adapt an omnichannel strategy where sourcing, distribution, marketing, sales and delivery are all interconnected. The Group actively positions its portfolio to cater to the needs of an omnichannel ecosystem by working closely with leading national and international brands and continually upgrading the merchandizing mix.

Tenants are monitored on a regular basis for their sales performance and financial solidity. Deepening on the risk profile, the exposure towards the tenant is increased, stabilized, or reduced.

Klépierre's international footprint covering over 100 assets in a dozen countries is also a gateway to new markets for expanding retailers. The average financial vacancy peaked in August 2021 and is now in a downward trend. Continued demand towards our portfolio indicates that this trend will continue throughout 2023.

New developments

Despite starting the year with partial closures in some countries, 2022 was a year of recovery. The like-for-like sales rapidly rebounded after re-openings and reached 2019 levels after Q1 2022. Footfall continues to improve across all territories, albeit still 10% below 2019 figures.

The overall sales performances show that the impact of the conflict in Ukraine and rise in inflation has had less of an impact than anticipated. While segments such as sportswear and sneakers, and health and beauty have enjoyed strong recovery, segments such as local middle-market fashion brands, classic shoes and especially entertainment (movie theaters) continue to underperform. Regardless of the segments, the Group also see significant differences in performances between brands that are well integrated (sales, service, and supply chain) and the ones that have not invested sufficiently to adapt to the new omnichannel environment.

Klépierre will continue to closely monitor the trends in all the segments and the performance of each tenant to ensure that the merchandise mix is adapted to future needs of its customers.

5.1.2.2 Operational risks

4 — HEALTH, SAFETY AND SECURITY

Capital allocation

CSR Engagement

Operational excellence

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

As publicly accessible buildings, Klépierre's shopping centers are exposed to health, safety and security risks. The materialization of these risks can affect the people present in our shopping centers, jeopardize the commercial activity of our assets, and even penalize the performance and reputation of the Group. Major health, safety and security risks include but are not limited to the following:

- Terror acts or terrorist attacks taking place at shopping center sites or in the immediate surroundings;
- Violent crime, armed robbery or physical assaults taking place at a shopping center;
- Riots, demonstrations, or any other high visibility actions performed by activists at a shopping center or in the immediate surroundings;
- Fire breaking out at a shopping center;
- Collapse of a building, machinery or equipment in a shopping center, or severe structural damage as a result of natural disaster or unforseeable circumstances;
- Visitor accidents due to slips, trips and falls, road traffic accidents or equipment failure (lifts, escalators, etc.);
- Provider accidents due to high-risk on-site activities; and
- Health risks associated with contaminants or the spread of bacteria and viruses.

Impacts

Failure to comply with relevant local health and safety regulations or to protect people, assets and operations against external safety and security threats could result in legal action and/or penalties for non-compliance.

Activity at shopping centers could also be impacted by temporary closure following a major health, safety or security incident, leading to a loss of business. Visitors and employees of retailers may no longer feel safe at the shopping center or in the surrounding areas, leading to a deterioration of the center's image and therefore to a decrease in footfall and retailer sales, and/or in the Group's ability to retain or attract customers.

Risk mitigation measures

Klépierre has a dedicated Security and Safety Department at Group level in charge of assessing these risks and implementing the appropriate mitigation measures. This department coordinates the action of the Group's staff and service providers tasked with security and safety at local level, and its members include the recently-created position of national Security Director for France, illustrating the Group's enhanced focus on these risks.

Klépierre's mitigation strategy focuses on the four following intervention points:

Anticipation/Prevention

The Group implements preventative actions in accordance with its standard operating procedures covering significant health, safety and security risks. These include mitigation measures such as building structure audits, seismic surveys in the areas concerned, hot work permits, air and water quality analyses as well as preventive installations such as security railings, fire, intrusion and gas alarms, anti-ram-car protection, etc.

Other preventive actions include the security protection of sensitive areas (management offices, control rooms, technical equipment delivery docks, etc.), regular maintenance of equipment and upgrading of centers' video surveillance systems.

Shopping centers also provide the local police and fire brigade with round-the-clock access to all relevant support documents in the event of on-site emergency intervention. In addition, maintaining regular contact with local security forces is key to detecting "weak signals" or a deterioration in the security situation and adjusting arrangements at shopping centers to better protect the staff, retailers, providers and visitors.

As part of its forward-looking efforts, the Group Security and Safety Department presented its security strategy to the security departments of several main retailers to reinforce cooperation and ensure a better understanding of the Group's standard operating procedures.

Training

Shopping center directors and technical managers are trained or reskilled through face-to-face sessions managed by the Group's Security and Safety Department or remotely through the Klépierre University's Learn Up! platform. Training sessions focus on the security environment of the shopping centers, standard operating procedures, site security and rapid-assessment safety tools, and emergency response.

Control tools and audits

Klépierre's strategy is to ensure a high standard of control of health and safety risks that is above or at least equal to local regulatory requirements.

The Group has reviewed and updated its emergency response procedures and deployed an incident reporting and monitoring application. Visible safety and security are provided by dedicated teams and guards permanently on site and working under the control of shopping center management teams. Third-party inspections of technical equipment (such as elevators, travellators, sprinkler systems, structure, etc.) in addition to site visits made by Group experts guarantee compliance.

The Group also monitors compliance with health standards in order to prevent Legionella. The effectiveness of the system is tested every year using sampling techniques during internal audits.

Emergency response plan

Each Group shopping center conducts emergency evacuation drills once or twice a year in line with national regulations to ensure that all the stakeholders fully understand their roles.

Large-scale counter-terrorist exercises at shopping centers are also planned in liaison with the local security forces.

For more information on measures to mitigate health, safety and security risks, refer to section 3.4.2 – Promote health, safety, security and well-being in our shopping centers of this Universal Registration Document.

New developments

Klépierre continues to monitor the local Covid-19 situations in countries where the virus persists. Crisis management plans issued in 2020 for managing the pandemic remain available. The current level of mitigation measures decreased in line with the improved health situation. However, reminders are regularly issued to staff regarding social distancing. Face masks and hand sanitizer continue to be made available to staff, with antibacterial gel provided to shopping center visitors. As necessary, the Group is able to reinforce the level of Covid-19 protection on short notice and ensure that its malls remain safe places to shop and work in.

In 2022, a pilot training module on managing aggressive behavior was launched in France for staff working in shopping centers.

A new in-house digital tool, "Komply", has been rolled out in our shopping centers, allowing for improved monitoring of maintenance deadlines and better reporting and tracking of incidents. This tool helps ensure that shopping centers remain operationally compliant and that safety and security management is appropriate.

5 — HUMAN CAPITAL

Capital allocation

CSR Engagement

Operational excellence

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

The Group's employees have skills, potential and personalities that together form a human capital that must be preserved, developed and enriched to maintain the Company's performance.

The Group therefore focuses on two major risks to preserve its human capital: losing capabilities through the loss of key people, and not adapting organizations and skills at the right pace to meet current and future business needs.

Impact

A loss of key skills, knowledge and expertise due to uncontrolled staff attrition, or a lack of engagement among employees, could:

- Impact the Group’s ability to carry on its business;
- Lead to excessive recruitment, training and onboarding costs;
- Damage the Company's reputation and level of attractiveness as an employer because of an excessive number of negative employee experiences.

Risk mitigation measures

The Group strives to remain highly attractive as an employer, by developing and communicating the best employee value proposal for individuals. The key levers to engaging staff to deliver their best are proximity and quality of leadership and management, agility and flexibility in ways of working, unity and pride as cornerstones of shared values, and the ability to learn and to grow.

In addition the Company aims to design and adapt the most diverse, effective and efficient organizations to keep pace with changes in the market. This requires sizing organizations adequately to ensure business continuity and performance. The number and levels of jobs, the types of profiles and skills, appropriate human resources processes to ensure succession and anticipate rotations, are essential elements and are constantly evolving.

The Group runs an active talent management strategy to address the risk of losing people and skills. The employee experience is devised and managed as an end-to-end process to offer the most valuable and qualitative support at each step:

- Taking all new-joiners through an inspiring and effective onboarding program, to ensure fast acclimatization to the job and integration in the corporate culture;
- Ensuring best-in-class management of employee cycles throughout the year, with a specific attention to the management of individual performance, access to development programs and career opportunities, and recognition and reward for achievements;
- Associating all employees in the Company’s future and the CSR roadmap and actions, and recognizing the importance of including everyone around common interests and commitments;
- Providing employees with the means, methods and tools necessary to deliver their objectives and to be able to maintain a good work-life balance.

Organizational design is closely managed by HR teams and managers, to build the most efficient teams on a yearly basis beginning with a robust budget process at the beginning of the year and constant attention to skills and structures. Agility and the ability to adapt organizations smoothly are key, especially given the limited size of the teams, as are skills development and continuous learning.

More details on the HR initiatives are presented in section 3.4.3.

New developments

In 2022, the Group set out its corporate values according to a co-building methodology that involved dozens of staff and managers across all of the Group's countries. Klépierre's four values ("Commit," "Develop," "Explore," and "Care"), the pillars of its internal culture, define the way the Company conducts business with stakeholders and frame HR rules and policies. They also serve as a basis for the Group's employer branding, which underpins its attractiveness on the labor market and the engagement of its people.

For the first time since 2016, a fully detailed engagement survey was conducted across the Group in 2022, with 73% of our employees saying they were satisfied with the Company as an employer. In particular, the Group was recognized for the quality of its work environment, the value and level of its expertise and human resources management, and its CSR roadmap and activities. The survey enabled Klépierre to define a Group-wide action plan, complemented by local engagement initiatives by function and territory. The plans have three focal points: work-life balance (ensuring that workloads are appropriate for roles), career management (providing visibility to people in their career development), and customer centricity (reinforcing our level of service orientation in all functions).

In 2022, the Company continued to develop specific leadership programs for individuals or groups depending on their potential and specific needs. For example, two development sessions were organized for high-potential young talent, with the aim of strengthening their leadership skills and prepare them to take on greater responsibilities. Regular talent reviews and management development efforts throughout the year focused on proposing tailor-made career paths, anticipating successions and preparing the next generation of experts, managers and leaders.

6 — JOINT VENTURE PARTNERS AND CO-OWNERS

Operational excellence

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

Some of the Group's assets are jointly owned by Klépierre and third parties (joint venture partners and co-owners). These multi-owner structures require interests to be aligned to allow Klépierre to deploy its shopping center operational and development strategy.

Impact

Where the vote of a qualified majority of co-owners is required, strategic interests that diverge from those of the different co-owners could limit Klépierre's ability to deploy its redevelopment plan for a given asset or its capacity to maintain the asset's appeal to customers, or require Klépierre to bear the entire cost of major transformations or refurbishments.

Failure to comply with contractual obligations of an asset or property management agreement could lead to legal proceedings for damages or the loss of the mandate and the related income.

Risk mitigation measures

Under its investment policy, the Group ensures that it has sufficient voting rights or rights of veto to guide decision-making in line with its strategy and has put in place measures to monitor compliance with existing contractual obligations.

Klépierre's teams regularly meet with joint venture partners to discuss strategy, review operational performance, answer questions and seek approval when required. The most important joint ventures have been formed with large financial institutions for a period of more than fifteen years. Existing joint ventures legal documentation (shareholder agreements, bylaws, management agreements, and other contracts) is comprehensive and documented and governing rules are clear, even though they may vary from one joint venture to another.

New developments

An audit carried out by the Internal Audit Department during 2022 confirmed that no disputes were reported or identified. This therefore enabled them to lower the criticality of the joint venture partners and co-owners risk in the Group risk map.

7 — REAL ESTATE DEVELOPMENT

Capital allocation

Financial discipline

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

Klépierre's development activity is focused on enhancing its own properties through refurbishments and extensions and may also include the development of greenfield projects. In most European countries, commercial urban planning projects take many years and present significant risks in terms of obtaining the necessary administrative, building and lease authorizations.

Typical risks include delays in securing building permits, executing work, and signing lease agreements. They also include construction cost overruns or the failure to meet targeted rental income.

Impacts

The main potential impacts are as follows:

- Abandonment of the project in the design phase and the write-off of expenses already incurred;
- Sale of the land plot at a price potentially below its original value; and
- Lower return on investment after completion of construction work.

The main risks related to current development activities are:

- Delays in obtaining external authorizations (building permits, commercial authorizations, etc.);
- Significant increase in construction costs and delays in completion;
- Lower revenues impacting the targeted yield on cost;
- If the project's profitability is not secured in the pre-launch phase, it may be abandoned and incurred expenses written off; and
- If the project is abandoned, the land plot price may drop below its acquisition cost.

Were they to crystallize, any of these risks could have an adverse impact on Klépierre's financial results, growth strategy and market reputation.

Risk mitigation measures

Before being committed, development projects must be examined by the Executive Board, the Investment Committee, and the Supervisory Board.

The validation criteria include:

- Consistency of the project with the Group's capital allocation strategy and financial capacity, operational targets, and CSR policy;
- Technical feasibility and local acceptability;
- Satisfactory pre-leasing rate; and
- A return on investment in line with the project's risk profile and expected return on Klépierre's capital.

Progress on development projects is examined regularly by the Executive Board. To limit the potential loss of upfront costs and the risk of not obtaining regulatory clearance, development teams engage with stakeholders to ensure they support the proposed project as soon as a feasibility study has been carried out. Detailed design costs are not incurred without having run a preliminary financial analysis confirming the viability of the project. Construction is not started before a high level of leasing is secured with retailers and specifically with anchors and junior anchors.

8 — SUPPLIERS, SERVICE PROVIDERS

CSR Engagement

Operational excellence

Related strategic priorities

Residual criticality

➜

Year-on-year criticality change

Description

To effectively carry out its day-to-day management and development projects, Klépierre works with suppliers and external providers.

The bulk of goods and services procured by the Group is made up of utilities (energy and water), cleaning, maintenance, marketing and safety and security. Klépierre also has recourse to a wide range of service providers in its development operations (i.e., architects, design agencies, construction companies, etc.).

Impact

Poor performance of a service—or even failure to perform the service in the event of bankruptcy—could have an adverse impact on Klépierre's operations, potentially decrease the attractiveness of its shopping malls and impair its commercial reputation.

Klépierre may be held liable in the event of the failure of suppliers or service providers to comply with applicable regulations (e.g., undeclared or illicit work, corruption, GDPR, health and safety, human rights, etc.). Likewise, any instances of non-compliance with internationally accepted human rights through its supply chain could lead to reputational damage for the Group. In addition, service providers' excessive dependence on Klépierre could lead to legal and financial consequences such as the requalification of service agreements in employment contracts.

Risk mitigation measures

For strategic suppliers, the Group applies a selection, qualification and contracting process which consists in the following:

- Using a competitive bidding process to select providers that have a solid business reputation and meet CSR criteria;
- Assessing the integrity of the suppliers as per the Group third party integrity evaluation procedure;
- Checking suppliers' financial health by means of revenue checks;
- Collecting statutory documents authorizing suppliers to carry out work (ID documents, certifications, etc.); and
- Including Klépierre's ethical business clauses in its purchasing contracts, requiring them to adhere to Klépierre's Responsible Purchasing Charter and Anticorruption Code of Conduct.

In the Group's main geographic areas (France, Italy, Iberia and Scandinavia) dedicated purchasing teams ensure effective management of operational risks and optimize the Group's performance.

Long-term framework agreements are signed with suppliers involved in project management.

New developments

An OpEx Validation Committee involving top managers at both Group and country levels has been set up with the following short- to long-term objectives:

- Validate high stake tenders (cleaning, safety and security, maintenance, energy) and contracts;
- Better follow up on OpEx budgets;
- Better monitor service charge trends; and
- Share fundamentals and best practices associated with service charge management.

Guidelines have been provided to Klépierre's teams on site including technical requirements and key performance indicators for mechanical links and waste management contracts. Similar guidelines are being prepared for facility management and cleaning contracts.

5.1.2.3 Strategic risks

9 — PROPERTY INVESTMENT MARKET AND ASSET ROTATION

Capital allocation

Financial discipline

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

Klépierre holds investments in retail commercial property and fluctuations in investor demand linked to the actual or perceived resilience of rental income, the availability of financing, the relative attractiveness of the asset class compared to other types of commercial properties and the level of risk-free interest rates, may result in asset valuation decreases or increases.

Portfolio rotation is an inherent part of Klépierre's strategy as a property investor. The Group's aim is to optimize the performance of its portfolio by constantly ensuring its shopping centers are positioned in the most profitable and dynamic catchment areas. Buying or selling an asset may give rise to risks related to a faulty assessment of the intrinsic quality or potential of the asset. This would then result in an inaccurate assessment of its actual value. Considering the cyclical nature of the property investment market, the timing of transactions may also be unfavorable.

Impacts

Subdued investor demand may have an impact on the valuation of shopping centers and therefore affect the Company's balance sheet structure, increasing its loan-to-value ratio which may impact the Company's ability to refinance, raise equity or distribute dividends in optimal conditions.

The sensitivity of the valuation of Klépierre's real estate portfolio to fluctuations in the main market parameters used by the Group's external appraisers: the discount rate (capturing the risk level embedded in the assets' future cash flows) and the exit capitalization rate (the cash flow multiple at which an asset should trade at the end of the cash flow projection period) is presented under section 2.5.2.2.3.

Additionally, inappropriate acquisition or divestment decisions could have an adverse impact on the Group's financial position, operating results and growth prospects. These may result in the loss of opportunities, a deterioration in the Group's performance or impairment losses. This could in turn result in disputes with buyers or sellers and a loss of investor confidence. Failure to pursue the portfolio optimization strategy could harm the Group's long-term performance and hence its market capitalization.

Risk mitigation measures

Klépierre regularly stress tests its balance sheet structure to anticipate the effects of a potential asset valuation decline. In Europe, investor demand varies from country to country, as do market dynamics and the pace of the asset valuation movements.

Klépierre ensures a geographically balanced portfolio to benefit from the smoothing effects of diversified exposure.

Klépierre applies a disciplined capital expenditure policy with a low volume of committed development projects, that is always in line with its operating free cash flow. Consequently, Klépierre does not depend on asset disposals to maintain a stable leverage while at the same time investing in property extensions or refurbishments.

All proposals to acquire, develop or sell assets are subject to extensive audits.

Klépierre also hires the services of specialized and highly reputed advisers (including lawyers, notaries, bankers, real estate experts and auditors) to support buy- and sell-side due diligence processes. Transactions and investments are reviewed in detail by the Executive Board, the Investment Committee and the Supervisory Board.

By contracting leading independent appraisal firms to value its portfolio assets twice a year, the Group can promptly detect emerging trends in the market. The findings of this external process are cross-checked with the analyses conducted by the Group's asset managers, helping to facilitate reallocation decisions.

Subsequent to each half-year valuation campaign, the Audit Committee is provided with a presentation on the main trends in the real estate investment market and in the Group's assets valuations, as well as details on the various factors affecting the valuations per geography.

For more information on the valuation approaches used by these independent appraisal firms, see section 2.6.1.1.2 – Methodology used by external appraisers of this Universal Registration Document.

New developments

Klépierre did not acquire any new assets in 2022 and was once again able to contain capital expenditure at a very low level (€180.5 million). Despite a persistently muted investment market, especially in the second half of 2022, the Group managed to continue its non-strategic asset disposal plan for a total amount of €602 million.

For more information, please see section 2.4.3 – Disposals of this Universal Registration Document.

10 — CLIMATE & ENVIRONMENT

CSR Engagement

Related strategic priorities

Residual criticality

➜

Year-on-year criticality change

Description

Climate change is predicted to lead to an increase in the number of extreme weather events. With assets spanning Europe, shopping centers are likely to be affected by weather phenomena including storms, snow, floods, droughts, heat waves and forest fires. It could also lead to growing political pressure, including more stringent regulation, and an increase in stakeholders' expectations.

Climate change mitigation entails, in the short to medium term, achieving net zero carbon targets and building or refurbishing assets to make them more energy efficient and resilient.

Impacts

- Extreme weather events could impact Klépierre's business continuity and result in the temporary or permanent closure of assets.
- Higher raw material costs for the development, construction and operation of assets (e.g., to upgrade equipment, to meet evolving design and construction standards to deal with higher temperatures).
- Higher operating costs, especially for energy, heating, ventilation and air conditioning equipment designed to maintain pleasant ambient temperatures.
- Other potential costs include insurance premiums rising in line with extreme weather events.
- Difficulties in maintaining good levels of building certification and energy consumption in a context of stricter guidelines and overall tightening of regulations.
- Decrease in CSR performance including ratings, access to green financing products or a deterioration in Klépierre's reputation.

Risk mitigation measures

The Group's diversified geographic footprint mitigates exposure to extreme weather events and major environmental risks are factored into acquisition and disposal decisions.

Under its CSR policy, the Group has developed several measures to mitigate climate change impacts including energy management policies, piloting tools and update of audits procedures to align them with risks.

Through its low-carbon strategy, the Group continues to reduce its energy consumption and increase green energy procurement and on-site renewable energy generation, thereby decreasing its reliance on fossil fuels. Since 2022, 100% of the electricity consumed has come from renewable sources. Additionally, Klépierre operates a fully sustainability-certified portfolio with 100% of its assets having a minimum BREEAM-In-Use certification. This provides a consistent and comparable framework for assessing the portfolio's impacts and costs from a lifecycle perspective. It also enhances the environmental quality of the buildings and their socio-economic contribution to the local area.

Also, since 2017, to ensure the resilience of its portfolio to potential climate events Klépierre has introduced a strict and mandatory asset-level structure audit every five years which goes beyond legal requirements and includes additional elements related to climate change risks.

At the development stage, Klépierre conducts scenario planning using modeling software to predict how energy management systems and building materials can be designed and optimized given different climatic conditions with the goal to achieve at least BREEAM "Excellent" level.

Klépierre also participates in industry working groups such as the French Council of Shopping Centers (CNCC) and the European Public Real Estate Association (EPRA), and is compliant with all the leading industry and international reporting frameworks (GRI, TCFD, SASB, etc.).

For more information on the Group's commitments and actions fighting climate change, see section 3.2 – Act for the Planet.

New developments

In 2022, Klépierre commissioned an update to its 2017 study of the impact of climate change on its shopping centers. A comprehensive review of both physical and transition risks and opportunities as well as their impact on the Group's activities was conducted by a third-party expert. Climate risk screening and trend analyses were also carried out, in line with the TCFD guidelines. All details regarding the methodology and the results are available in section 3.5.4 of this Universal Registration Document.

None of Klépierre's shopping centers were subject to extreme weather conditions that significantly disrupted operations in 2022. Should such events occur, the Group has action plans to limit any operational impact and property damage.

In 2022, Klépierre was one of the few real estate companies in Europe featured in the "A list" compiled by CDP, an NGO specialized in corporate environmental disclosure. CDP scores companies from A to D based on the comprehensiveness of their disclosure, their management of environmental risks and their ability to set ambitious and meaningful targets. Of the more than 18,000 companies that disclosed their data in 2022, Klépierre was one of 139 businesses worldwide to be included in CDP's climate "A list", recognizing its leadership in corporate transparency and climate performance, representing just 3.4% of companies scored on climate this year.

This distinction confirms the leadership position of the Group in the fight against climate change. Our strategy was already assessed in 2020 by the Science-Based Targets Initiative (SBTi), a scientific body working in partnership with the United Nations to ensure that companies' environmental commitments are in line with the 1.5°C objective set by the 2015 Paris Agreement. Klépierre was approved with the highest possible level of commitment (a 1.5°C-aligned target).

This dual distinction shows the relevance of the Act for Good® CSR policy for effectively combating climate change and global warming at the level of Klépierre's European portfolio.

5.1.2.4 Financial risks

11 — FINANCING AND LIQUIDITY

Financial discipline

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

Since property investment is a capital-intensive business, Klépierre needs to raise long-term financial resources in the form of bonds, loans and equity to fund its investments and regularly refinance maturing debts. This exposes the Group to risks related to equity and debt capital markets fluctuations, liquidity crises and broader economic shocks.

Impacts

Any limitations of access to debt financing, tightening of credit conditions, liquidity crises or broader economic downturns may have a significant impact on Klépierre's ability to refinance its debts when they fall due. These events would potentially impair Klépierre's ability to continue as a going concern, or increase funding costs resulting in an adverse impact on the Group's earnings.

In addition to the usual covenants, the loan agreements entered into by Klépierre also contain covenants obliging the Group to comply with specific financial ratios. If Klépierre were to breach one of its covenants and were unable to remedy such failure within the contractually permitted time, the lenders could demand early repayment. This could affect all of the Group's debt if cross-default clauses were exercised. The forced sale of assets to remedy covenant breaches may also impact the Group's earnings and asset values.

Risk mitigation measures

Klépierre follows a prudent financial policy and aims to secure a high credit rating of at least investment grade. The Group also applies a prudent interest rate risk management policy. Klépierre implements additional mitigation methods:

- Availability of undrawn bank credit lines for the coming years;
- Diversified maturities and sources of financing to facilitate rollovers;
- Broad range of different loan types and counterparts used on the banking market (syndicated loans, mortgage loans, etc.); and
- Outstanding commercial paper restricted to the amount of backup lines. This means that the Company can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

For more detailed information on exposure to financial risks (interest rates, liquidity, foreign exchange, counterpart, treasury shares, etc.) and the measures adopted to cover these risks, please refer to Note 9 of the consolidated financial statements in section 4.1.5 – Risk exposure and hedging strategy of this Universal Registration Document.

New developments

The Group has the necessary flexibility to continue funding its business activities, while ensuring a satisfactory level of investment without being dependent on disposals. Moreover, Klépierre benefits from the strong support of its banking pool, which is large and diversified. As of December 31, 2022, Klépierre had €2.1 billion of undrawn credit facilities committed by over twenty leading banks.

The Group is also a well-established and recognized issuer in the euro-bond market where €5.8 billion of senior notes are currently outstanding. This support is mostly based on the strong BBB+ credit rating granted by Standard & Poor's.

As of December 31, 2022, Klépierre's Loan-to-Value was 37.7%, while the net debt/EBITDA ratio was 7.9x and interest coverage ratio was at 10.0x. The interest rate hedging ratio amounts in average to 100% in 2023 and 90% in 2024.

5.1.2.5 Compliance and reputation risks

12 —REGULATORY AND COMPLIANCE

CSR Engagement

Operational excellence

Related strategic priorities

Residual criticality

Year-on-year criticality change

Description

The activities of the Klépierre Group's entities are subject to complex and multi-jurisdiction legal and regulatory environments, covering cross-cutting areas such as:

- Various administrative permits that must be obtained for projects and activities;
- Other permits, licenses and professional accreditations (co-ownership, leasing, property and rental management, etc.);
- Regulations relating to commercial leases, urban planning, construction, health and safety, energy and public-access buildings;
- Financial and tax regulations, including French SIIC tax regime, and the equivalent in other countries;
- Sapin II anti-corruption law;
- Personal data protection regulations;
- Stock exchange law.

Impacts

New and evolving legal and regulatory provisions, and non-compliance with them or with contractual commitments or procedures put in place, could have a material adverse impact on Klépierre and its activities.

Failure to comply with these obligations may expose the Klépierre Group to:

- Administrative, financial or criminal penalties;
- The loss of licenses, professional accreditations, etc., thereby preventing the conduct of some of its activities;
- Damage to its image and reputation;
- Loss of confidence of its partners, tenants, suppliers and/or customers.

A tightening of urban planning and construction regulations, which would limit the availability of rental space, could have an impact on the development of shopping centers and, consequently, slow realization of the Group's pipeline projects. Conversely, a relaxation of these rules may increase competition and lead to a decline in footfall, rental income and potentially an increase in vacancy rates.

An unfavorable change in the regulations governing leases (rent indexation criteria, rules for rebilling of expenses, etc.) could have a negative impact on the Klépierre Group's revenue.

A tightening of requirements in terms of maintenance, control and security measures in shopping centers could have a significant impact on the costs of associated service providers.

Any change in the tax regime that results in an increase in the tax rate could have a negative impact on the Klépierre Group and its results, leading to lower earnings.

Failure to identify or comply with applicable legal and regulatory provisions could result in administrative, criminal or financial penalties, tarnish the Group's image or lead to the loss of licenses or permits. In addition, non-compliance in a shopping center with safety and security regulations could result in temporary or permanent business interruption.

Lastly, non-compliance with contractual clauses could in certain cases lead to the termination of the related contracts and the associated benefits or incur the liability of the Klépierre Group entity concerned.

Risk mitigation measures

The Group's Legal Department, with the support of the local legal departments, regularly monitors the legal and regulatory environment (including case law) in the countries where the Group operates. The same approach is adopted for monitoring of disputes and litigation. The anticorruption compliance program is regularly updated and training is rolled out to raise awareness among the Group employees.

The Group's Risk Management Department, in cooperation with the Group's Legal Department, establishes rigorous procedures at Group level which are deployed in the countries where Klépierre operates so as to ensure compliance with applicable legal and regulatory provisions.

At shopping center level, certain technical service providers are contractually obliged to monitor local regulations, which limits the risk of non-compliance due to unanticipated regulatory changes. In addition, a digital platform has been set up to help monitor the compliance of Klépierre's shopping centers with safety and security regulations and to create a common reference system for their security.

Thanks to its Internal Audit Department and the use of external audits (above and beyond the Statutory Auditor's report), as well as the continuous improvement of its processes, the Group ensures constant alignment between operational practices and strategic objectives. Furthermore, the Klépierre Group's matrix organization ensures, via two levels of control (local and Group level), the correct application of Group procedures and an effective escalation process.

The Group also actively contributes to the work of national or international bodies representing the commercial real estate sector in particular, but also to broader professional bodies.

In addition, the introduction of dedicated IT tools (e.g., for security and safety and maintenance areas), and periodic feedback sessions by business line (seminars, webinars, etc.), makes it possible to disseminate procedures while monitoring their proper application.

For more information on the Group's compliance and ethics system, please refer to section 5.2.4.1.

New developments

The Covid-19 health crisis had two major effects. The first was the tightening of standards and controls, which increased the operating costs of shopping centers while limiting footfall. The second was changes made by most European legislators in the contractual relationship between landlords and lessees, adapting where necessary, certain contractual rights and obligations during the crisis, specifically during administrative closures of stores.

The Group has continued to closely monitor the legal consequences and case law due to, or resulting from the health crisis.

In 2022, the Group strengthened its process for assessing the integrity of third parties (retailers, service providers and suppliers, intermediaries, etc.) in order to identify risks related to suspicions of corruption, fraud, money-laundering and sanctions.

To reinforce monitoring of compliance risks, an Ethics and Compliance Committee has been recently established at Group level.

Finally, in view of the heightened risk of non-compliance with certain regulations due to remote working (data leakage, fraud, etc.), Klépierre has strengthened its tools (firewall, e-learning, etc.).

5.2 RISK MANAGEMENT AND INTERNAL CONTROL

Klépierre strives to continuously improve its internal control and risk management system with a view to securing its business over the long run, provide adequate information to the public and comply with the applicable regulations—in particular *Autorité des marchés financiers* (AMF) Reference Framework and the measures described in COSO II (Committee of Sponsoring Organizations of the Treadway Commission).

5.2.1 Objectives and limits

The objectives of Klépierre's risk management are as follows:

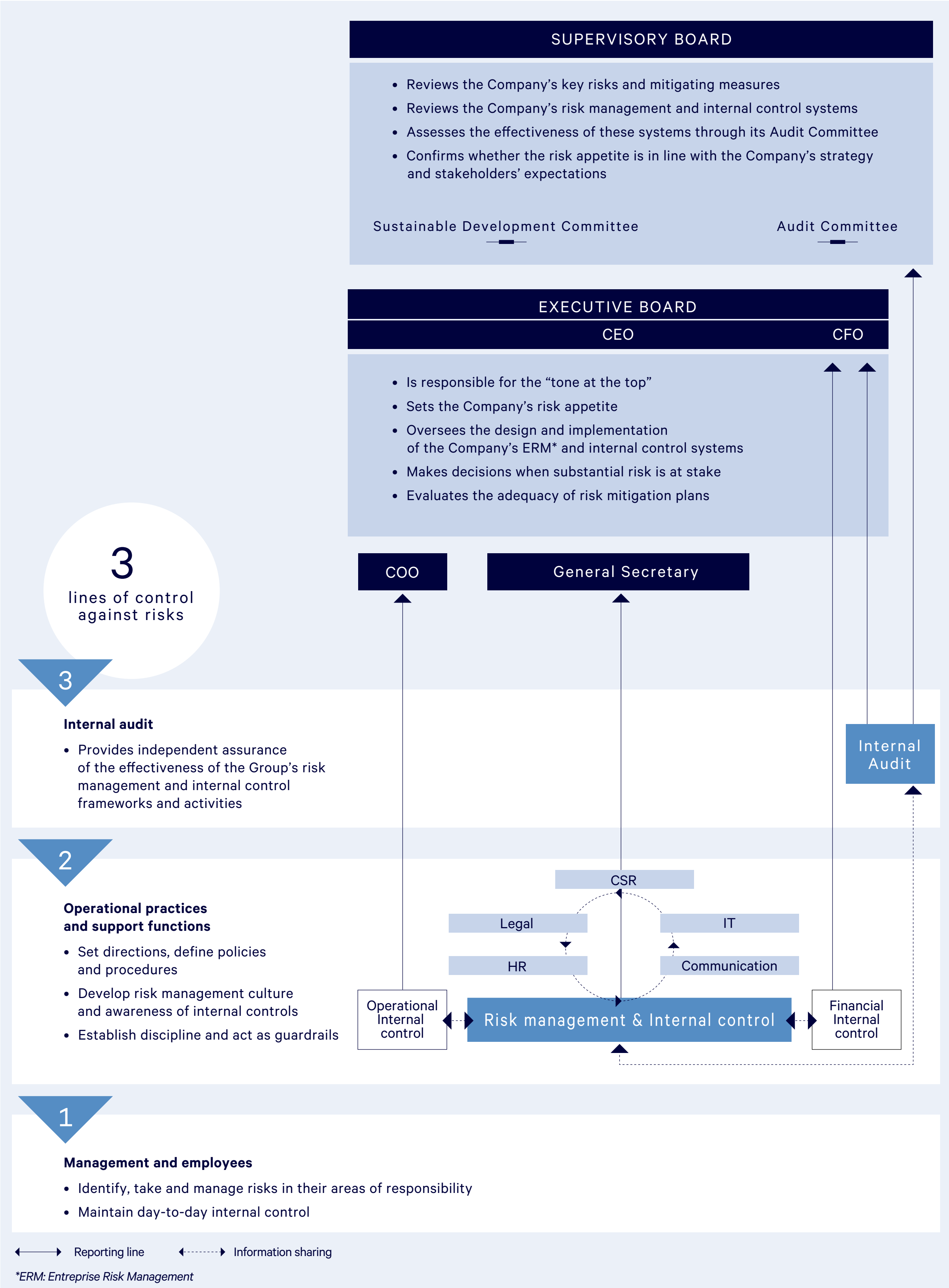
- To create and preserve the Group's value and reputation;
- To secure the Group's overall strategic priorities;
- To protect its assets (in particular buildings), people and the environment;
- To make decisions and processes that are safe to achieve the Group's objectives;
- To encourage initiatives which are consistent with the Group's values;
- To ensure that the key risks arising from its operations and business are correctly assessed and sufficiently controlled; and
- To mobilize employees around a shared vision of the main risks facing the Company and those specific to their job function.

Internal control and compliance frameworks are implemented by operational management and employees to provide reasonable assurance to senior management and shareholders that the following objectives are met:

- Compliance with applicable legislation, external regulations and Klépierre's internal rules;
- Implementation of instructions and guidelines provided by the executive management team;
- Effectiveness of the Group's internal processes, including those designed to protect the Group's assets; and
- Reliability of financial data and, more generally, of all data included in the published statements.

The Group's internal control system covers all of the Group's activities and geographies. Although this internal control system cannot, by definition, provide an absolute guarantee that all risks will be eliminated, it aims at providing the Group with a comprehensive framework that effectively protects against the major risks identified and their potential effects.

5.2.2 Organization



The **Supervisory Board** reviews the most significant risks and mitigation measures and assesses the effectiveness of the Group's risk management and internal control systems. It also confirms that the risk appetite, reflected for example in key decisions made, risks taken, or investments made to mitigate them, is consistent with Klépierre's strategic objectives and the expectations of the Company's stakeholders.

It is assisted in this task by special-purpose committees whose members are appointed by the Supervisory Board:

- The Audit Committee, responsible for overseeing the financial reporting process, the audit process, the Company's internal control system and compliance with laws and regulations. To this extent, the Audit Committee monitors the internal control framework as a whole (and the accounting and financial risks in particular, through the review of the financial statements, verification of the relevance and the consistency of the accounting methods adopted for the preparation of the financial statements and the processing of significant and unusual transactions);
- The Sustainable Development Committee which reviews all significant extra-financial risks, including the "Climate change" and "Human capital" risks described above, as well as the ones described in section 3.1.2 of this Universal Registration Document; and
- The Investment Committee which analyzes on a case-by-case basis the risks and opportunities pertaining to the asset rotation strategy and real estate development projects.

The **Executive Board** meets weekly and as required. It is responsible for duties provided for in the French Commercial Code and the Company's bylaws, including management of the Group's business so that it meets its strategic and financial targets.

The scope of responsibility of the Executive Board includes:

- Setting Klépierre's strategy and ambition, as examined and approved by the Supervisory Board:
  - Setting Klépierre's mid-term strategy and long-term ambition and vision, and endorsing the corresponding strategic plans,
  - Approving investment and divestment priorities,
  - Translating Klépierre's strategic vision and ambition into annual objectives for the organization, and
  - Validating annual budgets;
- Acting as an efficient decision-making body by:
  - Monitoring financial performance and reviewing country/function corrective action plans, endorsing recommended financial communication and guidance,
  - Aligning the organization, processes, talent and capabilities to deliver on Klépierre's annual objectives,
  - Assessing talent and ensuring succession planning,
  - Endorsing the launch of key cross-functional projects, funding them adequately and monitoring progress made on a regular basis, and
  - Implementing decisions on investment and divestment deals;
- Promoting efficient governance and decision-making process by:
  - Ensuring Klépierre policies and procedures are consistent, built on ethical principles, appropriate organizational structures, well-defined responsibilities and demonstrated competencies, and
  - Guiding the Risk Management and Internal Audit departments, to ensure an adequate level of risk mapping and mitigation.

For more details on the respective roles of the Supervisory Board and its special-purpose committees and the Executive Board, see section 6.1.1.

5.2.3 Internal control system

5.2.3.1 Structured organization

In accordance with the AMF recommendations, Klépierre's internal control system is based on an appropriate organizational structure in which responsibilities are clearly defined, adequate resources and competencies are provided, and relevant information systems, tools and practices are implemented.

The main role of this **Group Risk Management Department** is to lead the effective development of Klépierre's Enterprise Risk Management ("ERM") at strategic and operational levels, by implementing a structured, sustainable and adaptable system to identify, analyze, prioritize and address key risks. It is responsible, directly or through Group experts, for designing and implementing internal control systems and risk management procedures.

In January 2022, Klépierre set up a Group Risk Committee, whose members comprise the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Group General Secretary, the Group Head of Internal Audit and the Group Head of Risk Management (as well as any other person invited in relation to specific items on the agenda). The purpose of this committee is, in particular, to validate the Risk management strategy and roadmap and follow up on its progress, and review the Group risk map and specific risk assessments, as well as related internal controls.

5.2.3.2 Delegations of powers and responsibilities

The internal framework is underpinned by the following components:

- A set delegation and sub-delegations of authority and responsibility rules that span across all the Group's activities. They ensure better organization of the Company and a stronger correlation between the responsibilities of operational entities and the responsibilities of executives, and are subject to regular reviews and updates;
- Job descriptions and an appraisal system based on performance targets; and
- Segregation of duties by keeping operational roles separate from supervisory roles.

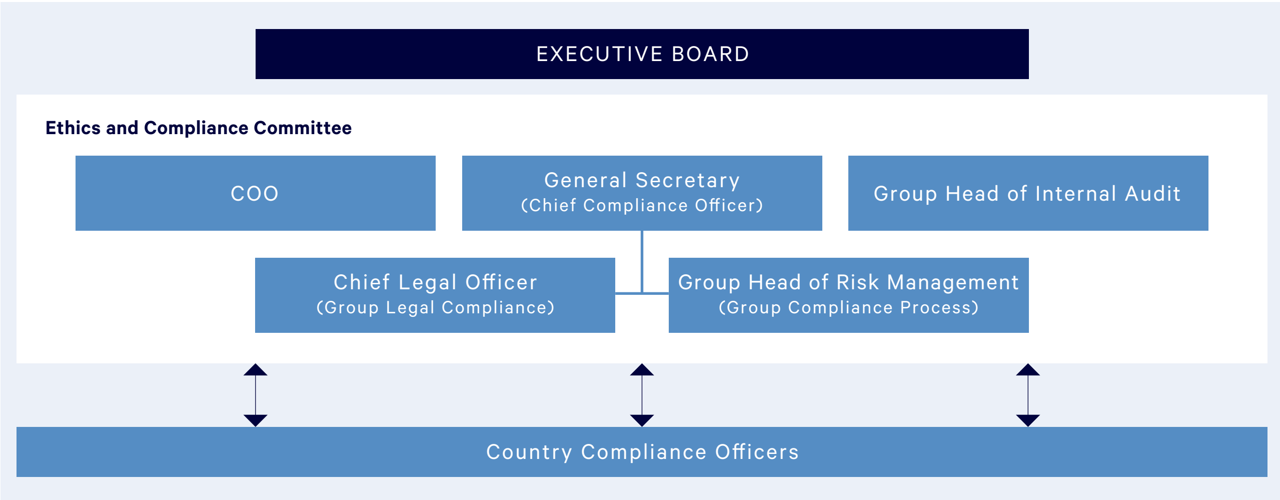
5.2.3.3 Procedures

Procedures aimed at providing a risk control framework for the Group's operational and financial activities, in particular with performance controls (first level) made by the operational and functional teams. The Risk Management Department ensures that procedures are followed and coordinates their regular updating. In particular, the production of financial information is a standardized process which covers the flow and processing of information: the procedures for preparing the financial statements explicitly specify, for each operational or financial process, the involved parties, schedules and information medium, accounting principles and methods and accounts processing. Charts of accounts are standardized and ensure the consistency of information processing across the Group, regulatory reporting (quarterly, semi-annual and annual) is published by press release after approval is obtained and according to a formal procedure and schedule. The half- and full-year financial statements are only made public after being formally approved by the Supervisory Board.

5.2.4 Risk management and internal control activities

5.2.4.1 Compliance and Ethics

Organization and governance



The Group's compliance organization has been strengthened and its roles and responsibilities have been clarified:

- The Group General Secretary (Chief Compliance Officer) is responsible for the entire compliance management system;
- The Chief Legal Officer is responsible for regulatory monitoring, the codes and the Group-wide training modules; and
- The Group Head of Risk Management is responsible for coordinating ethical risk mappings, developing procedures and processes, as well as tools related in particular to the Group's anti-corruption and anti-money laundering frameworks.

An Ethics and Compliance Committee has been set up to oversee the proper implementation of the compliance system and to rule on specific cases. It is composed of the three persons above in addition to the COO and the Group Head of Internal Audit.

To ensure proper deployment across the Group, compliance officers are entrusted with the following responsibilities at local level:

- Enforce the Group's business ethics rules while ensuring compliance with specific local laws;
- Identify and report compliance risks;
- Propose and implement preventive measures (e.g., training); and
- Help clarify potential ethics and compliance violations.

Main texts governing business ethics

At Klépierre, business ethics is fundamental. The Group is committed to applying its values in all business practices, including its relationships with employees and external stakeholders. Two ethical codes responding to different purposes are deployed, supplemented by internal procedures for enforceability purposes:

- The Code of Professional Conduct governs all ethical issues such as money laundering and insider trading; and
- The Anti-corruption Code of Conduct sets out the Group's expectations regarding the giving and receiving of gifts and invitations, conflicts of interest, facilitation payments, patronage and sponsorship and lobbying activities.

Fight against corruption and influence peddling

Klépierre's anticorruption compliance program is based on:

- A commitment to zero tolerance of corruption and influence peddling at the highest level of the Group;
- An Anticorruption Code of Conduct, available in French, Spanish, Italian, German and Polish, is accessible to all Group employees on the Group Ethics & Compliance webpages. It is also included in the "welcome pack" of all new employees and signed by them;
- A corruption and influence-peddling risk map The risk mapping has been updated in 2022 in accordance with the AFA (Anticorruption French Agency) recommendations;
- A process for assessing the integrity of third parties and a corresponding tool to perform integrity due diligence adapted to the level of risk of each third party. This tool provides access to databases containing lists of sanctions, convictions, politically exposed persons and negative press articles; it also facilitates the identification of beneficial owners;
- Accounting controls integrated into the Group's internal control rules to prevent and detect acts of corruption and fraud (see section 5.2.4.3 – Financial internal control);
- An anticorruption training program (called "InKorruptible!"), available in seven languages, is mandatory for all Klépierre employees. It aims to strengthen the internal approach to the prevention of corruption, and to continue to raise awareness among internal stakeholders;
- An alert system which is Groupwide and open to employees and external/occasional workers as well as employees of the Group's customers, suppliers and subcontractors. The system enables the report of cases or suspicions of criminal activities, violations of national and international laws, or breaches to the Group's anti-corruption code or code of professional conduct. This procedure includes a platform hosted by an external provider and is available around the clock from any location worldwide in all languages spoken within the Group. The whistleblowing platform allows anonymous reporting and ensures strict confidentiality of the identity of the reporter. The Group policy is to guarantee to not discipline, discriminate or retaliate against any employee or other person who in good faith reports information related to a violation. The Group's whistleblowing procedure has been reviewed in 2022 to take into account the law on the protection of whistleblowers, which came into force in 2022;
- The Internal Audit Department investigates reported incidents, but the Executive Board is ultimately responsible for taking the appropriate actions.

Fight against money laundering and terrorism financing

Klépierre's prevention program against money laundering is primarily centered around:

- Risk mapping, which has been updated in 2022 together with the corruption risk mapping;
- A process for assessing the integrity of third parties
- A process for reporting suspicious transactions to TRACFIN, the French governmental agency in charge of fighting illicit financial circuits, money laundering, and the financing of terrorism, through a dedicated correspondent; and
- Training and raising the awareness of employees most exposed to risk.

Protection of Personal Data

For business purposes, the Group's entities process personal data collected from third parties, as either data controller or data processor. The Group strives to collect personal data that are adequate, relevant and limited to what is necessary for the specific and explicit purposes for which they are processed and to maintain the confidentiality and security of all such data, in coordination with the IT Department and the relevant operational teams (marketing, HR, etc.).

The Group's entities regularly evaluate and map personal data processing to assess its level of compliance with the General Data Protection Regulation ("GDPR").

Klépierre SA has established an internal system for matters relating to the collection, use and protection of personal data. This includes a set of procedures to support personal data processing and to ensure compliance in a constantly changing legal and regulatory environment, such as:

- Keeping records of personal data processing;
- Keeping an incident log;
- A framework of provisions drafted in compliance with the rules and templates of the GDPR and procedures covering certain specific situations encountered (which are regularly updated and expanded to reflect any legislative, regulatory and jurisprudential changes, new situations identified or the implementation of new tools or new ways of working);
- Two Internal Charters for the protection of personal data created and available on the Klépierre website (including one dedicated to employees and recruitment and the other to marketing and other purposes); these documents are regularly reviewed and adapted in line with developments in the GDPR.

Beyond the implementation of this internal GDPR compliance framework, the Group's dedicated teams regularly monitor the effective application of the procedures.

In France, the Group has appointed a certified Data Protection Officer ("DPO") in accordance with the guidelines of the CNIL, the French personal data agency, with whom the DPO is registered. The DPO performs his duties as an employee of the Group; he supports operational teams in implementing projects with a "privacy by design" or "privacy by default" approach.

Local personal data correspondents have also been appointed in the other countries of operations of the Group. Each local correspondent carries out legal and operational monitoring and assists local teams in applying the GDPR, ensuring the highest level of compliance for the country for which he or she is responsible. France's DPO heads up the network of personal data correspondents.

In November 2022, the Group set up a GDPR Committee, whose members comprise the Group General Secretary, the Chief Legal Officer, the Group Head of Risk Management and the Group Head of IT (as well as any other person invited in relation to specific items on the agenda). The purpose of this Committee is, in particular, to take note of the progress made by the Group's entities in terms of compliance with the GDPR (measures in place, to be strengthened or to be introduced), the measures to be undertaken in terms of compliance with the GDPR the resources allocated and the persons responsible for implementing these measures, and the difficulties encountered during the implementation of one or more processing operations involving personal data.

In addition, the Group allocates significant resources to raising awareness and training on personal data management, including adopting a robust mandatory procedure for employees from the moment they join the Group and throughout their period of employment. The program is delivered and monitored by the Human Resources Department and the relevant managers. Online GDPR training is provided on Klépierre's e-learning platform (via the "Learn-up" app or a dedicated link on the Group's intranet). In addition, highly exposed departments are provided with personalized face-to-face training, rounded out by e-learning modules on cybersecurity and sensitive data.

Fight against fraud

Klepierre may be exposed to different types of fraud (identity theft, fake supplier fraud, etc.) or even embezzlement in the course of its business (works fraud, etc.).

To respond to this constantly changing risk, Klépierre has intensified its vigilance by adapting the internal procedures and awareness campaigns.

The principle of segregation of duties is applied to the purchase and payment processes. Specific rules must be respected for sensitive fields (bank accounts, supplier bank detail, payment signatories).

Awareness of the risk of fraud is carried out throughout the year through trainings at CFO meetings, email communications and dedicated online trainings.

All fraud or fraud attempts are reported to the Deputy Chief Financial Officer, the Internal Audit, the Group Accounting department, and the internal accounting control unit.

In addition, awareness is raised throughout the year against fraud risk through training at CFO meetings, email communications and dedicated online training.

All fraud attempts or frauds are reported through Klépierre alert system or through the Finance management line.

Fight against insider trading

Please refer to section 6.1.5 - Additional Information, page 286.

5.2.4.2 Information systems and cyber risk

Klépierre's IT landscape is built to ensure common ways of working and business processes across all Klépierre entities and ability to simplify data sharing across business lines, while leveraging a robust infrastructure (dual site datacenter & cloud) that provides continuity of IT services.

Projects and maintenance operations are designed and delivered to ensure the following:

- Security and confidentiality, through clear cyber guidelines and policies;
- Reliability and data integrity;
- Round-the-clock availability; and
- Audit trails from technical (logs, segregation of duties), functional (access reports) and IT delivery methods (user acceptance tests, stop/go meetings).

Business applications design

Klépierre's IT application landscape relies on a shared, unique Enterprise Resource Planning (ERP) system (SAP, including a consolidation tool completed by dedicated ERP tools) that is common to all entities and supports back-office activities (finance, rental and property management). Core operational activities are supported via specific applications, also shared throughout the Group, the most important ones being:

- An application ("Atlas") dedicated to the leasing processes and related approval procedures;
- An application ("Komply") ensuring the operational compliance of the shopping centers and their proper safety and security management;
- An application ("Klub!") covering the relationship with tenants in malls;
- A Group-wide data and analytics platform (based on SAP BW and MS Azure/PowerBI) which enables data insight and analysis, as well as financial reports; and

- A Group-wide banking platform ("Kyriba") provides for a common secured payment process, with strong authentication technology and cross-validation procedure.

These IT Solutions provide strong business continuity and facilitate operational controls, by supporting common business processes, data definition across the Group, as well as data consolidation and shared reporting, from local operations to HQ.

The "core model" applications (SAP and related tools) and a common HR job referential also support our internal accounting controls *via*:

- Segregation of duties rules directly embedded in the job definitions and geographic scope of each user. These rules are assessed regularly; and
- Automated controls and reports to avoid frauds (e.g., IBAN changes, vendor review, etc.).

IT continuity

Klépierre's posture regarding IT continuity relies on the following two pillars:

- Application availability:
  - Critical real-time applications are cloud-based, to ensure best-in-class availability provided by international providers, and
  - Business apps are hosted on a dual datacenter infrastructure. Failover procedures are tested regularly.
- Application access:
  - Applications are accessible from any location (*via* VPN and Multi-Factor Authentication, see below),
  - Klépierre workstations are laptops.

Daily backups are realized and monitored, and weekly backups are stored in a secured location.

Cybersecurity

Because it greatly contributes to business continuity and data protection, cybersecurity is considered as a key element in the design and running of the Group's IT system. Klépierre has defined its cybersecurity policy based on the following principles:

- Strong transversal governance involving IT, risk management, legal, internal audit, business and a dedicated cybersecurity team to ensure strategy and compliance in line with the strategy of the Group;
- Security by design from the project conception stage to the roll out of the solution, through the use of a framework of guidelines, policies, compliance and expertise of teams and providers;
- Ongoing prevention and awareness of employees in accordance with the GDPR and security services to ensure effective training and communication;
- Constant updating of the IT system and security ensured by regular updates, controls and monitoring policies;
- Use of protection and partitioning mechanisms: access and privilege filtering, Endpoint Detection and Response on servers and workstations, control of internet flows by proxy and web applications firewall, and anti-spam email solutions;
- Continuous audit of infrastructure and applications by internal IT resources, external experts and the Internal Audit Department;
- Incident detection mechanisms subject to continuous improvement, frequently audited by qualified professionals and supported by a framework of cyber incident and crisis management procedures in association with the Data Protection Officer; and
- Systems redundancy mechanisms integrating a Disaster Recovery Plan that is regularly tested.

The resources allocated to cybersecurity were increased in 2022 with the creation of a taskforce to better monitor threats and transform both the global architecture of the IT systems and the way employees and IT administrators work. In mid-2022, the taskforce began to implement an ambitious, three-year investment program based on the following pillars:

- Zero trust policy;
- Granular segmentation of privileges; and
- Data protection and traceability.

5.2.4.3 Financial internal control

In this area, the Finance Department performs its own controls backed by a dedicated Accounting Internal Control function, which carries out other targeted verifications.

Details about the financial controls

Accounting organization and management control

Accounting tasks are carried out by the Group Finance Department in each country in which the Group operates. The company and consolidated financial statements are prepared under the responsibility of the Group Finance Department. The existence of an ERP system (SAP) across the Group makes it possible to record day-to-day transactions and enter accounting data in an integrated and automated manner. All the processes used to prepare accounting data are subject to accounting control programs at various levels, including validation rules, authorizations and instructions concerning supporting evidence for, and documentation of, accounting entries. The Accounting Internal Control unit, which reports directly to the Deputy CFO, is in charge of defining and providing the accounting control rules and ensuring the smooth operation of the internal control environment.

Klépierre's internal financial data is certified using a specific tool called "FACT" (Finance Accounting Control Tool). FACT relies on a series of validation mechanisms through which the staff involved in the evaluation of accounting controls formally certify the reliability of the data provided and the proper functioning of controls. This process contributes to the overall monitoring of the functioning of internal accounting controls within the Group. It also gives the Finance Department, which is responsible for the preparation and quality of the Klépierre Group's consolidated financial statements, the necessary level of assurance on the accuracy of financial statements of each entity. The content of the certifications is updated on a quarterly basis by the Group's accounting internal control function, and covers, among other items, regulatory requirements in terms of internal accounting control. The certifications' content is approved by the Deputy CFO.

The financial reporting system in place in all countries enables the Group to track trends in the main key performance indicators by country and by asset, and to ensure that these are properly geared to the objectives laid down in the annual budget approved by the Executive Board. Reports prepared at country level are reviewed on a quarterly basis by the Group Controlling Department, which also carries out a full reconciliation of the consistency of the accounting results with the consolidated management results.

Accounts closing process and consolidation

The accounts are consolidated by the Group Accounting and Consolidation Department. Data for the consolidation system used at almost all Klépierre's subsidiaries is provided by the Finance Department in each country. A specific reporting tool is used to record off-balance sheet commitments. This allows each reporting unit to declare off-balance sheet commitments and the Consolidation Department to monitor controls and data consolidation.

The consolidated financial statements are prepared using a process laid down in detailed instructions circulated to the finance departments of each country to ensure that deadlines are met, and that the data provided comply with the Group's accounting standards.

The principal accounting controls carried out at each quarterly close during the consolidation process are the following:

- Controls on changes in the scope of consolidation and equity reconciliations;
- Analysis of supporting evidence for all consolidation adjustments;
- Analysis of and explanations for all deviations from budgets and forecasts;
- Analysis of balance sheet movements and outstanding balances; and
- Reconciliation of the fair values recorded in the consolidated accounts with the fair values provided by the appraisers.

At each quarterly close, the Group Accounting and Consolidation Department coordinates an internal certification process for the accounting data reported by country, as well as the controls performed. As a part of this process, the CFO for each country certifies:

- The reliability and compliance of the accounting data provided with regard to the regulations in force and Group standards;
- Smooth operation of the accounting internal control system, safeguarding the quality of the accounting data; and
- Significant events that occurred after the accounts closing and their financial impact on the consolidated financial statements.

The clarity of financial reporting and the compliance of accounting methods are overseen by the Audit Committee, as well as the Statutory Auditors.

5.2.5 Independent control activities

In an ever-changing operating environment, the Group is audited by external and internal professionals, who have the responsibility to detect and counter any violation of the Group internal rules and procedures.

5.2.5.1 Internal Audit

The Internal Audit Department's mission is to enhance and protect Klépierre's organizational value by providing objective and risk-based assurance, advice, and insight within the Klépierre Group across all geographies and operations. It aims to add value and improve the organization's operations.

To do so, the Internal Audit Department evaluates and improves the effectiveness of risk management, control and governance processes. It strengthens the process through the implementation of its audit plan, which is developed according to a risk-based approach and also takes into account the concerns of the Executive Board and the Audit Committee.

Klépierre's Internal Audit Charter sets out the different responsibilities and principles of the audit function. The Internal audit manual completes the Internal Audit Charter and specifies the functioning and operating mode of the Internal Audit Department. To ensure its independence, the Internal Audit Department reports functionally to the Audit Committee of the Supervisory Board and operationally to the Executive Board. The Internal Audit Department conducts its mission in compliance with the Klépierre's Code of Ethics.

To achieve its objectives of increasing and preserving the value of the organization, Klépierre's Internal Audit Department has been assigned different types of missions:

- Independent assurance missions, scheduled in the annual audit plan, focusing on the adequacy and effectiveness of the organization, risk management and internal control systems;
- Corporate audits or process audits whose objective is to identify the control measures in place and assess their relevance and effectiveness. Recommendations are made to improve the level of control; and
- Shopping center audits whose objective is to ensure that the shopping centers do not present any risks for the safety of goods and people by controlling in particular the realization of controls and regulatory maintenance operations, and the compliance with safety rules.

Other types of assignments at the request of the Executive Board or the Audit Committee are:

- *Ad hoc* audits: Unscheduled missions that may occur as a result of the occurrence of an event. The objective, the scope and the format of the mission are determined with the Executive Board or the Audit Committee; and
- Consulting missions: The objective of these assignments is for the Internal Audit Department to contribute its expertise in risk management and its transverse vision. The content of the assignment must be determined with the Executive Board.

Final audit reports are addressed to the Executive Board and to each department involved in the audit.

An update on these activities is provided every quarter to the Executive Board and the Group Head of Risk Management which meet specifically to discuss major risks identified, the audit recommendations and the related action plans. A summary of audit findings is provided to the Audit Committee on an annual basis.

5.2.5.2 External audits

External auditors, notably the Statutory Auditors and regulatory bodies, perform the function of third-level controllers.

5.2.6 Risk transfer

The Group's policy is to take out insurance policies covering all of its subsidiaries, based on centralizing insurance programs to ensure that the risks transferred are consistent with the coverage purchased, thereby maximizing economies of scale, while taking into account Group's specific business, contractual and legal constraints. Klépierre's strategy aims to transfer those risks to insurers whose solvency and management capacity (production and claims) optimally meet the Group's requirements in terms of the protection-to-cost ratio.

The optimization of coverage and transfer costs is also based on the results of the risk mapping as well as the guarantees and capacities available on the insurance markets. Negotiations conducted during the latest program renewals confirmed the intensification of the hard market impacting the majority of branches (property damage and business interruption losses, financial lines, public liability, etc.) observed over the last two years.

Despite this context and the market trend, the Group was able to renew its main programs while preserving most of the subscribed capacity.

In 2022, premiums paid in relation to the Group's main insurance policies (excluding Construction Insurance that is underwritten on a project-by-project basis) amounted to around €11.5 million.

The main risks for which Klépierre has taken out insurance are property damage and consequent loss of rents, construction risks and public liability as a property owner and real estate professional.

5.2.6.1 Coverage of damages and liabilities associated with properties

Klépierre benefits from a Group insurance program that covers damage to its property portfolio, including that caused by natural events, acts of terrorism, attacks and claims by neighbors and third parties. The Group's real estate assets are insured up to their full reconstruction value, with extended cover for "indirect losses" and "loss of rental income/operations" as a consequence of covered property damage. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years.

Valuation for insurance purposes of our assets is done every year on a replacement cost basis by specialized experts.

The contractual cover limitations on the policies taken out are all adapted to the specific features and value of the insured portfolio.

In addition, the Group receives advice and support from its insurers' engineering prevention services each year. Klépierre makes every effort to comply with the recommendations of its insurers, and thus maintains its assets in a constant state of safety with respect to fire hazards.

Klépierre systematically takes out "construction all risk" insurance for all its real estate restructuring, construction, extension and renovation projects. During the period of construction, decennial insurance guarantees post-delivery and civil liability of the project owner or developer. This aims to financially secure all its development operations across all levels, i.e., both during construction and after delivery.

5.2.6.2 Third-party liability insurance (public and professional)

The Group is insured for the financial consequences of any legal disputes arising from personal injury, damage to property and financial damages suffered by third parties and attributable to misconduct in the performance of the Company's activities, employee malpractice or flawed professional work. The corresponding insurance policies also cover the activities of the Group's subsidiaries and claims arising from its real estate portfolio and all the equipment pertaining thereto. The policies provide a high level of cover in line with the scope of the portfolio and the activities carried out.

5.2.6.3 Environmental insurance coverage

This guarantee covers Klépierre's liability for damage suffered by third parties and damage to biodiversity when it results from the impact of the Group's activities on the environment, as well as the costs incurred by on-site cleanup operations to neutralize or eliminate an environmental hazard.

5.2.6.4 Insurance of other risks

The Group has also taken out the necessary insurance to cover the following:

- Its leased offices through a multi-risk insurance policy covering the walls of the offices rented by the company, as well as their contents (furniture, fittings) and IT equipment;
- Personal accidents insurance to protect the interests of its employees; and
- The personal liability of the corporate officers and *de jure* or *de facto* executives of the Company.


Normal
BZB
ZARA

6 SUPERVISORY BOARD'S REPORT ON CORPORATE GOVERNANCE

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In accordance with Articles L. 225-68 and L. 22-10-20 of the French Commercial Code (*Code de commerce*), further to the meeting of the Nomination and Compensation Committee on February 10, 2023, the Supervisory Board approved the corporate governance report which will be presented to the General Meeting of Shareholders to be called to approve the financial statements for the year ended December 31, 2022 ("**2023 General Meeting**"). The report includes the information referred to in Articles L. 22-10-9 to L. 22-10-11, L. 22-10-26, and L. 225-37-4 of the French Commercial Code ("**Required Information**"[(1)]).

The Company has chosen to refer to the Corporate Governance Code for Listed Companies published by the French association of private sector businesses (*Association française des entreprises privées* – AFEP) and the French employers' association (*Mouvement des entreprises de France* – MEDEF) ("the **AFEP-MEDEF Code**"), which can be consulted on the AFEP website at the following address: www.afep.com.

The Company complies with all of the applicable recommendations of the AFEP-MEDEF Code[(2)].

6.1 OVERSIGHT AND MANAGEMENT OF THE COMPANY

The Company was converted into a French joint-stock corporation (*société anonyme*) with an Executive Board and Supervisory Board on July 21, 1998. This method was adopted to maintain the separation of the Company's management and oversight bodies. Having a two-tier governance organization also enables the Company to retain a proactive and flexible structure, while respecting the prerogatives of the Supervisory Board, whose balanced membership safeguards independent control and the balance of powers.

6.1.1 Supervisory Board and Specialized Committees

The French Commercial Code, the Company's bylaws and the rules of procedure[(3)] are used to determine the role and membership of the Supervisory Board. More specifically, the Supervisory Board provides oversight of the management of the Company by the Executive Board, and for the Company and consolidated financial statements adopted by the Executive Board.

6.1.1.1 Membership of the Supervisory Board and Specialized Committees

As of the filing date of this document, the Supervisory Board comprised nine members, all of whom were domiciled for professional purposes at 26, Boulevard des Capucines, 75009 Paris (France) and are Company shareholders.

(1) *For the cross-reference table setting out the Required Information and specifying in which sections of the Company's Universal Registration Document this Information is presented, see section 8.8 on page 262.*

(2) *Recommendation 19.1 of the AFEP-MEDEF Code in which companies are advised to allow an employee director to sit on the compensation committee is not applicable to Klépierre insofar as the Company is not required to appoint members representing employees under the French Commercial Code.*

(3) *The Company's bylaws and the rules of procedure of the Supervisory Board can be consulted on Klépierre's corporate website at www.klepierre.com/en.*

MEMBERSHIP OF THE SUPERVISORY BOARD AS OF THE FILING DATE OF THIS DOCUMENT

		PERSONAL INFORMATION				POSITION ON SUPERVISORY BOARD			MEMBERSHIP OF SPECIALIZED COMMITTEES 2022 ATTENDANCE RATE			
		Gender	Nationality	Age	Number of Klépierre shares held	Date of first appointment/ Seniority[(a)]	Term expires	2022 attendance rate	Investment Committee	Audit Committee	Nomination and Compensation Committee	Sustainable Development Committee
	**David Simon** *Chairman of the Board*	M	US	61	62	April 12, 2012 11 years	2024 GM	100%	◉ 100%			
	**John Carrafiell**	M	US	58	60	Dec. 11, 2014 8 years	2024 GM	100%		◉ 100%		
	**Béatrice de Clermont-Tonnerre** *Vice Chair of the Board*	F	FR	50	60	April 19, 2016 7 years	2025 GM	100%		• 100%		• 100%
	**Steven Fivel**	M	US	62	62	April 12, 2012 11 years	2024 GM	100%	• 100%		• 100%	◉ 100%
	**Robert Fowlds**	M	UK	61	100	April 24, 2018 5 years	2024 GM	100%	• 100%			
	**Stanley Shashoua**	M	US	52	60	April 14, 2015 8 years	2023 GM	100%	• 100%	• 100%		• 100%
	**Catherine Simoni**	F	FR	58	60	April 11, 2013 10 years	2023 GM	100%	• 100%		◉ 100%	
	**Rose-Marie Van Lerberghe**	F	FR	76	100	April 12, 2012 11 years	2025 GM	100%			• 100%	• 100%
	**Florence Von Erb**	F	FR	63	150	April 19, 2016 7 years	2023 GM	100%		• 100%		• 100%
		Meetings in 2022				9			7	3	5	2
		Average attendance rate in 2022				100%			100%	100%	100%	100%

(a) *At the date of the 2023 General Meeting.*

Independence ◉ **Chair**

5 Non-French Supervisory Board members

60 Average age of Board members

56% Independent Supervisory Board members

44% Women Supervisory Board members

Review of the membership of the Supervisory Board

When reviewing its membership and proposals for appointment or re-appointment submitted to the General Meeting, the Supervisory Board regularly examines the individual situation of each member, particularly:

- The skills and experience they contribute to the work of the Board and the Specialized Committees;
- Their availability and attendance at meetings, as well as their commitment;
- Their situation as regards conflicts of interest and their independence;
- Their contribution to the diversity of the Board in terms of qualifications, age, gender, nationality, and professional experience.

The Supervisory Board also conducts this review taking into account the general principles and criteria outlined in the succession plan described in point 3 of section 6.1.4 "Supervisory Board succession plan and selection of new Supervisory Board members" on page 284.

The Supervisory Board regularly reflects on the desirable balance of its membership and that of the Specialized Committees in order to guarantee shareholders and the market that its duties are carried out with the necessary independence and objectivity, in line with the Klépierre Group's challenges and strategy.

Taking into account the rules set out in section 6.1.1.2 and the above, at its meeting of February 14, 2023, the Supervisory Board considered that its membership was satisfactory. Nevertheless, it remains open to any potential improvements that may be appropriate.

Changes in the membership of the Supervisory Board and Specialized Committees in 2022 on the favorable recommendation of the Nomination and Compensation Committee

	Office expired	Appointment	Re-appointment
Supervisory Board	Rose-Marie Van Lerberghe as Vice Chair of the Supervisory Board	Béatrice de Clermont-Tonnerre as Vice Chair of the Supervisory Board for the duration of her term of office as member of the Supervisory Board	Rose-Marie Van Lerberghe and Béatrice de Clermont-Tonnerre as members of the Supervisory Board for three-year terms
Audit Committee	None	None	Béatrice de Clermont-Tonnerre as member of the Audit Committee for the duration of her term of office as member of the Supervisory Board
Nomination and Compensation Committee	None	None	Rose-Marie Van Lerberghe as member of the Nomination and Compensation Committee for the duration of her term of office as member of the Supervisory Board
Investment Committee	None	None	None
Sustainable Development Committee	None	None	Rose-Marie Van Lerberghe and Béatrice Clermont-Tonnerre as members of the Sustainable Development Committee for the duration of their term of office as members of the Supervisory Board

Proposed changes in the membership of the Supervisory Board and Specialized Committees in 2023

At the Supervisory Board meeting of February 14, 2023, it was noted that the terms of office of Catherine Simoni, Florence von Erb and Stanley Shashoua as members of the Supervisory Board, as well as their duties on the Specialized Committees on which they serve, will expire at the end of the 2023 General Meeting, as summarized below:

			Specialized Committees							
Members	**Nationality**	**Age[a]**	**IC**	**AC**	**NCC**	**SDC**	**Date of first appointment**	**Date of last re-appointment/ expiration of term of office**	**Expiration of current term of office**	**Years of seniority upon expiration of term of office**
Catherine Simoni (independent)	French	58	•		•		April 11, 2013	April 30, 2020	2023 General Meeting	10
Florence von Erb (independent)	French	63		•		•	April 19, 2016	April 30, 2020	2023 General Meeting	7
Stanley Shashoua	US	52	•	•		•	April 14, 2015	April 30, 2020	2023 General Meeting	8

(a) Age as of the date this Universal Registration Document was filed.
IC: Investment Committee
AC: Audit Committee
NCC: Nomination and Compensation Committee
SDC: Sustainable Development Committee

At its meeting on February 14, 2023, the Supervisory Board also noted that Catherine Simoni, Florence von Erb and Stanley Shashoua expressed their wish to seek re-appointment as members of the Supervisory Board and Specialized Committees, as follows (without changing the current membership of the Specialized Committees):

	Specialized Committees					
Members	**IC**	**AC**	**NCC**	**SDC**	**Proposed re-appointment - term**	**Years of seniority upon expiration of term of office if re-appointed**
Catherine Simoni (independent)	•		•		2023-2026	13
Florence von Erb (independent)		•		•	2023-2026	10
Stanley Shashoua	•	•		•	2023-2026	11

IC: Investment Committee
AC: Audit Committee
NCC: Nomination and Compensation Committee
SDC: Sustainable Development Committee

Acting on the recommendation of the Nomination and Compensation Committee, and after deliberation, the Supervisory Board decided at its meeting of February 14, 2023, to vote in favor of the re-appointments of Catherine Simoni, Florence von Erb and Stanley Shashoua, for terms of three years from the date of the 2023 General Meeting, as members of the Supervisory Board and of the Specialized Committees of which they are respectively members. The Board based its decision on an examination of their individual situation, their skills, the quality of their contribution to its work, their in-depth understanding of the Klépierre Group's challenges and their assiduous attendance at meetings. It also ensured the Board complied with the general principles and criteria of the succession plan described in point 3 of section 6.1.4 "Supervisory Board succession plan and selection of new Supervisory Board members" on page 284, and with the rules outlined in section 6.1.1.2.

The 2023 General Meeting will therefore have to rule on the proposed re-appointment of Catherine Simoni, Florence von Erb and Stanley Shashoua as members of the Supervisory Board.

Subject to the approval by the 2023 General Meeting of these re-appointments, the membership of the Supervisory Board would remain unchanged as set out below (as would that of the Specialized Committees):

	Membership of the Supervisory Board further to the 2023 General Meeting
Percentage of independent members	56%
Percentage of female members	44%
Percentage of non-French members	56%

SKILLS MATRIX OF SUPERVISORY BOARD MEMBERS

All members of the Supervisory Board have the skills, experience and expertise required to fulfill their role in overseeing the Company, as illustrated in the skills matrix below, which was reviewed by the Nomination and Compensation Committee on February 10, 2023:

	Retail and consumer goods	International	Finance	Real estate	Management	Digital and online retail	CSR	Corporate governance and compensation	Risk management and compliance
David Simon	✓	✓	✓	✓	✓	✓		✓	✓
John Carrafiell		✓	✓	✓	✓	✓	✓	✓	✓
Béatrice de Clermont-Tonnerre		✓	✓		✓	✓	✓		
Steven Fivel	✓	✓	✓	✓	✓		✓	✓	✓
Robert Fowlds		✓	✓	✓	✓			✓	
Stanley Shashoua	✓	✓	✓	✓	✓	✓	✓	✓	
Catherine Simoni		✓		✓	✓				
Rose-Marie Van Lerberghe		✓	✓		✓		✓	✓	
Florence von Erb		✓	✓		✓		✓		
TOTAL	**33%**	**100%**	**89%**	**67%**	**100%**	**44%**	**67%**	**67%**	**33%**

BIOGRAPHIES OF SUPERVISORY BOARD MEMBERS AS OF THE DATE OF FILING OF THIS DOCUMENT

DAVID **SIMON**

CHAIRMAN AND MEMBER OF THE SUPERVISORY BOARD
CHAIRMAN AND MEMBER OF THE INVESTMENT COMMITTEE

US national

Aged 61

BS degree from Indiana University and MBA from Columbia University's Graduate School of Business

Attendance rate in 2022
- Supervisory Board: **100%**
- Investment Committee: **100%**

First appointed: April 12, 2012

Re-appointments in 2021:
- Chairman and member of the Supervisory Board
- Chairman and member of the Investment Committee

Expiration of current term of office: 2024 General Meeting

Klépierre shares held: 62

CAREER

David Simon is Chairman of the Board and Chief Executive Officer of Simon Property Group, Inc., which he joined in 1990. In 1993, he led the efforts to take Simon Property Group public, and became CEO in 1995. Before joining Simon Property Group, he was a Vice President of Wasserstein Perella & Co., a Wall Street firm specializing in mergers and acquisitions and leveraged buyouts. He was a member and the Chairman of the National Association of Real Estate Investment Trusts (NAREIT) Board of Governors and a trustee of the International Council of Shopping Centers (ICSC).

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Chairman and member of the Supervisory Board
- Chairman and member of the Investment Committee

Outside the Klépierre Group

- Director, Chairman of the Board and Chief Executive Officer:
  - Simon Property Group, Inc. (United States – listed company)
  - M.S. Management Associates, Inc. (United States)
- Chairman of the Board and Chief Executive Officer:
  - Simon Management Associates, LLC (United States)
  - SPG Partners GP, LLC (f/k/a CPG Holdings, LLC) (United States)
- Trustee, Chairman of the Board and Chief Executive Officer:
  - The Retail Property Trust (United States)
- Director:
  - Apollo Global Management, Inc. (United States – listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

- Director and Chairman of the Board of Directors:
  - Simon Property Group Acquisition Holdings, Inc. (United States – listed company)

JOHN **CARRAFIELL**

MEMBER OF THE SUPERVISORY BOARD
CHAIRMAN OF THE AUDIT COMMITTEE

US national

Aged 58

BA in philosophy from Yale University

Attendance rate in 2022
- Supervisory Board: **100%**
- Audit Committee: **100%**

First appointed:
December 11, 2014

Re-appointments in 2021:
- Member of the Supervisory Board
- Chairman and member of the Audit Committee

Expiration of current term of office: 2024 General Meeting

Klépierre shares held: 60

CAREER

Based in Miami, Florida, John Carrafiell is the co-Chief Executive Officer and a major shareholder of BentallGreenOak, a leading global real estate investment and private equity investment management firm with over USD 80 billion in assets under management, 28 offices in 13 countries and 1,300 employees. John Carrafiell was the co-Founder of GreenOak Real Estate in 2010, which grew organically to USD 12 billion of assets under management in 10 countries prior to its 2019 merger with Bentall Kennedy (owned by Sun Life Financial Inc.). He is a member of the boards of privately-held Lineage, the world's largest cold storage logistics company, and Bulk Infrastructure, a leading provider of green data centers and logistics in the Nordics. He is a former member of the boards and audit committees of Shurgard, Europe's largest independent self-storage company, and Canary Wharf, where he chaired the audit and operating committees. John Carrafiell worked for Morgan Stanley in Europe from 1987 to 2009, as Head of European Real Estate from 1995, and then Global Head of Real Estate and a member of the investment bank's Global Operating Management Committee from 2005 to 2007.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group
- Member of the Supervisory Board
- Chairman of the Audit Committee

Outside the Klépierre Group
- Co-Chairman:
  - Chelsea & Westminster Hospital NHS Foundation Trust Development Board (United Kingdom)
  - The Yale University School of Architecture Dean's Council (United States)
- Member of the Board of Directors:
  - Lineage Logistics (United States)
  - Bulk Infrastructure (Norway)
  - BentallGreenOak (United States)
  - Sandow Lakes Ranch Venture, LLC (United States)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group
- Co-Chairman:
  - The Anna Freud National Centre for Children and Families Development Board (United Kingdom)
- Member of the Board of Directors:
  - Shurgard (Belgium – listed company)

BÉATRICE **DE CLERMONT-TONNERRE**

VICE CHAIR AND MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE

French national

Aged 50

Graduate of Institut d'études politiques de Paris (Public Service Section) and ESSEC (École supérieure des sciences économiques et commerciales) Business School (MBA)

Attendance rate in 2022

- Supervisory Board: **100%**
- Sustainable Development Committee: **100%**
- Audit Committee: **100%**

First appointed:

- April 19, 2016 (member of the Supervisory Board)
- April 16, 2022 (Vice Chair of the Supervisory Board)

Re-appointments in 2022:

- Member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Audit Committee

Expiration of current term of office: 2025 General Meeting

Klépierre shares held: 60

CAREER

Béatrice de Clermont-Tonnerre has held the position of General Manager Public Sector at Microsoft France since September 2022, where she is responsible for strengthening Microsoft's role as a strategic partner for the digital transformation of the public sector and encouraging a competitive, innovative and user-focused service. She was a member of the Executive Committee of green tech geoanalytics company Kayrros from 2020 to 2022, and was previously Director of Artificial Intelligence Partnerships at Google, after having headed up the southern Europe Sell Side division for five years. Prior to Google, she was Senior VP, Business Development at Lagardère (2008-2013) and Head of Interactive TV and co-Head of Programming at Canalsatellite – Groupe Canal+ (2001-2005). She began her career as an analyst in the High Technologies division of Lagardère's Strategy Department, covering aerospace and telecoms.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Vice Chair and member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Audit Committee

Outside the Klépierre Group

- Independent director:
  - Prisa (Spain)
  - MyMoneyBank (France)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

- Director of Ceva Logistics (France)
- Vice Chair of the Board of Directors of Hurriyet (Turkey)
- Director of LaCie (France)
- Director of Société Européenne de Satellites (Luxembourg)

STEVEN **FIVEL**

MEMBER OF THE SUPERVISORY BOARD
CHAIRMAN AND MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE
MEMBER OF THE INVESTMENT COMMITTEE

US national

Aged 62

Bachelor of Science degree in accounting from Indiana University and doctorate in law from the University of Illinois Chicago School of Law

Attendance rate in 2022
- Supervisory Board: **100%**
- Sustainable Development Committee: **100%**
- Nomination and Compensation Committee: **100%**
- Investment Committee: **100%**

First appointed: April 12, 2012

Re-appointments in 2021:
- Member of the Supervisory Board
- Chairman and member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee
- Member of the Investment Committee

Expiration of current term of office: 2024 General Meeting

Klépierre shares held: 62

CAREER

Steven Fivel has been General Counsel and Secretary of Simon Property Group since January 1, 2017. He began his career in 1987 as Deputy Attorney General at the Office of the Attorney General of the State of Indiana. In 1988, he joined Melvin Simon & Associates Inc., as an attorney handling shopping center finance transactions, real estate development and re-development transactions, joint ventures and corporate transactions. In 1997, he joined BrightPoint and occupied the functions of Executive Vice President, General Counsel and Secretary. In March 2011, he joined Simon Property Group as Assistant General Counsel and Assistant Secretary, supervising Development and Operations, the Legal Department, and Operations within the Tax Department.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Member of the Supervisory Board
- Chairman and member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee
- Member of the Investment Committee

Outside the Klépierre Group

- Member of the Board of Directors:
  - Simon Global Development BV

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

ROBERT **FOWLDS**

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE INVESTMENT COMMITTEE

UK national

Aged 61

BS degree in Real Estate Management from the University of Reading and MBA in Finance from Bayes Business School, member of the Royal Institution of Chartered Surveyors

Attendance rate in 2022
- Supervisory Board: **100%**
- Investment Committee: **100%**

First appointed: April 24, 2018

Re-appointments in 2021:
- Member of the Supervisory Board
- Member of the Investment Committee

Expiration of current term of office: 2024 General Meeting

Klépierre shares held: 100

CAREER

Robert Fowlds has been a Senior Advisor in real estate and finance since 2016. Previously, he was Managing Director, Head of Real Estate Investment Banking for the United Kingdom and Ireland at JP Morgan Cazenove, where he supervised a large team with expertise in capital markets, mergers and acquisitions, advisory and debt markets, before becoming Vice Chairman in 2013. Between 1987 and 2006, he held various positions in financial institutions such as Merrill Lynch, Kleinwort Benson Securities, Crédit Lyonnais Secs and Morgan Grenfell. Robert Fowlds is also a director of LondonMetric Property PLC (United Kingdom – listed company).

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group
- Member of the Supervisory Board
- Member of the Investment Committee

Outside the Klépierre Group
- Member of the Board of Directors:
  - LondonMetric Property PLC (United Kingdom – listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group
- Member of the Board of Directors:
  - UK Commercial Property REIT (UK-listed fund)

STANLEY **SHASHOUA**

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE INVESTMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

US national

Aged 52

BA degree in International Relations from Brown University and MBA in Finance from The Wharton School

Attendance rate in 2022

- Supervisory Board: **100%**
- Investment Committee: **100%**
- Audit Committee: **100%**
- Sustainable Development Committee: **100%**

First appointed: April 14, 2015

Re-appointments in 2020:

- Member of the Supervisory Board
- Member of the Investment Committee
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Expiration of current term of office: 2023 General Meeting

Klépierre shares held: 60

CAREER

Stanley Shashoua is Investments Director at Simon Property Group, which he joined in 2013. Previously, he was a Managing Partner of LionArc Capital LLC, a private investment firm specializing in real estate and private equity transactions. Prior to joining LionArc Capital LLC, Stanley Shashoua was a Partner at HRO Asset Management LLC, where he was in charge of the acquisition and management of properties on behalf of institutional clients, managing transactions representing over USD 1 billion. He was also Vice President at Dresdner Kleinwort Wasserstein.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Member of the Supervisory Board
- Member of the Investment Committee
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Outside the Klépierre Group

- Member of the Board of Directors:
  - Simon Canada Management Limited (Canada)
  - Mitsubishi Estate Simon Co. Ltd (Japan)
  - Shinsegae Simon Co. Inc. (South Korea)
  - Genting Simon Sdn Bhd (Malaysia)
  - Premium Outlets de Mexico, S. de RL de CV (Mexico)
  - CPGOM Partners de Mexico, S. de RL de CV (Mexico)
  - Outlet Services HoldCo Ltd (Jersey)
- Managing Partner:
  - Outlet Site JV Sarl (Luxembourg)
  - HBS Global Properties LLC (United States)
  - Sparc Group Holdings II, LLC (United States)
  - Cooper Retail Holdings LLC (United States)
  - Rue Gilt Groupe Inc. (United States)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

CATHERINE **SIMONI**

MEMBER OF THE SUPERVISORY BOARD
CHAIR AND MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE
MEMBER OF THE INVESTMENT COMMITTEE

French national

Aged 58

Engineering degree from the University of Nice (France)

Attendance rate in 2022
- Supervisory Board: **100%**
- Nomination and Compensation Committee: **100%**
- Investment Committee: **100%**

First appointed: April 11, 2013

Re-appointments in 2020:
- Member of the Supervisory Board
- Chair and member of the Nomination and Compensation Committee
- Member of the Investment Committee

Expiration of current term of office: 2023 General Meeting

Klépierre shares held: 60

CAREER

For 14 years, Catherine Simoni was Director for France and Belgium of the European real estate funds of The Carlyle Group, which she left in December 2014. She was previously a Director at SARI Développement, the development division of Nexity, where she was responsible for implementing several major French office developments, including leasing and sales. Prior to this, Catherine Simoni was a Director at Robert & Finestate, a subsidiary of J.E. Robert Companies, where she headed up transactions in real estate and real estate-backed loan portfolios in France, Spain, Belgium and Italy.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group
- Member of the Supervisory Board
- Chair and member of the Nomination and Compensation Committee
- Member of the Investment Committee

Outside the Klépierre Group

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

ROSE-MARIE **VAN LERBERGHE**

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE

French national

Aged 76

Graduate of ENA (École nationale d'administration), École normale supérieure and Institut d'études politiques de Paris and philosophy lecturer, with an undergraduate degree in history

Attendance rate in 2022

- Supervisory Board: **100%**
- Sustainable Development Committee: **100%**
- Nomination and Compensation Committee: **100%**

First appointed: April 12, 2012

Re-appointments in 2022:

- Member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee

Expiration of current term of office: 2025 General Meeting

Klépierre shares held: 100

CAREER

Rose-Marie Van Lerberghe began her career as an Inspector at IGAS (General Inspectorate, Social Affairs) before becoming Assistant Director for the defense and promotion of jobs at the French Ministry of Labor. In 1986, she joined the Danone group, where she was group Director of Human Resources. In 1996, she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. She then became Executive Director of the Paris hospital trust (APHP). From 2006 to 2011, she was Chair of the Executive Board of Korian. From January 2010 to January 2014, Rose-Marie Van Lerberghe was a member of *Conseil supérieur de la magistrature* (the French High Council of the Judiciary). She is currently a member of the Council of the Order of the Legion of Honor.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Member of the Supervisory Board
- Member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee

Outside the Klépierre Group

- Member of the Board of Directors:
  - Bouygues (listed company)
  - CNP Assurances (listed company)
  - Fondation Hôpital Saint-Joseph
- Chair of the Board of Directors:
  - Orchestre des Champs-Élysées led by Philippe Herreweghe
- Chair:
  - Fondation Université de Paris

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

- Chair of the Board of Directors:
  - Fondation Institut Pasteur
- Member of the Board of Directors:
  - Air France
  - Casino, Guichard-Perrachon

FLORENCE **VON ERB**

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

French national

Aged 63

Graduate of HEC Paris, specializing in finance

Attendance rate in 2022
- Supervisory Board: **100%**
- Sustainable Development Committee: **100%**
- Audit Committee: **100%**

First appointed: April 19, 2016

Re-appointments in 2020:
- Member of the Supervisory Board
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Expiration of current term of office: 2023 General Meeting

Klépierre shares held: 150

CAREER

Florence von Erb began her finance career working in JP Morgan's Paris, London and New York offices, where she specialized in international securities markets. She held positions in the firm's Treasury Department, Merchant Bank division, Latin America Debt Restructuring Unit and Equity Derivatives Group. In 2000, she joined Adair Capital, a New York-based investment management firm, where she served as Managing Director. She switched her focus to the not-for-profit world in 2004 when she became President and United Nations Representative of Make Mothers Matter International. In 2006, she co-founded Sure We Can Inc. Since 2014, she has been an active member of the UN NGO Social Development Committee and the Commission on the Status of Women.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group
- Member of the Supervisory Board
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Outside the Klépierre Group
- Member of the Board of Directors:
  - Azerion group (Netherlands – listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group
- Member of the Board of Directors:
  - Fourpoints
  - Ipsos (listed company)
  - Ipsos Foundation

6.1.1.2 Rules governing the membership of the Supervisory Board and Specialized Committees

Independence

9 Members

5 Independent members

56% Independence rate

Pursuant to Article 10 of the AFEP-MEDEF Code, the independence of the members of the Supervisory Board and of the Specialized Committees to which they belong is discussed by the Nomination and Compensation Committee in light of the criteria set out in section 10.5 of the Code:

- When appointing a member of the Supervisory Board;
- Annually for all Supervisory Board members.

Prior to any such discussion, the Nomination and Compensation Committee submits to the prospective or actual member of the Supervisory Board a questionnaire to be completed listing the aforementioned criteria.

The responses to the questionnaire are first reviewed by the Nomination and Compensation Committee, which then submits its findings and recommendations to the Supervisory Board so that the Board can ascertain their independence as members of the Supervisory Board and as members of any Specialized Committees.

In accordance with the AFEP-MEDEF Code, the Supervisory Board may consider that although members meet the criteria set out in section 10.5 of the Code, they should not be classified as independent in view of their particular situation or that of the Company, or in view of their shareholding or for any other reason. Conversely, the Supervisory Board may consider that members who do not meet the independence criteria are nevertheless independent.

The specific business relationship review consists of two steps. First, the Nomination and Compensation Committee and then the Supervisory Board review the various relationships in question to ascertain whether or not they constitute business relationships. Where this is the case, to assess whether a given relationship is significant or not, a second, more in-depth review is carried out based on qualitative criteria (context, history and organization of the relationship, respective powers of the parties, exclusivity) and quantitative criteria (materiality of the relationship for the parties, economic dependence).

For the specific major shareholder review, members of the Supervisory Board representing major shareholders of the Company may be considered as independent provided that they do not participate in the control of the Company. However, beyond a 10% threshold of capital or voting rights held, the Supervisory Board, based on a report from the Nomination and Compensation Committee, should systematically review the independence classification, taking into account the make-up of the Company's capital and the existence of a potential conflict of interest.

At its meeting of December 13, 2022, and acting on the recommendation of the Nomination and Compensation Committee and the results of the questionnaires, the Supervisory Board conducted its annual review of the independence of its members. Further to this review, the Supervisory Board considered:

- None of its members has any business relationship with the Company or the Klépierre Group;
- Three members of the Supervisory Board represent a shareholder holding more than 10% of the Company's capital and voting rights and cannot therefore be considered independent;
- Robert Fowlds should be considered as non-independent as he represents the shareholder APG, which proposed his appointment and which has signed an agreement with a shareholder holding more than 10% of the Company's capital and voting rights (see document 214C2161 of October 16, 2014 of the French financial markets authority – *Autorité des marchés financiers* [AMF]).

Following this annual review, and in accordance with section 10.3 of the AFEP-MEDEF Code, the Supervisory Board concluded that five of its nine members were independent (56%) according to the independence criteria set out in section 10.5 of said Code and as detailed in the table below, it being specified that in this table, ● signifies that the independence criterion is met and ○ signifies that the independence criterion is not met:

Name	Independence criteria (AFEP-MEDEF Code)								Classification by the Supervisory Board in 2022
	1: Employee or corporate officer within the last five years	2: Cross-directorships	3: Significant business relationship	4: Family ties	5: Statutory Auditor	6: Term of office exceeding 12 years	7: Status of non-executive corporate officer	8: Status of major shareholder	
D. Simon	●	●	●	●	●	●	●	○	Not independent
R.-M. Van Lerberghe	●	●	●	●	●	●	●	●	Independent
J. Carrafiell	●	●	●	●	●	●	●	●	Independent
B. de Clermont-Tonnerre	●	●	●	●	●	●	●	●	Independent
S. Fivel	●	●	●	●	●	●	●	○	Not independent
R. Fowlds	●	●	●	●	●	●	●	○	Not independent
S. Shashoua	●	●	●	●	●	●	●	○	Not independent
C. Simoni	●	●	●	●	●	●	●	●	Independent
F. von Erb	●	●	●	●	●	●	●	●	Independent

In accordance with the recommendations of the AFEP-MEDEF Code, the membership of the Specialized Committees also respects the independence requirements:

- At least two-thirds of the members of the Audit Committee are independent (three out of four members, including the Chairman); and
- A majority of the members of the Nomination and Compensation Committee are independent (two out of three members, including the Chair).

In addition to this annual assessment and in accordance with the AFEP-MEDEF Code, at its meeting of February 14, 2023, the Supervisory Board examined the independence of the three members whose re-appointment will be submitted to the 2023 General Meeting and confirmed the independent status of Catherine Simoni and Florence von Erb as of February 14, 2023.

Diversity

Gender balance

The percentage of women on the Supervisory Board (44%) complies with the requirements of Article L. 225-69-1 of the French Commercial Code, which stipulates that each gender must each account for at least 40% of Board members. This gender balance is also reflected in the membership of the Specialized Committees.

A strong international profile

Three nationalities are represented on the Supervisory Board: French, US and British. In all, 56% of the members of Supervisory Board (David Simon, John Carrafiell, Steven Fivel, Robert Fowlds and Stanley Shashoua) are non-French nationals.

Varied and complementary skills and experience

The Supervisory Board believes that the skills of its members are varied and complementary, with some members of the Board having strategic skills and other financial or more specific expertise (see skills matrix on page 259).

Due to the diverse and complementary experience and expertise of the Supervisory Board members, they quickly gain a detailed understanding of the Klépierre Group's development challenges and ensure that the decision-making process is insightful.

In assessing its membership, the Board takes into account emerging issues and the strategy adopted by the Company, including in respect of corporate social responsibility ("**CSR**"). It then determines whether the skills and expertise of its members allow it to carry out its mission (see also point 6 of section 6.1.1.3 "Consideration of CSR issues by the Supervisory Board and Specialized Committees").

Availability and attendance

The individual attendance rates at Supervisory Board and Specialized Committee meetings attest to the availability and attendance of Supervisory Board members. In 2022, no Supervisory Board member failed to attend a meeting of the Board or Specialized Committee of which he or she was a member.

Summary of the attendance at meetings of the Supervisory Board and Specialized Committees

Member	Supervisory Board	Investment Committee	Audit Committee	Nomination and Compensation Committee	Sustainable Development Committee
David Simon	100%	100%	-	-	-
John Carrafiell	100%	-	100%	-	-
Béatrice de Clermont-Tonnerre	100%	-	100%	-	100%
Steven Fivel	100%	100%	-	100%	100%
Robert Fowlds	100%	100%	-	-	-
Stanley Shashoua	100%	100%	100%	-	100%
Catherine Simoni	100%	100%	-	100%	-
Rose-Marie Van Lerberghe	100%	-	-	100%	100%
Florence von Erb	100%	-	100%	-	100%

Representation of employees and employee shareholders on the Supervisory Board

In accordance with Article L. 225-79-2 of the French Commercial Code, companies exceeding certain thresholds must provide for employee representation on their Supervisory Board. Similarly, in accordance with Article L. 225-71 of the French Commercial Code, listed companies in which employees own more than 3% of the share capital are required to appoint one or more employee shareholder representatives to their Supervisory Board.

As of December 31, 2022, the Company remains below the aforementioned thresholds. In any event, the Klépierre Group is attentive to dialogue with employees and encourages constructive and respectful relations.

Conflict of interests

The rules of procedure of the Supervisory Board state that members inform the Board of any actual or potential conflict of interest in respect of the Company and abstain from discussing or voting on the corresponding decisions.

Members may not take part in discussions concerning their own benefits or compensation, appointment or re-appointment. In such event, he or she shall refrain from expressing any opinion on the matter.

The direct or indirect participation of a member of the Supervisory Board in a transaction in which the Group is directly involved, or of which that person has knowledge as a member of the Board, is brought to the Board's attention before completion.

A member of the Supervisory Board may not accept a corporate office, in a personal capacity, in companies or businesses that directly or indirectly compete with those of the Group, without first informing the Board.

Members of the Supervisory Board regularly receive a questionnaire setting out multiple possible examples of conflicts of interest, inviting them to declare any situations that might represent a potential conflict of interest with respect to Klépierre.

The Company has no knowledge of any arrangements or agreements with its main stakeholders pursuant to which any Supervisory Board members were appointed as corporate officers of another entity.

Declaration of non-conviction for fraud

To the best of the Company's knowledge:

- None of the members of the Supervisory Board have been convicted for fraud in the last five years;
- None of the members have been subject to bankruptcy, receivership, liquidation or court-ordered administration proceedings in the last five years;
- No conviction and/or official public sanction has been handed down against any member of the Supervisory Board;
- No member has been automatically disqualified by a court from acting as a member of an administrative, executive or supervisory body of an issuer or from managing or running the affairs of an issuer in the last five years.

6.1.1.3 Operating methods of the Supervisory Board

The operating methods of the Supervisory Board are governed by the applicable legal and regulatory provisions, as well as the Company's bylaws and the Supervisory Board's rules of procedure(1).

Role of the Chairman and Vice Chair of the Supervisory Board

The duties of the Chairman of the Supervisory Board are governed by the applicable legal and regulatory provisions, as well as the Company's bylaws and the Supervisory Board's rules of procedure. In this respect, the Chairman oversees the proper operation of the Board. In particular, the Chairman of the Board ensures that there is a culture of openness and transparency within the Board, so that its discussions are insightful. He ensures that Board members receive adequate information in advance of each Board meeting so that the discussions and resolutions are effective. The Chairman also regularly ensures that Board members receive appropriate training to enable them to carry out their duties, as described in the section entitled "Training of Supervisory Board members", page 272.

The Chairman of the Board discusses the Klépierre Group's strategic and/or sensitive goals with Executive Board members, particularly those relating to the Klépierre Group's orientation and organization (from both an operational standpoint and in terms of performance and objectives, especially in the environmental sphere), along with significant external growth projects, major financial transactions and the Group's financial information. If certain decisions require prior authorization by the Supervisory Board, the Chairman may be called upon to assist the Executive Board in its preparatory work on these projects. As in previous years, the Chairman was called upon in 2022 to share his insight into the industry, his experience and vision with the Klépierre Group and the Executive Board.

The Chairman of the Supervisory Board chairs Board meetings and General Meetings. In accordance with the Company's bylaws, in the absence of the Chairman, the Vice Chair chairs the meetings of the Supervisory Board and General Meetings.

Dialogue with shareholders

In accordance with the provisions of the AFEP-MEDEF Code, the Company ensures that it maintains a regular and proactive dialogue with its shareholders and more broadly with the market, analysts and financial stakeholders, such that the latter receive relevant, balanced and useful information on its strategy, development model, non-financial challenges and long-term outlook.

This dialogue is focused on the following areas:

- The Investor Relations Department, accompanied by members of the Executive Board, meets investors at earnings presentations during the year (roadshows, conferences, etc.), to discuss the Klépierre Group's strategy, financial information and performance;

(1) The Company's bylaws and the rules of procedure of the Supervisory Board can be consulted on Klépierre's corporate website at www.klepierre.com/en.

- The CSR Department meets with non-financial rating agencies and investors to promote the Klépierre Group's CSR strategy, its implementation and the Group's non-financial performance. Accompanied by the Investor Relations Department, it also presents these to investors at dedicated meetings;
- The General Secretary, accompanied by the Klépierre Group's Legal Department, meets annually with the main proxy advisors to prepare Annual General Meetings and to inform the deliberations of the Executive Board or the Supervisory Board in this regard.

These departments report regularly to the Chairman of the Executive Board on the performance of the tasks assigned to them.

Assessment of the Supervisory Board and the Specialized Committees

The Supervisory Board periodically assesses its membership, organization and procedures, as well as those of its Committees. The Board discusses these issues once a year and conducts a formal assessment every three years.

As outlined by the AFEP-MEDEF Code, this involves reviewing the operating methods of the Board, verifying that important matters are properly prepared and discussed, and assessing the contribution of each member to the Board's work. The findings of these assessments are reported in the Universal Registration Document so that shareholders are informed each year of the content of the assessments and any follow-up actions.

As the last formal assessment was conducted in 2019, in October 2022, the Nomination and Compensation Committee decided to conduct a fresh assessment with the assistance of a specialized international firm, in order to guarantee quality, independence and transparency.

The external service provider's assessment of the operating methods of the Supervisory Board and the Specialized Committees focused on the following aspects:

- General operating methods of the Supervisory Board and its Specialized Committees;
- Operating methods of each of the four Specialized Committees;
- Membership and structure of the Supervisory Board;
- Culture and dynamics of the Supervisory Board;
- Relationship between the Supervisory Board, the Executive Board and the management team;
- Supervisory Board leadership;
- Strategic value and agility of the Supervisory Board.

The work was staggered over two months, and consisted in distributing a questionnaire containing several dozen questions to all members of the Supervisory Board, and individual interviews to gain additional insight into the answers. The service provider delivered a detailed report containing a summary of the individual interviews as well as the overall findings.

After having read the findings in the assessment report, and further to deliberation, the Board judged that its operating methods and that of the Specialized Committees were satisfactory. In particular, the report indicates that the Supervisory Board is very effective, structuring its work well with a focus on the Company's performance. Each of the assessed areas was rated at least 4 out of 5.

Training of Supervisory Board members

Acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board has adopted a procedure to define the principles applicable to:

- Onboarding of new Supervisory Board members; and
- Their continuing education.

This procedure is regularly reviewed and updated.

Onboarding of new Supervisory Board members

Each new member of the Supervisory Board participates in an onboarding program (this program is also open to all other members of the Board, if they wish to take part), devised according to their individual skills, experience and expertise.

This program meets the following objectives:

- Facilitating understanding of the Klépierre Group, its organization, its key financial figures, its challenges and its main risks;
- Providing insight into the Klépierre Group's specific businesses (center management, leasing, marketing, etc.);
- Facilitating access to useful information for the smooth exercise of their duties.

In this context, new members of the Supervisory Board may be required to (i) meet with the Klépierre Group's management team and/or various operational staff, and (ii) conduct on-site visits of the Klépierre Group's assets.

On appointment, Audit Committee members also receive information on specific accounting, financial or operational aspects of the Company's business.

A social event involving the new member, the other members of the Supervisory Board and the Executive Board may be organized to allow everyone to meet the newcomer.

New members of the Supervisory Board also each receive an information pack so that they can familiarize themselves with the Company. The pack includes the Company's bylaws, Supervisory Board and Specialized Committee rules of procedure, the provisional and indicative calendar applicable to the governing bodies for the current year (Supervisory Board and Specialized Committee meetings, date of the Company's General Meeting), and the calendar of "closed periods" for the current year pursuant to Regulation 596/2014 of April 16, 2014 on market abuse, and AMF position-recommendation 2016-08.

In addition, training in the Board's digital collaboration application is also offered to each new member. This tool allows members to securely access documents containing information for meetings prior to each meeting of the Supervisory Board and Specialized Committees, and to work with other members online or offline from their mobile, tablet or computer.

Continuing education

During their terms of office, each member of the Supervisory Board may request, as part of their continuing education and if they deem it necessary:

- Legal training on the rights and obligations incumbent upon them, including those resulting from legal or regulatory texts, the Company's bylaws, and the Supervisory Board's rules of procedure, etc.;
- Visits to one or more property assets, accompanied by an operational staff member, in order to gain insight into the Klépierre Group's business lines; and
- Additional training on the specific characteristics of the Company, its businesses and sectors of activity (changes in the markets, the competitive environment, its debt position, etc.), its CSR challenges, in particular climate change issues, as well as accounting, financial, non-financial and operational matters, in order to round out their knowledge.

All publications, reports and news from the AMF, AFEP, MEDEF and HCGE (High Committee for Corporate Governance), as well as the voting policies of the main proxy advisors and investors, benchmarks and various studies by experts and specialists, are available on an ongoing basis in a dedicated online space.

Shareholding obligations applicable to members of the Supervisory Board

In accordance with the recommendations of the AFEP-MEDEF Code and in order to promote an alignment of interests between shareholders and members of the Supervisory Board, Article 12 of the Company's bylaws provides that "each member of the Supervisory Board is required to own at least sixty shares during his or her term of office. If, on the date of his or her appointment, Supervisory Board members do not own the required number of shares or if, during their term of office, they cease to own them, they are automatically deemed to have resigned if the situation is not remedied within three months." The persons concerned must use the compensation collected for their duties to purchase the shares needed to fulfill their shareholding obligations.

Consideration of CSR issues by the Supervisory Board and Specialized Committees

The Supervisory Board has a Sustainable Development Committee whose role is to:

- Review the Klépierre Group's CSR policy, define objectives and monitor their achievement;
- Review environmental and social risks, where appropriate, in conjunction with the Audit Committee;
- Review the preparation of non-financial information and, in general, any disclosures required by applicable CSR legislation;
- Review the summary of the Klépierre Group's non-financial ratings;
- Assess the extent to which the Klépierre Group's operational initiatives as presented (with regard to marketing, digital, maintenance, leasing, safety and security, etc.) take into account social, environmental and technological changes that have an impact on the Klépierre Group's business.

The principles underlying the interaction between the Sustainable Development Committee and the other Specialized Committees are set out in section 6.1.1.5.

Meetings of the Supervisory Board without the executive corporate officers in attendance

Given the Company's dual board structure, executive corporate officers are not members of the Supervisory Board, but are regularly invited to take part in the Board's meetings to discuss operational issues and other matters relating to the Klépierre Group's activities. In addition, the Supervisory Board also meets without the executive corporate officers in attendance, particularly when the meeting agenda pertains to their performance or compensation.

Discussions and informal contact between the members of the Supervisory Board, to which the Executive Board members are not party, may also take place on an ad hoc basis over the year.

6.1.1.4 Work of the Supervisory Board in fiscal year 2022

9 Members

9 Meetings in 2022

100% Average attendance rate

Summary of work performed

At Board meetings, the Committee Chairs gave account of their work and presented the recommendations and opinions of the Specialized Committees on topics that fall within their remit (see section 6.1.1.5 "Operating methods and work of the Specialized Committees in fiscal year 2022").

Topics	Agenda items
Financing policy, reporting on the budget and accounting, dividend	• Review of the Audit Committee's work • Review of the Company and consolidated financial statements as of December 31, 2021, and related documents • Review of the interim consolidated financial statements as of June 30, 2022, and related documents • Review of Executive Board quarterly business reviews • Updates on the 2022 budget • Approval of the 2023 budget • Review of the Klépierre Group's financial position (net asset value, debt) • Appropriation of net income proposed at the 2022 General Meeting • Consultation of management documents used for budgeting and forecasting purposes • Review of all statutory Executive Board reports
Strategy	• Review of strategic and financial impacts of the Covid-19 pandemic
Investments/divestments and authorizations given to the Executive Board	• Review of the Investment Committee's work • Authorization to divest assets • Review of related-party agreements entered into and authorized by the Supervisory Board during previous fiscal years that remained in force during 2022 • Authorizations of guarantees and endorsements
Governance	• Review of the Nomination and Compensation Committee's work • Review of the membership of the Supervisory Board and its Committees • Proposals to re-appoint members of the Supervisory Board • Proposals to appoint a new Vice Chair of the Supervisory Board • Proposals to appoint a new member of the Executive Board • Annual review of the operating methods of the Board and Specialized Committees • Approval of the annual report on corporate governance • Preparation for the Annual General Meeting to approve the financial statements for the year ended December 31, 2021
Compensation policy and talent review	• Review of the situation and compensation of executive corporate officers • Definition of the compensation policy • 2022 performance share plan • Annual review of the policy on gender equality and equal pay

6.1.1.5 Operating methods and work of the Specialized Committees in fiscal year 2022

The Supervisory Board has set up four Specialized Committees (the Investment Committee, Audit Committee, Nomination and Compensation Committee and Sustainable Development Committee), whose reports are sent to the Supervisory Board before its meetings and are presented by the Chairs of the Committees during Supervisory Board meetings.

Within its area of expertise, each Committee issues proposals, recommendations and opinions. The role and operating methods of the Specialized Committees are described in their respective rules of procedure (available online at www.klepierre.com/en).

INVESTMENT COMMITTEE

5 Members — **7** Meetings in 2022 — **100%** Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2022 were as follows:

Topics	Agenda items
Investments/Divestments	• Reviews of various divestments and recommendations thereon
General review and oversight	• Oversight of transactions approved by the Supervisory Board • Review of major divestments of commercial property assets in Europe

The reports on the work and recommendations of the Investment Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least three members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2022, comprising the five members listed in the summary table on page 257;
- No change in membership of the Committee during 2022 and/or up to the filing date of this Universal Registration Document.

Attendance rate by member

Member	Meetings 1	2	3	4	5	6	7	Individual attendance rate
David Simon, Chairman	■	■	■	■	■	■	■	100%
Robert Fowlds	■	■	■	■	■	■	■	100%
Steven Fivel	■	■	■	■	■	■	■	100%
Stanley Shashoua	■	■	■	■	■	■	■	100%
Catherine Simoni	■	■	■	■	■	■	■	100%

■ *Attendance in session*

AUDIT COMMITTEE

4 Members of which 75% independent — **3** Meetings in 2022 — **100%** Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2022 were as follows:

Topics	Agenda items
Financing policy and reporting on budget and accounting	• Review of the Company and annual and interim consolidated financial statements, review of material subsequent events and their impact, and review of off-balance sheet commitments and risks • Accounting treatment of rent and receivables • Review of the main litigation and disputes to ensure that they are appropriately recorded in the accounts and determination of the accounting treatment of uncollected rents • Update on tax matters • Summary of the real estate valuation campaign • Monitoring of key indicators and covenants • Review of the proposed dividend policy • Review of the audit findings issued by the Statutory Auditors and their statement of independence • Regular updates on changes in the tax, accounting and regulatory environment
Audit, internal control and risk management	• Review of the 2022 risk management action plan (organization of the risk management function and of the compliance and ethics network, and priority actions) • Review of the main findings of the 2022 audit and the 2023 audit plan • Review of cybersecurity risks (analysis of risk scenarios, evaluation of internal controls and weaknesses, proposing action plans)
Other specific topics	• Annual review of agreements entered into in the ordinary course of business • IAS 29 "Financial Reporting in Hyperinflationary Economies" with regard to Turkey

The reports on the work and recommendations of the Audit Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least three members (and up to five) appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2022, comprising the four members listed in the summary table on page 257, of which 75% are independent (including the Chairman);
- With the exception of the re-appointment set out below, there were no changes in membership of the Committee during 2022 and/or up to the filing date of this Universal Registration Document;
- Renewal of the term of office of Béatrice de Clermont-Tonnerre as a member of the Committee at the end of the General Meeting of April 26, 2022.

Attendance rate by member

Member	Meetings 1	Meetings 2	Meetings 3	Individual attendance rate
John Carrafiell, Chairman				100%
Béatrice de Clermont-Tonnerre				100%
Stanley Shashoua				100%
Florence von Erb				100%

Attendance in session

NOMINATION AND COMPENSATION COMMITTEE

3 Members of which 66.7% independent

5 Meetings in 2022

100% Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2022 were as follows:

Topics	Agenda items
Governance	• Review of the membership of the Supervisory Board and of Specialized Committees • Review of the membership of the Executive Board • Review of the independence of the members of the Supervisory Board and of any business relationships • Three-year assessment of the Supervisory Board and Specialized Committees • Update of the succession plan for members of the Company's Executive Board and key senior executives • Annual review of the policy on gender equality and equal pay
Compensation	• Review of the situation of corporate officers and setting their compensation • Setting of the compensation policies applicable to the Supervisory Board and Executive Board • Review of the 2022 free share allotment plans • Review of the final vesting rates of performance shares for plans whose vesting period has expired

The report on the work and recommendations of the Nomination and Compensation Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least two members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2022, comprising the three members listed in the summary table on page 257, of which 66.67% are independent (including the Chair);
- With the exception of the re-appointment set out below, there were no changes in membership of the Committee during 2022 and/or up to the filing date of this Universal Registration Document;
- Renewal of the term of office of Rose-Marie Van Lerberghe as a member of the Committee at the end of the General Meeting of April 26, 2022;
- Executive Board members do not attend meetings except in special cases during succession reviews (other than those personally concerning them).

Attendance rate by member

Member	Meetings 1	Meetings 2	Meetings 3	Meetings 4	Meetings 5	Individual attendance rate
Catherine Simoni, Chair						100%
Steven Fivel						100%
Rose-Marie Van Lerberghe						100%

Attendance in session

SUSTAINABLE DEVELOPMENT COMMITTEE

5
Members of which 60% independent

2
Meetings in 2022

100%
Average attendance rate

Summary of work performed

The main issues discussed at these meetings in 2022 were as follows:

Agenda items

- Presentation of the 2021 annual results and 2022 quarterly CSR results
- Update on developments regarding diversity and inclusion
- Spotlight on the EU Taxonomy
- Study of Klépierre's local footprint
- Peer benchmark and review of rating agencies
- Review of the Klépierre Group's new CSR strategy for 2030, including the climate strategy ("Act4Good")

The reports on the work and recommendations of the Sustainable Development Committee are made available to the Supervisory Board after each Committee meeting. An oral presentation of the report is given at the Supervisory Board meeting following the Committee meeting.

Membership

- At least two members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members. In accordance with the recommendations set out in the 2022 report by the AMF on corporate governance and executive compensation in listed companies, the Supervisory Board considers the proportion of independent Supervisory Board members on the Sustainable Development Committee;
- As of December 31, 2022, comprising the five members listed in the summary table on page 257, of which 60% are independent;
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2022 and/or up to the filing date of this Universal Registration Document;
- Renewal of the terms of office of Béatrice de Clermont-Tonnerre and Rose-Marie Van Lerberghe as members of the Committee at the end of the General Meeting of April 26, 2022.

Attendance rate by member

Member	Meetings 1	Meetings 2	Individual attendance rate
Steven Fivel, Chairman			100%
Béatrice de Clermont-Tonnerre			100%
Stanley Shashoua			100%
Rose-Marie Van Lerberghe			100%
Florence von Erb			100%

Attendance in session

OVERVIEW OF THE DISTRIBUTION OF CSR WORK AMONG THE SPECIALIZED COMMITTEES

As part of its duties (as outlined on section 3.1.2), the Sustainable Development Committee is responsible for reviewing all CSR policies and goals within its remit. However, depending on the issue, it works in conjunction with the other Specialized Committees and may, in particular, make recommendations to the Supervisory Board in terms of (i) CSR issues to be taken into account by the Nomination and Compensation Committee in determining the compensation policies applicable to corporate officers and (ii) diversity issues to be considered in corporate officer succession plans. The Sustainable Development Committee coordinates its work with the Audit Committee on all matters relating to internal control, risk management and analysis and the preparation of non-financial information. Each Specialized Committee also continues to provide input in determining and monitoring the non-financial strategy for the aspects that fall within their remit.

The principles underlying the interaction between the Sustainable Development Committee and the other Specialized Committees are set out below.

Sustainable Deevelopment Committee	Audit Committee	Nomination and Compensation Committee	Investment Committee
• Reviews the Klépierre Group's CSR policy: defines objectives and monitors their achievement • Reviews environmental, social and societal risks, where appropriate, in conjunction with the Audit Committee • Reviews the preparation of non-financial information and, in general, any information required by applicable CSR legislation • Reviews the summary of the Klépierre Group's non-financial ratings • Assesses the extent to which the social, environmental and technological changes that have an impact on the Klépierre Group's business are taken into account in the Group's operational initiatives as presented (with regard to marketing, digital, maintenance, leasing, safety and security, etc.)	• Monitors the effectiveness of internal and external control and non-financial risk management • Reviews how non-financial risks, and particularly climate change risks, are taken into account in the Company's risk management processes, and how these risks are reflected in the financial information produced	• Proposes the CSR criteria for the compensation of the members of the Executive Board and assesses their performance in this area	• Assesses the environmental and social performance of the Klépierre Group's investment projects

In accordance with the recommendations set out in the 2022 report by the AMF on corporate governance and executive compensation in listed companies, the Supervisory Board considers the proportion of independent Supervisory Board members on the Sustainable Development Committee. As of the date of this document, three out of five Sustainable Development Committee members (60%) are independent.

6.1.2 Executive Board

The Executive Board is the Company's collective management body. It is responsible for duties provided for in the French Commercial Code and the Company's bylaws, including management of its business so that it meets its financial targets, and is also in charge of strategy and any changes therein as defined in tandem with the Supervisory Board. The Executive Board determines the Company's business strategy and ensures that it is implemented in accordance with its interests, taking into account its social and environmental challenges. The Executive Board members are collectively responsible for the Company's management.

6.1.2.1 Membership and operating methods of the Executive Board

The provisions of the French Commercial Code and the bylaws are used to define the membership and operating methods of the Executive Board. The Company's bylaws are available on the Company's website (www.klepierre.com/en).

As of the filing date of this document, the Executive Board had two members, both of whom were domiciled for professional purposes at 26, Boulevard des Capucines, 75009 Paris (France):

- Jean-Marc Jestin, Chairman of the Executive Board; and
- Stéphane Tortajada, member of the Executive Board and Chief Financial Officer.

Jean-Michel Gault served as a member of the Executive Board for the period from January 1, 2022, to June 21, 2022, and Beñat Ortega from January 1, 2022 to January 31, 2022.

BIOGRAPHIES OF EXECUTIVE BOARD MEMBERS AS OF THE DATE OF FILING OF THIS UNIVERSAL REGISTRATION DOCUMENT[1]

JEAN-MARC **JESTIN**

CHAIRMAN AND MEMBER OF THE EXECUTIVE BOARD

French national
Aged 54
Graduate of HEC

Number of Klépierre shares held: 129,746

Date of first appointment as a member of the Executive Board: October 18, 2012

Date of first appointment as Chairman of the Executive Board: November 7, 2016

Term of appointment (as Chairman and member of the Executive Board): June 22, 2022 – June 21, 2025

CAREER

Jean-Marc Jestin has been Chairman of the Klépierre Executive Board since November 7, 2016, after serving as Chief Operating Officer and member of the Klépierre Executive Board since October 18, 2012. Previously, Jean-Marc Jestin held several positions in real estate companies. He was Chief Financial Officer and then Chief Operating Officer of the pan-European platform Simon Ivanhoe from 1999 to 2007. He then joined the Unibail-Rodamco International teams, acting as Deputy Chief Investment Officer in charge of acquisitions, sales and M&A transactions. Jean-Marc Jestin started his career in 1991 at Arthur Andersen in an audit role where he contributed to the development of the real estate practice.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Offices and positions held in several subsidiaries[a]

Outside the Klépierre Group

None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

None

(a) No compensation is paid or due under positions and offices held at Klépierre Group subsidiaries.

(1) In accordance with Annex I of Delegated Regulation (EU) no. 2019/280, this section does not include the Company's subsidiaries in which the corporate officers are also members of a governing, management or supervisory body, or have been in the last five years.

STÉPHANE **TORTAJADA**

MEMBER OF THE EXECUTIVE BOARD, CHIEF FINANCIAL OFFICER

French national
Aged 50
Graduate of École Nationale des ponts et chaussées and of Institut d'études politiques de Paris

Number of Klépierre shares held: 100

Date of first appointment as a member of the Executive Board: June 22, 2022

Term of appointment as member of the Executive Board: June 22, 2022 – June 21, 2025

CAREER

Stéphane Tortajada has been Chief Financial Officer and a member of the Company's Executive Board since June 22, 2022. With over 25 years' experience in finance and real estate, he has held responsibilities in the areas of mergers and acquisitions, financing, capital markets and asset management, within investment banks such as Lazard and more recently within energy group EDF, where he served as Head of Finance and Investments for 12 years. He also managed the Casino group's international real estate activities, implementing differentiated asset disposal, development and reversion strategies for a portfolio of shopping centers.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2022

Klépierre Group

- Offices and positions held in several subsidiaries[(a)]

Outside the Klépierre Group

- Supervisory Board member:
  - Corum Origin (France)
  - Corum XL (France)
- Legal Manager of Stéphane Tortajada EURL (France)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre Group

None

Outside the Klépierre Group

- Chairman and member of the Board of Directors of EDF Investissements Group (France)
- Chairman and member of committees and of the Supervisory Board of EDF Assurances (France)
- Member of the Board of Directors of EDEV (France)
- Member of the Supervisory Board of Trimet France (France)
- Chairman of the Supervisory Board of Corum Origin (France)

(a) No compensation is paid or due under positions and offices held at Klépierre Group subsidiaries.

Conflicts of interest and independence

Executive Board members must consult the Supervisory Board before accepting any new appointments in a listed company, it being specified that no individual member of the Executive Board may hold more than two offices in listed companies, including non-French companies, outside the Klépierre Group.

As of the date of this document and to the knowledge of the Company, there were no conflicts of interest between the duties toward Klépierre of any members of the Executive Board or of the Supervisory Board and their private interests and/or other duties. Furthermore:

- There are no family ties between members of the Executive Board and/or members of the Supervisory Board;
- None of the members of the Executive Board have been convicted for fraud in the last five years;
- None of the members have been subject to bankruptcy, receivership, liquidation or court-ordered administration proceedings in the last five years;
- No conviction and/or official public sanction has been handed down against any member of the Executive Board; and
- No member has been automatically disqualified by a court from acting as a member of an administrative, executive or supervisory body of an issuer or from managing or running the affairs of an issuer in the last five years.

The Company has no knowledge of any arrangements or agreements with its main stakeholders pursuant to which any Executive Board members were appointed as corporate officers of any non-Group entities.

6.1.2.2 Work of the Executive Board in fiscal year 2022

The main issues submitted to the Executive Board in 2022 were as follows:

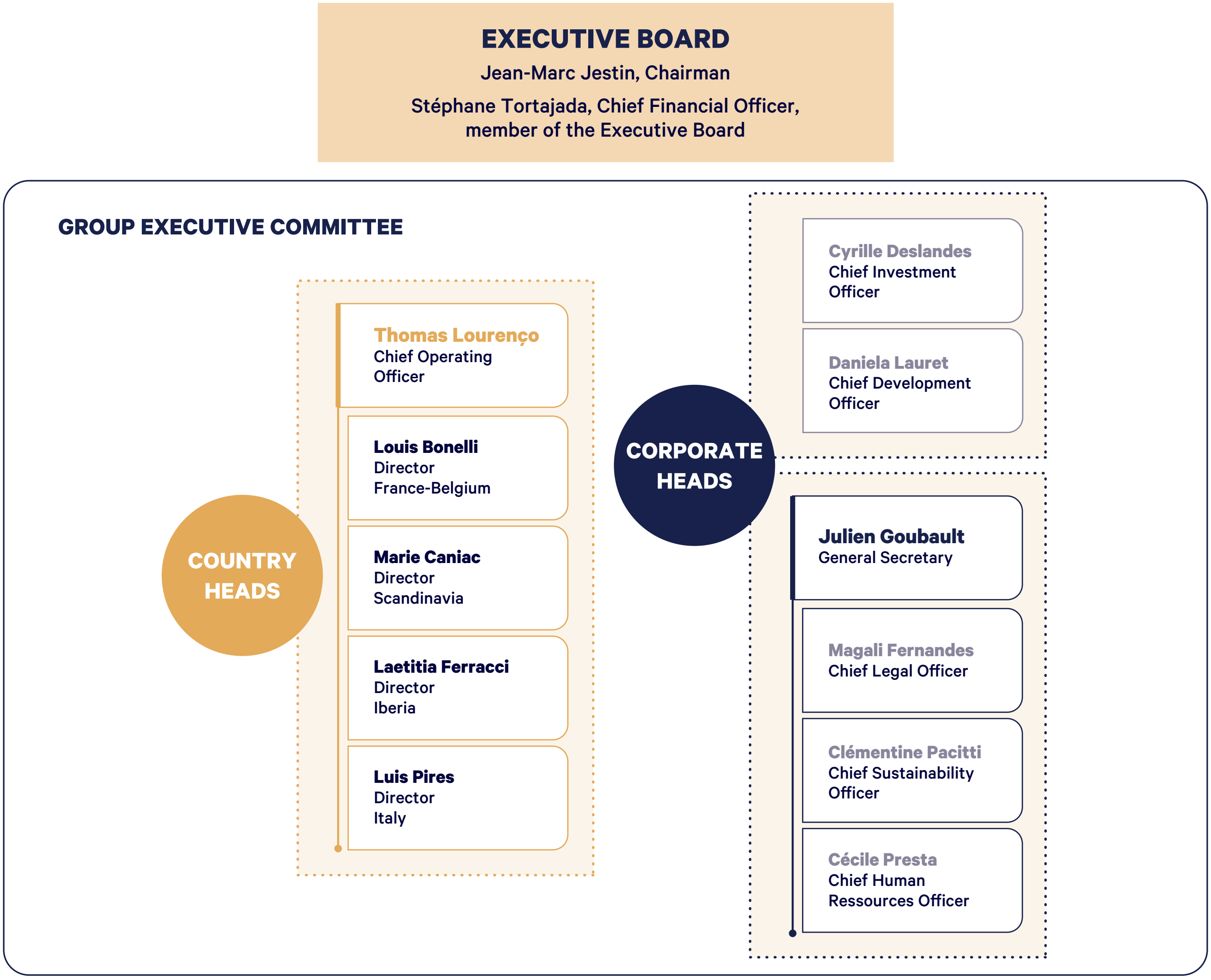
Topics	Agenda items
Investments/divestments and implementation of strategy	• Review of plans for development, investments, divestments, extensions, refurbishments and restructuring
Klépierre Group financing policy, performance and reporting	• Preparation and approval of the Company and consolidated financial statements for the fiscal year ended December 31, 2021, and the interim financial statements for first-half 2022 • Quarterly management reports • Budget preparation and tracking • Proposed dividend and decisions related to payment of the dividend • Intragroup restructuring transactions • Intragroup financial structuring transactions • Issue of warranties, endorsements and guarantees
Klépierre Group transactions	• Review of the performance of portfolio assets • Monitoring of commercial relationships with the Klépierre Group's main clients, especially in the context of Covid-19 • Review, validation and oversight of running costs and capital expenditure on the portfolio • Rollout of new operational management tools • Monitoring of CSR objectives in line with the Act for Good® policy • Creation of a Litigation Committee
Internal control and risk management	• Preparation and implementation of the audit plan • Review of the Klépierre Group's main risks (main risk factors, analysis of individual risks, detailed assessment of cybersecurity risks, human capital risks, construction risks, etc.)
Governance, ethics and compliance	• Management of the list of insiders • Klépierre's ongoing gender and diversity policy • Creation of a GDPR Committee
Compensation and human resources	• Annual talent and compensation review • Allotment of performance shares and review of performance share plan vesting arrangements • Continuation of the policy commitments on gender equality in the workplace
Shareholder dialogue	• Communication with investors and roadshows • Preparation for and convening of the General Meeting of Shareholders • Preparation of the 2021 Universal Registration Document

6.1.2.3 Group Executive Committee

On March 9, 2023, the Executive Board set up a new Group Executive Committee, bringing together the Group's operational managers (Group Chief Operating Officer and the heads of the Group's main geographic areas) as well as the heads of the corporate functions. It comprises the following members:

- Chief Operating Officer;
- Director of France-Belgium;
- Director of Iberia;
- Director of Scandinavia;
- Director of Italy;
- Chief Investment Officer;
- Chief Development Officer;
- General Secretary;
- Chief Legal Officer;
- Chief Human Resources Officer; and
- Chief Sustainability Officer.

The Committee meets every two months to determine the objectives that must be met to implement the strategy decided by the Executive Board. Its role also involves sharing best practices and making recommendations to the Executive Board on the Group's key operational and organizational priorities.



6.1.3 Gender balance

Gender and diversity policy applicable to senior executives and members of governing bodies

In 2020, acting on the recommendation of the Executive Board, the Supervisory Board approved the Klépierre Group's gender and diversity policy within its governing bodies, in line with the recommendations of the Nomination and Compensation Committee and pursuant to section 8 of the AFEP-MEDEF Code. This policy has the two following diversity objectives:

- Achieve more than 30% female representation on the Klépierre Group's management team[1] by the end of 2022, and 40% by 2025;
- Achieve more than 30% female representation in the top 100 senior positions[2] of the Klépierre Group by the end of 2023, and 40% by 2026.

In December 2022, the Supervisory Board reviewed the Klépierre Group's gender diversity policy in order, in particular, to take into account the terms of law No. 2021-1774 of December 24, 2021, which introduces minimum representation quotas for each gender in management positions in large companies (known as the "Rixain Law")[3], terms specified by the French Ministry of Labor (questions and answers of May 12, 2022).

While noting that the objectives of the Klépierre Group's gender diversity policy are more ambitious than those set by the Rixain Law, the Board has not included the members of the Executive Board in the scope of the management team selected for the first gender diversity objective mentioned above, in view of the interpretation of the law by the French Ministry of Labor[4]. In addition, in order to ensure that the two objectives are fully independent, the Board has decided to remove the members of the management team from the scope of the 100 most senior positions.

At the same meeting, and based on the membership of the management team as of December 31, 2022, the Supervisory Board noted the progress made on the redefined objectives, which are shown in the table below.

Proportion of women in positions of senior responsibility

	December 31, 2020	December 31, 2021	December 31, 2022
Senior management team[1]	50%	43%	38%[a]
Top 100[2]	29%	31%	40%

(a) As of the date of filing of this document, the 45% figure takes into account the membership of the new senior management team making up the Group Executive Committee (see section 6.1.2.3 above).

At the end of 2022, both short-term goals had been met, and the long-term targets were almost achieved, with the Klépierre Group's senior management team having three women out of eight members, or 38%. The 100 most senior positions[5] included 40 women, nine more than at the end of 2021. These positive results were obtained on the back of a series of decisive actions:

- The visibility of the subject among the Company's priorities and its embodiment by management;
- The definition of quantitative objectives and regular measurement of indicators;
- Appropriate governance arrangements, with a Diversity Committee at Klépierre Group management level and a network of diversity ambassadors;
- Investment in individual development and awareness-raising actions and dedicated networks;
- An active talent management policy, and the establishment of career and succession plans for high-responsibility positions.

Concrete progress has been made, but will need to be confirmed over the next few years, in particular through the establishment of internal mobility and external recruitment processes that are non-discriminatory and promote equal access to all opportunities within the Company. For this reason, the Board confirmed the minimum target of 40% women for the senior management team by December 31, 2025, and for the 100 most senior positions by December 31, 2026.

In applying its updated gender and diversity policy, Klépierre aims to meet quantitative targets while transforming its culture. Klépierre strongly believes in the need to support more women in taking on senior management roles and has devised a series of measures as part of its drive to increase diversity and transform its culture to identify and retain female talent. It has rolled out a plan focusing on career, parenting, equal pay, training, mentoring and development, communication, networks and engagement in and establishment of special events. Several concrete measures have been defined for each topic, along with a specific budget where appropriate.

In accordance with the AFEP-MEDEF Code, each year the Executive Board will inform the Supervisory Board of the results of its efforts in this regard. The Supervisory Board will report on these measures in the Universal Registration Document so that shareholders are kept informed of the annual progress made in terms of gender equality or, where appropriate, the reasons why objectives were not met and the measures taken to remedy the situation.

(1) The membership of the Klépierre Group's senior management team (known as the Corporate Management Team [CMT] prior to March 9, 2023) at December 31, 2020 and December 31, 2021 is presented in section 6.1.3.3 of both the 2020 and 2021 Universal Registration Documents. As at December 31, 2022, the membership of the Corporate ManagementTeam was identical to that at December 31, 2021, including the Group Operations Director.

(2) Defined as the 100 highest-paid jobs within the Group's highest management levels ranked by basic salary adjusted for purchasing power parity (PPP) as calculated by the OECD.

(3) The French Law No. 2021-1774 of December 24, 2021 introduces minimum representation quotas for men and women in management positions in large companies: the proportion of each gender in senior management (as defined in Article L. 3111-2 of the French Labor Code) and in governing bodies (as defined in the new Article L. 23-12-1 of the French Commercial Code) may not be less than 30%. This quota, applicable as of March 1, 2026, is progressive and will be increased to 40% as of March 1, 2029.

(4) The role of the Executive Board is not to assist the bodies responsible for general management in the performance of their duties, but to be the body itself responsible for general management. The Executive Board is not therefore a governing body.

(5) Under the terms of Article L. 22-10-10 of the French Commercial Code, 10% of the positions within Klépierre are classified as positions of senior responsibility (i.e., 107 positions in total). As of December 31, 2021, 34 (31.8%) of these positions were held by women. This percentage is higher than the previous year, with 29% of women holding the top 10% most senior roles at December 31, 2020.

Gender equality and equal pay policy

An action plan has been rolled out across the Company in connection with the gender and diversity policy outlined above. This plan features various measures, including (i) systematically analyzing and rectifying any observed gender pay gaps for equivalent positions (the Group has observed no significant pay gaps in France since 2015), and (ii) organizing an annual review of female talent to effectively identify high-potential employees looking to progress in their careers, and offer them professional opportunities or targeted development measures.

6.1.4 Succession plans for the Executive Board, key Klépierre Group senior executives and the Supervisory Board

Succession plan for Executive Board members and key Klépierre Group senior executives

The Klépierre Group's succession plan applies to both the executive corporate officers and key senior executives. The plan was drawn up by the Executive Board with the assistance of the General Secretary, the Group Human Resources Department (for key senior executive successions) and the Group Legal Department, and is then submitted to the Nomination and Compensation Committee, which presents its recommendations to the Supervisory Board.

The Nomination and Compensation Committee is closely involved in preparing and monitoring the succession plan, and in December 2022 completed its review of the succession plan (as updated, including to take account of the reorganization of the Executive Board in June 2022 as well as changes in management at country level) as part of its annual assessment. During this review, the Committee verified as far as possible that the envisaged successors provided gender balance in line with the Company's gender and diversity policy. This procedure is designed to identify the desired profile of potential replacements with regard to the Klépierre Group's strategy, diversity and the levels of expertise and experience required for a succession. Immediate potential internal successors are analyzed in detail, alongside measures to be implemented to enhance their ongoing professional development. The procedure also aims to identify positions for which no potential successor has been identified (in the short and/or medium term) in order to conduct market research with external consultants and build an identifiable base of prospective candidates.

The succession plan details the roles and responsibilities of the Nomination and Compensation Committee and Supervisory Board in the event that a vacancy arises, notably on the Executive Board. It covers a number of time frames:

- Short-term succession, in the event of an unplanned vacancy (e.g., impediment, resignation or death);
- Medium- or long-term succession (e.g., end of term of office).

Internal selection procedure for members of the Executive Board

Pursuant to Article L. 225-58 of the French Commercial Code, Klépierre has established an internal procedure for selecting Executive Board members with the aim of achieving gender balance. The procedure, which was prepared by the Nomination and Compensation Committee with support from the Executive Board and the Klépierre Group's Legal Department, was approved by the Supervisory Board on February 4, 2020. It details the actions to be taken to ensure that at least one man and one woman are included among Executive Board candidates submitted to the Supervisory Board. This procedure was applied in connection with the reorganization of the Executive Board in June 2022.

Supervisory Board succession plan and selection of new Supervisory Board members

In accordance with the AFEP-MEDEF Code, the Nomination and Compensation Committee draws up a succession plan for the Supervisory Board and Specialized Committees which, in accordance with AMF recommendation 2012-02, must set out the decision-making process underlying it, including, for example, the role of the competent committee, the time frame, the frequency of its review, and the terms and conditions of any involvement of the executive concerned.

The succession plan was presented to the Supervisory Board at its meeting held on February 14, 2023, following the meeting of the Nomination and Compensation Committee on February 10, 2023. It must be reviewed annually by the Supervisory Board at the time of the review of the membership and operating methods of the Supervisory Board and Specialized Committees, on the recommendation of the Nomination and Compensation Committee, and updated or revised as necessary. In any event, the plan must be amended to take into account any changes in applicable legislation or regulations, or any changes resulting from the AFEP-MEDEF Code.

It should be put in place to prepare the ground for when a term of office held by a member of the Supervisory Board expires, or for when that member is re-appointed or replaced. The succession plan is also triggered if a vacancy emerges following death or resignation, for example, or in any other case requiring the urgent replacement of a member of the Supervisory Board.

It is based on general principles and specific cumulative criteria to be considered and assessed individually and collectively. For example:

- Any change in the Supervisory Board must under no circumstances violate the provisions of the French Commercial Code, the Company's bylaws, the Supervisory Board's rules of procedure, and/or the AFEP-MEDEF Code (gender balance on the Supervisory Board, age limits, independence, etc.);

- The membership and operating methods of the Supervisory Board must be consistent with the composition and any changes in the Company's shareholding structure, the scale and nature of the Klépierre Group's business, and the particular circumstances that the Klépierre Group may face at any given time;
- Diversity in Supervisory Board membership is essential to its effectiveness, as it encourages the expression of independent points of view that contribute to effective oversight of Klépierre Group management and to the good governance of the Company;
- Average age, number of offices held, availability, personal qualities, professional experience, as well as varied and complementary expertise (see skills matrix on page 259);
- The membership of the Supervisory Board must take into account any currently applicable shareholders' agreements relating to the Company.

The plan also contains a clear and precise identification of the terms of office that are due to expire in the short or medium term, as well as the associated action plan, in compliance with the provisions of the succession arrangements.

Procedure for identifying members to be replaced and new candidates as outlined in the succession plan

In February each year, the Company's Supervisory Board reviews its membership, in particular in order to identify the terms of office due to expire at the time of the General Meeting of Shareholders to be held in the following year to approve the financial statements for the current year. It also reviews the membership of the Specialized Committees.

Based on the proposal of the Nomination and Compensation Committee, and after taking into account any applications received by any means and analyses of the criteria and principles applicable under the succession plan, the Supervisory Board decides that it approves:

- The re-appointment of an existing member; or
- The appointment of a new member to replace the outgoing member; and/or
- Changes in the membership of the Specialized Committees.

The Nomination and Compensation Committee is required to prepare and update a list of potential candidates at least six months before the expiration of the term of office of the Chair or Vice Chair of the Supervisory Board and/or of another member of the Supervisory Board.

It is the responsibility of each current member of the Supervisory Board to inform the Company or the Nomination and Compensation Committee at any time of any new or specific expertise that he or she may have so that this is taken into account in the Committee's work.

The Nomination and Compensation Committee may call upon one or more external recruitment firms (which must first enter into a confidentiality agreement with the Company) to assist it in identifying prospective candidates that could meet the criteria set forth in the succession plan.

The Nomination and Compensation Committee must review all applications received through the external recruitment firm, as well as any unsolicited applications received, and conduct any necessary interviews with the candidates identified. This process shall be conducted on a strictly confidential basis, to which the candidate(s) approached shall give a direct undertaking to the Company.

The Nomination and Compensation Committee, after reviewing and taking into account the general principles and specific criteria set forth in the succession plan, make recommendations to the Supervisory Board on the applications received.

The Supervisory Board is then responsible for deliberating and deciding on the applications received.

Any appointment of a new member of the Supervisory Board must be the subject of a resolution submitted to the vote of the Company's Ordinary Shareholders' Meeting.

When the appointment concerns the position of Chair or Vice Chair of the Supervisory Board, it is the responsibility of the Supervisory Board to appoint the Chair or Vice Chair from among its members (subject to his or her appointment as a member by the Company's Ordinary Shareholders' Meeting).

It is also the responsibility of the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, to decide on the membership of the Specialized Committees, chosen from among the members of the Supervisory Board.

Special case: vacancy

In the event that one or more seats on the Supervisory Board become vacant (owing to resignation, death, incapacity, etc.), and the total number of Supervisory Board members exceeds the legal minimum, the Company's Supervisory Board may provisionally appoint members between two General Meetings. The appointments made by the Supervisory Board in this respect must be ratified by the next Ordinary Shareholders' Meeting. If these provisional appointments are not ratified by the General Meeting, the Supervisory Board's previous deliberations and actions nevertheless remain valid.

When the number of members of the Supervisory Board falls below the legal minimum, the Executive Board must immediately convene an Ordinary Shareholders' Meeting to reestablish the legal minimum. A member of the Supervisory Board appointed to replace another member whose term of office has not expired shall only remain in office for the remainder of his or her predecessor's term of office.

In all cases, these provisional appointments shall be made in accordance with the principles and criteria set out in the succession plan.

Specific departure from succession principles and criteria

In the event of difficulties in identifying potential candidates, the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, may decide to waive the application of a principle or criterion (unless it results from applicable legislation or regulations), provided that it gives reasons for this decision.

6.1.5 Additional information

Prevention of insider trading/stock market compliance

As a listed company, Klépierre abides by the rules concerning insider trading. To prevent the risk of insider trading, the Klépierre Group has adopted a Stock Market Code of Conduct, which is updated regularly.

The main objectives of the Code of Conduct are to:

- Define inside information and the general rules applicable to its handling;
- Identify the people concerned by inside information;
- Detail the specific rules applying to persons holding inside information;
- List the applicable penalties in the event of a breach of the requirements regarding the holding of inside information.

The Code of Conduct applies to corporate officers (the Chairman of the Executive Board and the members of the Executive Board and Supervisory Board) and persons of similar status, and more generally to permanent insiders, as well as persons holding inside information who are subject to closed periods and employees who may have access to inside information on Klépierre or Klépierre securities.

Under the terms of the Code of Conduct, corporate officers and persons of similar status and any persons with close personal ties to corporate officers and persons of similar status have an obligation to disclose any transactions they make involving securities issued by the Company.

Pursuant to Article 19.11 of Regulation 596/2014 of April 16, 2014 on market abuse ("**MAR Regulation**") and the related AMF Position-Recommendation, the Company has introduced closed periods during the publication of annual and interim results, and first- and third-quarter trading updates.

During closed periods, those concerned must refrain from engaging, directly or indirectly, for themselves or on behalf of third parties, in transactions[(1)] relating to the Company's financial instruments[(2)] for a continuous period beginning:

- 30 calendar days before the publication of the **annual results** press release, including the day of its publication;
- 30 calendar days before the publication of the **interim results** press release, including the day of its publication;
- 15 calendar days before the publication of **first- and third-quarter trading updates**, including the day of their publication.

This duty to refrain applies:

- For the duration of the closed period, to the members of the Executive Board and the Supervisory Board, to all persons included on the list of permanent or occasional insiders of the Klépierre Group and to all persons with regular or occasional access to inside information (within the meaning of Article 7 of the Market Abuse Regulation), as well as to confidential or sensitive information (even though it does not constitute inside information) for as long as such information is not made public;
- At any time (including during closed periods), to any person working for the Klépierre Group who has access to inside information or to confidential or sensitive information, even though it does not constitute inside information within the meaning of Article 7 of the MAR Regulation, as long as such information is not made public.

Shares granted free of charge by the Company for which the applicable lock-up period is complete, may not be sold within the 30 calendar days prior to the annual or interim earnings announcement (Article L. 22-10-59 of the French Commercial Code).

In addition to the Code of Conduct, the Klépierre Group has also drawn up supporting procedures and practical information sheets, which are communicated to all Klépierre Group senior executives and employees.

An Inside Information Committee was set up in 2017, comprising the Executive Board members, the Group Chief Legal Officer and the Klépierre Group Head of Internal Audit. The role of the Committee is to decide whether to classify information as "inside", to closely monitor information that may potentially be classified as "inside", and to draw up the list of insiders in each case so that they may be reminded of their obligations.

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(1) Article 10.2 of Delegated Regulation (EU) 2016/522; AMF Position-Recommendation; section 2.2.3 of the Guide to ongoing information and disclosure of inside information.
(2) Article 3 of the Market Abuse Regulation.

6.2 SUPERVISORY BOARD AND EXECUTIVE BOARD COMPENSATION

6.2.1 Compensation policies applicable to the Supervisory Board and Executive Board

This section will be submitted to the 2023 General Meeting for approval by way of specific resolutions, and complies with all the recommendations of the AFEP-MEDEF Code as regards compensation.

6.2.1.1 Fundamental principles for setting the compensation policy

In Klépierre's long-term corporate interest, the Supervisory Board sets the compensation policy, acting on the recommendation of the Nomination and Compensation Committee and, in accordance with the process set out in section 6.2.1.2, taking into account the principles of the AFEP-MEDEF Code (namely comprehensiveness, balance between the compensation components, comparability, consistency, clarity of the rules, and proportionality), in order to meet the objectives set out below.

Five objectives

Objectives	Attract	Adapt	Reward and retain	Consider the Klépierre Group's compensation policy	Include CSR criteria
	Appropriate executive corporate officer compensation levels attract and retain the best talent	Executive corporate officer compensation packages are balanced and take into account areas of responsibility	Compensation of executive corporate officers is performance-based	Compensation of executive corporate officers takes into account the compensation conditions applicable to Klépierre employees	Compensation of executive corporate officers reflects Klépierre's CSR objectives
Details	The appropriate level of compensation, both fixed and variable, is essential to attract, retain and motivate the best talent. The compensation offered should therefore be competitive and in line with market practices for comparable companies. In compliance with the principle of comparability recommended by the AFEP-MEDEF Code, the Nomination and Compensation Committee regularly reviews its approach using studies conducted by various independent specialists based on panels of companies of a similar size and/or operating in the same business sector as Klépierre, and with comparable international exposure.	Compensation paid to Supervisory Board members includes a fixed amount and a predominantly variable amount based on actual attendance at meetings of the Supervisory Board and/or Committees on which they sit. Regarding Executive Board members, the Supervisory Board ensures that compensation is balanced (fixed, short-term variable and long-term variable components), with each component representing about one-third of total compensation for the year. In accordance with section 26.1.2 of the AFEP-MEDEF Code, the compensation of corporate officers is based on work performed, responsibility taken on board, and the duties entrusted to them.	The recognition of the performance of executive corporate officers strikes a balance between their interests, those of Klépierre and those of its shareholders. Accordingly, the compensation package for Executive Board members is subject to performance conditions, concerning both the short-term variable portion and the allotment of performance shares. The performance criteria are financial, operating and non-financial. They are based on the achievement of various targets relating in particular to Klépierre's commercial strategy and to the ability of management to adapt Klépierre's organization to the environment and changes in its markets. These criteria are regularly updated by the Nomination and Compensation Committee, as well as by the Supervisory Board.	Pertinent information on the Klépierre Group's compensation policy is regularly provided to the Nomination and Compensation Committee. For Executive Board members, the Supervisory Board ensures that their compensation package is consistent with that of the Klépierre Group's senior managers, i.e., that it comprises both fixed components and short- and long-term variable components. The criteria underpinning the long-term variable compensation of the members of the Executive Board are the same as those applicable to the main senior managers of the Klépierre Group, who are eligible for the same performance share plans. In addition, the Supervisory Board also includes criteria related to employment conditions for the Klépierre Group's employees in the objectives underpinning the variable compensation payable to Executive Board members. For example, the short-term variable compensation objectives assessed include initiatives promoting diversity and talent development.	On average, 25% of variable (short- and long-term) compensation of executive corporate officers is subject to non-financial criteria regarding CSR issues. These criteria are determined in line with the Klépierre Group's targets in order to promote sustainable, eco-friendly development over the long term.

6.2.1.2 Decision-making process for setting, revising and implementing the compensation policy

At the beginning of each year, the Nomination and Compensation Committee conducts a review of the different components of compensation of Supervisory Board and Executive Board members. Based on the Nomination and Compensation Committee's work, the Supervisory Board then sets the compensation policy to be put to the vote at the Company's next General Meeting. The same process applies if the compensation policy is revised, or if exceptions are made.

Supervisory Board

In accordance with Article 18, paragraph 1 of the Company's bylaws, the General Meeting sets the total amount allotted to the Supervisory Board members in respect of their duties on the Board and on its Committees during the fiscal year.

This annual amount set by the Ordinary and Extraordinary General Meeting of April 19, 2016 was €700,000. This amount is maintained for subsequent fiscal years unless modified by the General Meeting. At the beginning of each year, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board allots the previous year's compensation among its members, taking into account the offices held by each member on the Board and its various Committees and their attendance record. Each member of the Supervisory Board (including the Chairman) receives fixed and variable compensation depending on his or her attendance rate at Supervisory Board meetings. Supervisory Board members only receive variable compensation in respect of their duties on Specialized Committees based on their attendance rate. The variable component is the major portion, pursuant to the recommendations of the AFEP-MEDEF Code. Attendance rates of Supervisory Board and Specialized Committee members are set out on page 257.

Executive Board

The table below presents the steps and timeline for setting the compensation of the Chairman and the members of the Executive Board:

POST-GENERAL MEETING OF PRIOR YEAR AND FIRST QUARTER OF CURRENT YEAR	
Nomination and Compensation Committee	The Nomination and Compensation Committee analyzes any developments in corporate governance rules. The Committee subsequently issues its recommendations on the following compensation policy items to the Supervisory Board: • Overall structure of corporate officers' compensation: the Committee assesses its appropriateness each year (taking into account all components of compensation, including any severance pay); • Annual fixed compensation; • Short-term variable compensation: – The Committee sets the amount of short-term variable compensation due in respect of the prior year on the basis of performance criteria, – It then makes proposals for the performance criteria applicable to the short-term variable compensation due in respect of the current year; • Long-term variable compensation: – The Committee ensures that the performance share plans making up the long-term variable compensation of Executive Board members also benefit certain employees within the Klépierre Group (i.e., 13% of the workforce in 2022), – The Committee then proposes performance criteria applicable to all performance shares allotted within the Klépierre Group for the current year, based on ambitious targets assessed over a three-year period, – As regards plans that have matured, the Committee assesses the achievement levels with regard to the applicable performance conditions and on this basis, determines the proportion of shares vested by the beneficiaries, – Lastly, the Committee proposes a number of performance shares to be allotted to the Chairman and members of the Executive Board for the current year; • Benefits in kind: the Committee reviews and values the benefits in kind granted and includes them in its assessment of Executive Board compensation.
FROM FEBRUARY/MARCH OF CURRENT YEAR	
Supervisory Board	On the basis of the Nomination and Compensation Committee's work and recommendations: • The Supervisory Board sets the current year's compensation policy for executive corporate officers; • The amount of short-term variable compensation payable to the Chairman and members of the Executive Board in respect of the prior year is set by the Supervisory Board based on its assessment of their performance with regard to the quantitative and qualitative criteria. The quantitative criteria relating to financial or stock market indicators are assessed on the basis of the consolidated financial statements as approved by the Supervisory Board, or on the basis of market data. The qualitative criteria are assessed on the basis of the Nomination and Compensation Committee's report; • As regards long-term performance share plans that have matured, the Board places on record the performance levels achieved with regard to the applicable performance conditions.
FIRST HALF OF CURRENT YEAR	
General Meeting of Shareholders	The compensation policy for the current year is submitted to the vote of the General Meeting (*ex-ante* say on pay); The compensation and benefits paid during or allotted for the previous year (i) to all corporate officers as a whole and (ii) to each executive corporate officer are also submitted to the vote (*ex-post* say on pay).

Nomination and Compensation Committee then Supervisory Board	The Supervisory Board, based on the work and recommendations of the Nomination and Compensation Committee, prepares a report on the General Meeting, including an analysis of results of the vote on the resolutions and of any comments from investors and proxy advisors.

The Nomination and Compensation Committee and the Supervisory Board rely in particular on the following resources when setting the compensation policy:

- **possible recourse to renown independent specialized consultants**, in particular for benchmarking;
- **meetings with the Klépierre Group's General Secretary, in conjunction with the Group Legal and Human Resources departments**, for example to obtain information about the compensation and employment terms of the Klépierre Group's employees;
- **meetings with proxy advisors.**

To avoid conflicts of interest and in accordance with AFEP-MEDEF Code recommendations:

- Executive Board members do not attend Nomination and Compensation Committee meetings;
- Executive Board members are not present during the Supervisory Board's deliberations on their compensation.

Furthermore, the rules governing conflicts of interest concerning the members of the Executive Board are described in detail on page 281.

6.2.2 Supervisory Board and Executive Board compensation for fiscal year 2023

6.2.2.1 Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2023 (12th resolution submitted to the 2023 General Meeting)

No changes are envisaged in the compensation policy of the Chairman and the other members of the Supervisory Board for 2023 versus the policy in place for fiscal year 2022.

As a reminder, the compensation of the Chairman and members of the Supervisory Board consists solely of an overall budget, the maximum of which was set at €700,000 by the Ordinary and Extraordinary Shareholders' Meeting of April 19, 2016 (i.e., €688,000 for a nine-member Supervisory Board).

Further to the review of the Nomination and Compensation Committee, taking into account the fact that the number of Supervisory Board members was reduced to nine following the General Meeting of April 18, 2017, the utilization in fiscal year 2023 of the annual fixed budget of €700,000 is not expected to exceed €688,000.

Subject to the approval of the 2023 General Meeting (12th resolution), the annual budget will be determined in 2024 by the Supervisory Board based on the duties of each member on the Board and/or its various Committees, distinguishing between Chair or Vice Chair and members, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (of the Supervisory Board and/or Committees) or Vice Chair of the Supervisory Board	Fixed portion: €22,000 per office Variable portion: N/A	€132,000
Supervisory Board members	Fixed portion: €12,000 per office	€108,000
	Variable portion: amount based on attendance record at Board meetings	€224,000
Committee members	Fixed portion: N/A Variable portion: amount based on attendance record at the relevant Committee meetings	€224,000
Total		**€688,000**

The table above shows that the variable component is the major portion, representing up to 65% of the overall amount, in accordance with the recommendations of the AFEP-MEDEF Code.

Supervisory Board members may also obtain the reimbursement of all reasonable costs and expenses arising from the exercise of their duties, subject to providing the necessary supporting documentation.

No other components of compensation are awarded to the Chairman and members of the Supervisory Board or its Committees, and no agreements (employment or service agreements) have been entered into by Board or Committee members with the Company or any other Klépierre Group entity.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable under this policy for the Chairman and the other members of the Supervisory Board will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

6.2.2.2 Compensation of the Chairman and the other members of the Executive Board for fiscal year 2023

The components of compensation for the Chairman and the other members of the Executive Board for fiscal year 2023, as established by the Supervisory Board on February 14, 2023, on the basis of the work of the Nomination and Compensation Committee meeting of February 10, 2023, are subject to the approval of the 13th and 14th resolutions submitted to the 2023 General Meeting. These components remain unchanged from 2022.

SUMMARY PRESENTATION OF THE 2023 COMPENSATION STRUCTURE FOR THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD AS PROPOSED TO THE 2023 GENERAL MEETING

Fixed compensation	Short-term variable compensation (capped at: 150% of fixed compensation)	Long-term variable compensation (capped at: 100% of short-term compensation[(a)])			
Annual compensation Benefits in kind	Quantitative criteria (up to 100% of fixed compensation) + Qualitative criteria (up to 50% of fixed compensation	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		20%	25%	20%	35%
		Performance assessed over three years (except in cases provided for in the plan regulations; see page 293)			
		Shareholding obligation (see page 295)			

(a) Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.

Positioning of Executive Board compensation in light of reference panels (2022 benchmark)

The Nomination and Compensation Committee regularly benchmarks the practices of companies comparable in size and activities to Klépierre, notably to verify (i) the appropriateness of Executive Board member compensation with regard to the Klépierre Group's size and to Board members' experience as well as (ii) the competitiveness of the compensation offered to Executive Board members versus the benchmark.

By way of reminder, to ensure a consistent approach, the benchmark study conducted in 2022 by the Nomination and Compensation Committee to verify the market positioning of the compensation of the Executive Board members was based on the same two panels as those used during the previous changes in the compensation policy that took place in 2019:

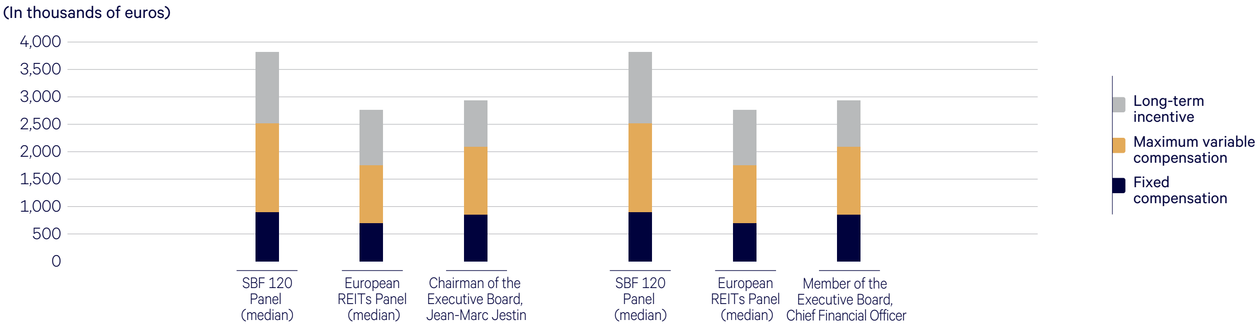
- A panel of **40 SBF 120 companies** centered around Klépierre's last known ranking in this index;[(1)] and
- A panel of the **main European listed real estate companies.**[(2)]

(1) Accor; ALD Automotive; Alten; Aperam; Arkema; Atos; Bouygues; Covivio; Dassault Aviation; Edenred; Eiffage; Elis; Eurazeo; Euronext; Faurecia; Gecina; Getlink SE; Ipsen; JCDecaux SA; Lagardère SA; Neoen; Nexans; Orpea; OVH; Plastic Omnium; Rémy Cointreau; Renault; Rexel; Scor; SEB; Sodexo; Soitec; Solvay; Spie; Ubisoft Entertainment; Unibail-Rodamco-Westfield; Valeo; Verallia; Virbac; and Wendel.

(2) British Land; Castellum; Cofinimmo; Covivio; Derwent London; Deutsche Wohnen; Fabege; Fastighets AB Balder; Gecina; Great Portland Estates; Hammerson; Icade; Inmobiliaria Colonial Socimi; Lundbergs AB; Land Securities Group; Leg Immobilien; Merlin Properties Socimi; PSP Swiss Property; Segro; Swiss Prime Site-Reg; Tag Immobilien; Unibail-Rodamco-Westfield; Unite Group; and Vonovia.

The charts below show that the 2022 compensation levels as adopted by the General Meeting of April 26, 2022, were consistent with Klépierre's European positioning in terms of its size and complexity in respect of its market capitalization within the reference panels selected. This positioning corresponds to the median of the panel of SBF 120 companies and to the highest quartile of the panel of major European listed real estate companies.

BENCHMARK STUDY CONDUCTED BY THE NOMINATION AND COMPENSATION COMMITTEE IN 2022



6.2.2.2.1 Components of compensation of the Chairman of the Executive Board for fiscal year 2023 (13th resolution submitted to the 2023 General Meeting)

At the Supervisory Board meeting on May 24, 2022, Jean–Marc Jestin was re-appointed in his capacity as Chairman and member of the Executive Board for a three-year term beginning June 22, 2022.

Should a new Chairman of the Executive Board be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to that person. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award an onboarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 26.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

To summarize, Jean-Marc Jestin's compensation is typically split into equal portions between the fixed component (including benefits in kind), the short-term variable component and the long-term variable component.

The Chairman of the Executive Board's compensation includes the following components:

a) Annual fixed compensation for fiscal year 2023

The annual fixed compensation of the Chairman of the Executive Board for 2023 is €825,000, unchanged from the annual fixed compensation approved by the General Meeting of April 26, 2022 from June 22, 2022.

b) Short-term variable compensation paid for fiscal year 2023

Short-term variable compensation for the Chairman of the Executive Board is determined with regard to the achievement of specific, ambitious quantitative and qualitative objectives whose detail and weighting are set at the beginning of the year (these objectives are not disclosed publicly for confidentiality reasons, although they are made public *ex-post*):

Quantitative component		
Weighting	**Description**	**Comments**
Capped at 100% of annual fixed compensation. (i.e., 66.7% of the maximum total short-term variable compensation)	Net current cash flow guidance as disclosed to the markets at the beginning of the year. Achieving the target net current cash flow per share announced by Klépierre as guidance to the market grants entitlement to 60% of the annual fixed compensation. In addition, a performance floor has been set at 95% of the target.	This financial indicator is particularly relevant for a real estate company such as Klépierre as it enables the following to be measured: • Changes in income based on organic and external growth; • Cost management efficiency (operating and financial costs); • Tax exposure of recurring operations. It is one of the key indicators that Klépierre discloses to the markets. Net current cash flow per share growth and its regularity are fundamental inputs in the valuation of the Klépierre share price. The quantitative component is applied identically to all Executive Board members because it measures their performance as an executive team with collective responsibility.

Qualitative component		
Weighting	**Description**	**Comments**
Capped at 50% of annual fixed compensation. (i.e., 33.3% of the maximum total short-term variable compensation)	The qualitative portion of variable compensation is measured by applying several criteria, and for 2023 is based around the following topics: • Implementation of the Act4Good plan; • Strategy implemented to enhance the quality of the portfolio (developments, investments, disposals); • Stricter risk management; • Improved management of human capital.	The qualitative component measures the individual performance of the Chairman of the Executive Board based on specific targets for the relevant year. These specific targets are decided by the Supervisory Board for the year concerned according to the priorities set by the Board, acting on the recommendation of the Nomination and Compensation Committee, and are communicated to the Chairman of the Executive Board.

The overall short-term variable compensation paid to the Chairman of the Executive Board is capped at 150% of his annual fixed compensation as stated in the 2023 compensation policy.

In accordance with Article L. 22-10-34 II, paragraph 2 of the French Commercial Code, the annual variable compensation due for fiscal year 2023 will be paid after the Ordinary General Meeting to be called in 2024 to approve the 2023 financial statements and is contingent on its approval by that Meeting.

Faculty of the Supervisory Board

The Supervisory Board may, in exceptional circumstances and having solicited the opinion of the Nomination and Compensation Committee, use its judgment to adapt and/or amend the criteria and/or calculation scale (upwards or downwards) used to determine the annual short-term variable compensation of the Chairman and the other members of the Executive Board, in the event that the impact of such an exceptional circumstance were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's faculty in this regard (which is separate from the powers granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in either the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, the modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as the Covid-19 health crisis and subsequent developments, and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

Pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

c) Long-term variable compensation for fiscal year 2023

The General Meeting of April 26, 2022 authorized, by 98.586% of votes cast, the Klépierre Group to allot performance shares to the Group's executive corporate officers and senior managers for a 38–month period starting after said meeting (see section 7.2.1 "Report of the Executive Board to the Ordinary and Extraordinary General Meeting" of the 2021 Universal Registration Document).

Under this authorization, the rules of the plan to be implemented in 2023 for executive corporate officers will include a three-year vesting period (save for specific cases as provided for in the terms and conditions of the plan)[1], subject to a service condition and performance criteria.

These performance conditions are based on financial, non-financial and operating targets that contribute to the goals of the compensation policy:

- Conditions that encourage the achievement of the Klépierre Group's operating and financial targets and thus drive greater value creation for shareholders. They therefore promote the alignment of the beneficiaries' interests with those of the Company and of its shareholders;
- Varied and demanding conditions, which differ from those applicable to short-term variable compensation and which are for the most part assessed based on financial and quantitative criteria along with criteria linked to the environmental or social issues facing the Klépierre Group;
- Conditions based on Klépierre's performance, improvements in which depend on the work put in by the teams and their results, based on an approach designed to create value over the long term.

(1) *Including in the event of the death, retirement or disability of the beneficiary, transactions resulting in a change in control, and delisting.*

The conditions underlying the performance shares to be allotted to the Chairman and the other members of the Executive Board in 2023 are detailed in the table below:

SERVICE CONDITION

The beneficiary must remain within the Klépierre Group until the end of the three-year vesting period, except for cases provided for in the terms and conditions of the plan, namely, in the event of retirement, death or disability of the beneficiary, transactions resulting in a change of control and delisting (it being specified that the performance conditions are assessed in advance in the event of death, disability, and change of control and at the end of the vesting period in the event of retirement).

Should the beneficiary leave the Group before the end of the performance assessment period for criteria not provided for in the plan rules, entitlement to all or a portion of the performance shares is subject to the decision of the Supervisory Board and must be substantiated. The Supervisory Board will only authorize a partial waiver of the service condition, such that the performance shares vest pro rata to members' service to the Group, and the performance conditions will continue to apply until the end of the vesting period.

PERFORMANCE CONDITIONS

Performance assessed	Indicator	Calculation method	Weighting	Justification
Absolute stock market performance	Total Shareholder Return (TSR, change in share price plus dividends paid) of the Klépierre share.	Comparison of the share price during the initial allotment period with the share price during the final allotment period, taking account of dividends paid.	20% of the total allotment	This condition measures the returns for Klépierre shareholders based on its stock market performance and dividends received.
Relative stock market performance	Klépierre's TSR compared to the TSR of a panel of European retail real estate firms, comprising: URW, CityCon OYS, Eurocommercial Properties, Deutsche Euroshop, Wereldhave N.V., Mercialys, Vastned Retail N.V., Immobiliare Grande Dis, Lar España Real Estate SOCIMI SA and Carmila.	Comparison of Klépierre's TSR with that of the panel.	25% of the total allotment	This criterion compares Klépierre's TSR with the TSR of directly comparable companies, i.e., owners and operators of shopping centers in continental Europe that are therefore faced with comparable issues and economic cycles.
Internal performance	Change over three years in net rental income.	Calculation of the average annual change in shopping center like-for-like net rental income, as reported by the Klépierre Group in its annual consolidated financial statements over the last three fiscal years preceding the reference date.	20% of the total allotment	This criterion is appropriate for measuring the Company's business growth and the teams' efforts to optimize like-for-like net rental income and therefore maximize returns from the Klépierre Group's real estate portfolio. Growth in like-for-like net rental income includes: • Increases in minimum guaranteed rents when the lease is renewed, which reflect the Klépierre Group's capacity to host the most attractive retailers in its centers and to optimize the rental value of available space; • Reductions in vacancy rates, which are key to the attractiveness of any given shopping center; • Optimal management of shopping center costs.
CSR performance	(i) GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating, which is awarded only to the top performers (15% of the allotment). (ii) Reduction in carbon emissions from Klépierre's shopping centers (20% of the allotment)	Calculation of the greenhouse gas emissions from Klépierre's shopping centers in relation to their surface area (*in $kgCO_2e$/ sq.m.*, Scopes 1 & 2, market-based approach), as reported in the Klépierre Group's non-financial performance statement audited annually by an independent third-party (Deloitte).	35% of the total allotment	These criteria reflect the Klépierre Group's desire to unite its employees and executives around corporate social responsibility issues to maintain its global leadership in non-financial performance, as evidenced by the Group's ambition to achieve carbon neutrality by 2030.

The number of performance shares that may fully vest to the Chairman and the other members of the Executive Board under this 2023 allotment will be calculated using the following achievement scale:

Performance assessed	Performance		% of shares delivered[(a)]	Assessment of the requirements for the chosen performance conditions
Absolute stock market performance (20% of the allotment)	≤10%		0%	The number of shares allotted is zero where the TSR is less than or equal to 10%. To achieve the maximum target, the TSR must be greater than or equal to 20%. Exceeding the 20% threshold does not result in the allotment of additional shares, capped at 20% of the initial number of shares allotted.
	12%		33.3%	
	14%		50%	
	16%		66.7%	
	18%		83.3%	
	≥20%		100%	
Relative stock market performance (25% of the allotment)	Below the median		0%	The number of shares allotted is zero where Klépierre's TSR is less than the panel median. To achieve the maximum target, Klépierre must rank first in the panel (without conferring the right to allotment of additional shares).
	6th (median)		50%	
	5th		60%	
	4th		70%	
	3rd		80%	
	2nd		90%	
	1st		100%	
Internal performance (20% of the allotment)	<1%		0%	If the growth in net rental income over three years is equal to 1%, only 30% of the shares will be allotted. To achieve the maximum target, the increase must be greater than or equal to 3%. Exceeding the 3% threshold does not result in the allotment of additional shares, capped at 20% of the initial number of shares allotted. This is a very ambitious growth target considering that the Klépierre Group renews an average of only 8% of its leases each year. The level of ambition of this target can be measured in light of the historical performance of Klépierre and of its main competitors. Based on Klépierre's results since 2010, the performance criterion has been met in only five fiscal years, i.e., in almost every other year over the 2010 to 2021 period (2010 being the first year the three-year average was calculated). As regards the results of Klépierre's main competitors since 2012, none of them have reported average growth in like-for-like net rental income[(b)] in excess of 3% for the 2012-2021 period.
	1% ≤ x <3%		30%	
	≥3%		100%	
CSR performance (35% of the allotment)	GRESB rating: Klépierre must rank in the top five and have a "5-star" rating (15% of the allotment);		100%	GRESB (Global Real Estate Sustainable Benchmark) is an organization that assesses the ESG performance of real estate companies. The objective is to rank among the top five companies in its category[(c)] and to obtain the highest "5-star" rating.
	Reduction in carbon emissions from Klépierre's shopping centers (20% of the allotment) Targets: 2024: 3.86kg 2025: 3.68kg 2026: 3.50kg	Increase in emissions relative to the latest level reported prior to the allotment date of the shares	0%	The target values are consistent with the Group's objective of achieving carbon neutrality for its portfolio by 2030 (Scopes 1 & 2, market-based method), representing an average decrease of 8.7% per annum from the 2021 level of 6.01 $kgCO_2e$/sq.m. This is a particularly ambitious objective given that in 2022, 99% of the Group's shopping centers were already below the national greenhouse gas emission thresholds defined by the Carbon Risk Real Estate Monitor (CRREM)[(d)].
		Emissions maintained at the level reported prior to the allotment date of the shares	50%	
		Achievement of the targets (see opposite)	100%	

(a) If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.
(b) Based on reported like-for-like net rental income, using shopping center portfolios for which data are available.
(c) The category (European/Retail/Listed/Real Retail centers) had 11 members in 2022.
(d) Carbon Risk Real Estate Monitor, an EU-funded tool to assess "stranding" risks, applicable GHG-reduction pathways according to the Science-Based Targets initiative, and reporting templates.

Caps on allotments

Pursuant to the authorization granted by the General Meeting of April 26, 2022 to cap the number of shares that may be allotted at 1% of the share capital for a period of 38 months and, within this limit, to cap the number of shares that may be allotted to the Chairman and members of the Executive Board at 0.3% of the share capital.

In accordance with the compensation policy approved by the Supervisory Board, annual allotments made to the Chairman and the other members of the Executive Board may not represent more than 100% of their short-term compensation[(1)].

(1) Calculated as follows: annual fixed compensation + target quantitative portion of short-term variable compensation + maximum qualitative portion of short-term variable compensation.

Holding obligation

Pursuant to Article L. 225-197-1 of the French Commercial Code as set out in the AFEP-MEDEF Code, the Supervisory Board set the holding obligation for the Chairman and members of the Executive Board as follows: they are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office. The Chairman and the other members of the Executive Board are encouraged to hold a large and increasing number of shares.

In accordance with the AFEP-MEDEF Code, this amount will be reviewed and set by the Supervisory Board in light of the situation of each executive corporate officer periodically, and at least each time they are re-appointed. Because of the stringent holding obligations, the Supervisory Board does not require the Chairman or members of the Executive Board to buy shares using their own capital on delivery of the performance shares.

Other restrictions

In accordance with the AFEP-MEDEF Code, the Chairman and the other members of the Executive Board undertake not to enter into hedging transactions until the end of the lock-up period set by the performance share plans.

d) Other components of compensation for fiscal year 2023

Employment contract	The Chairman of the Executive Board does not have an employment contract. In the event of the appointment of an employee as Chairman of the Executive Board, the Supervisory Board must request the termination of the relevant employment contract (without compensation).
Severance package in the event of forced departure from Klépierre	The Chairman of the Executive Board is eligible for a severance package in the event of his forced departure: • The severance package will be paid in all cases of forced departure regardless of the method (removal, requested resignation, etc.), except in the event of serious or gross misconduct and in the event of non- re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. • In the event of the Chairman of the Executive Board's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the (gross) fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to the Chairman of the Executive Board's length of service as a corporate officer (in the case of Jean-Marc Jestin, on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. At January 1, 2023, the severance payment would therefore be equal to 18 months based on the latest (gross) fixed and short-term variable compensation. • It is paid subject to the following performance conditions: – In the two fiscal years preceding the year of termination of his term of office, the Chairman of the Executive Board received or will be entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being defined according to the applicable compensation policy), and – The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years. These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Chairman of the Executive Board and are therefore among the fundamental principles of the applicable compensation policy, taking into account performance related to the Klépierre Group's commercial strategy.
Extraordinary compensation	Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 26.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 22-10-26 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting. In 2023, no extraordinary compensation will be paid to the Chairman of the Executive Board.
Other benefits	The Chairman of the Executive Board has: • Use of a company car; • The same occupational insurance and healthcare benefits plan as Klépierre Group employees in France. The amount of annual contributions paid by the Company for this purpose is not material, amounting to €6,397 in 2022; • Unemployment insurance subscribed with GSC. The Chairman of the Executive Board is also provided with the material resources necessary for the performance of his duties and is entitled, upon presentation of supporting documentation, to reimbursement of business travel and expenses incurred in the performance of his duties. No loans or guarantees have been granted to him by Klépierre.
Compensation in respect of offices and positions held in Klépierre Group companies	The Chairman of the Executive Board does not receive any compensation for his offices in the various Klépierre Group companies.
Deferred variable compensation or multi-annual variable compensation	Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.
Defined benefit or defined contribution pension plan	There are no defined benefit or defined contribution pension plans. The Chairman of the Executive Board qualifies for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.

6.2.2.2.2 Components of compensation for the members of the Executive Board (excluding the Chairman) for fiscal year 2023 (14th resolution submitted to the 2023 General Meeting)

At December 31, 2022, the Executive Board comprises two members, Jean-Marc Jestin (Chairman) and Stéphane Tortajada (Chief Financial Officer). Stéphane Tortajada was appointed from June 22, 2022 for a three-year term. It should be noted that Jean-Michel Gault's term of office as a member of the Executive Board expired on June 21, 2022 and was not renewed, and that Beñat Ortega resigned his office with effect from February 1, 2022.

Should a new Executive Board member be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to him. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award a new corporate officer with an onboarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 26.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

To summarize, the compensation of the members of the Executive Board is typically split into equal portions between the fixed component (including benefits in kind), the short-term variable component and the long-term variable component.

The compensation of the Executive Board members includes the following components:

a) Annual fixed compensation for fiscal year 2023

The annual fixed compensation of the members of the Executive Board (other than the Chairman) for 2023 is €500,000, unchanged from the annual fixed compensation approved by the General Meeting of April 26, 2022 from June 22, 2022. It should be noted that in its deliberations dated February 14, 2023, the Supervisory Board set Stéphane Tortajada's annual fixed compensation for 2023 at €450,000 (unchanged from 2022, paid on a pro rata basis for the period from June 22, 2022 to December 31, 2022).

b) Short-term variable compensation paid for fiscal year 2023

The principles described in section 6.2.2.2.1.b) ("Components of compensation of the Chairman of the Executive Board for fiscal year 2023", "Short-term variable compensation paid for fiscal year 2023") also apply to the members of the Executive Board.

Short-term variable compensation for the members of the Executive Board is determined based on the two quantitative and qualitative components set out in section 6.2.2.2.1.b).

For fiscal year 2023, the following qualitative targets were set for Stéphane Tortajada in his capacity as a member of the Executive Board: the qualitative component of his variable compensation will be measured based on several criteria relative to oversight of financial transactions and improving Group profitability, managing tax risks, the internal audit function and investor relations, and promoting CSR.

The overall short-term variable compensation paid to Executive Board members is capped at 150% of their annual fixed compensation as stated in the 2023 compensation policy.

In accordance with paragraph 2 of Article L. 22-10-34 II of the French Commercial Code, the annual variable compensation due for fiscal year 2023 will be paid after the Ordinary General Meeting to be called in 2024 to approve the 2023 financial statements and is contingent on its approval by that Meeting.

Faculty of the Supervisory Board

The principle described in section 6.2.2.2.1.b) (Faculty of the Supervisory Board/Chairman of the Executive Board) is applicable to the other Executive Board members.

c) Long-term variable compensation for fiscal year 2023

The principles and methods described in section 6.2.2.2.1.c) "Components of compensation of the Chairman of the Executive Board for fiscal year 2023", "Long-term variable compensation for fiscal year 2023" also apply to the other members of the Executive Board.

d) Other components of compensation for fiscal year 2023

Rules applicable to all Executive Board members

Employment contract	In the event of the appointment of an employee as a member of the Executive Board, the Supervisory Board will have to request the termination of the relevant employment contract (without compensation).
Severance package in the event of forced departure from Klépierre	The Supervisory Board may, in the event of forced-departure, authorize a severance package along the same lines as those applicable to the Chairman of the Executive Board, whose terms and conditions are set out on page 295. Severance is paid in all cases of forced departure regardless of the method (removal, requested resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of the term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. Non-statutory severance is also subject to the achievement of the same performance conditions as applicable to the Chairman of the Executive Board. These conditions are directly related to the achievement of the short-term compensation objectives applicable to the members of the Executive Board and are therefore among the fundamental principles of the compensation policy applicable to them, taking into account performance related to the Klépierre Group's commercial strategy.
Extraordinary compensation	Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 26.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 22-10-26 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting. In 2023, no extraordinary compensation will be paid to the members of the Executive Board.
Other benefits	The members of the Executive Board have: • Use of a company car; • The same occupational insurance and healthcare benefits plan as other Klépierre Group employees in France. The amount of annual contributions paid by the Company for this purpose is not material, and amounts in 2022 to: €2,175 (Stéphane Tortajada, appointed on June 22, 2022, excluding healthcare benefits), €2,709 (Jean-Michel Gault, member until June 21, 2022) and €464 (Beñat Ortega, member until January 31, 2022); • Unemployment insurance subscribed with GSC. They are also provided with the material resources necessary for the performance of their duties and are entitled, upon presentation of supporting documentation, to reimbursement of business travel and expenses incurred in the performance of their duties. No loans or guarantees have been granted to them by Klépierre.
Compensation in respect of offices and positions held in Klépierre Group companies	The members of the Executive Board do not receive any compensation for offices and positions in the various Klépierre Group companies.
Deferred variable compensation or multi-annual variable compensation	Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.
Special defined benefit or defined contribution pension plan	There are no defined benefit or defined contribution pension plans. The members of the Executive Board qualify for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.

Stéphane Tortajada's situation

Stéphane Tortajada does not have an employment contract with the Group and does not have the use of a company car.

In the event of Stéphane Tortajada's forced departure, he may be entitled to receive a severance payment in an initial amount of one year's annual compensation, calculated by reference to the gross fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount will increase on a linear basis according to Stéphane Tortajada's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from June 22, 2022) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code.

Stéphane Tortajada does not benefit from the healthcare benefits plan for other Klépierre Group employees.

With the exception of the foregoing, the abovementioned rules applicable to members of the Executive Board are also applicable to him.

6.2.3 Supervisory Board and Executive Board compensation (fiscal year 2022)

In application of the AMF recommendations and the AFEP-MEDEF Code, the compensation summary tables are presented in section 6.2.4 of this document.

6.2.3.1 Components of compensation paid during or allotted for fiscal year 2022 to the Chairman and the other members of the Supervisory Board

The compensation of the Chairman and members of the Supervisory Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of April 26, 2022 (10th resolution) by 99.812% of votes cast.

This policy complies with the fundamental principles described in section 6.2.1.1, as it promotes long-term growth.

In accordance with the rules for allotting compensation to the Chairman and the other members of the Supervisory Board described in section 6.2.2.1, the aggregate amount of annual compensation paid or awarded in fiscal year 2022 in respect of their corporate offices was €688,000.

a) Summary table

	Gross amounts allotted for fiscal year 2021 (paid in 2022)					Gross amounts allotted for fiscal year 2022 (paid in 2023)				
In euros	Position as Chair	Fixed portion	Variable portion	Other	Total	Position as Chair	Fixed portion	Variable portion	Other	Total
CHAIRMAN OF THE SUPERVISORY BOARD										
David Simon	44,000	12,000	44,367	–	100,367	44,000	12,000	46,667	–	102,667
OTHER SUPERVISORY BOARD MEMBERS										
John Carrafiell	22,000	12,000	34,628	–	68,628	22,000	12,000	34,222	–	68,222
Béatrice de Clermont-Tonnerre	–	12,000	44,367	–	56,367	15,068	12,000	40,444	–	67,513
Steven Fivel	22,000	12,000	67,092	–	101,092	22,000	12,000	68,444	–	102,444
Robert Fowlds	–	12,000	44,367	–	56,367	–	12,000	46,667	–	58,667
Stanley Shashoua	–	12,000	63,845	–	75,845	–	12,000	62,222	–	74,222
Catherine Simoni	22,000	12,000	57,353	–	91,353	22,000	12,000	62,222	–	96,222
Rose-Marie Van Lerberghe	22,000	12,000	47,614	–	81,614	6,932	12,000	46,667	–	65,598
Florence von Erb	–	12,000	44,367	–	56,367	–	12,000	40,444	–	52,444
TOTAL	**132,000**	**108,000**	**448,000**	**–**	**688,000**	**132,000**	**108,000**	**448,000**	**–**	**688,000**

b) Chairman of the Supervisory Board (16th resolution submitted to the 2023 General Meeting)

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2022 or accounting value	Presentation
Annual fixed compensation	None	Compensation paid or allocated by the Company to David Simon in 2022 amounted to €102,667 and comprised solely compensation for his role as Chairman and member of the Supervisory Board and the Investment Committee. Calculated in accordance with the rules for allotting compensation to the members of the Supervisory Board, as described in sections 6.2.2.1 and 6.2.3.1.
Annual variable compensation	None	
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	None	
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	None	
Severance payment	None	
Non-compete benefit	None	
Supplementary pension plan	None	
Other	None	
Compensation in respect of his role as Chairman and member of the Supervisory Board and of the Investment Committee	€102,667	

Comparative analysis of the total compensation of the Chairman of the Supervisory Board and that of Klépierre employees

Klépierre referred to the AFEP-MEDEF guidelines as updated for the comparative analysis of the total compensation of the Chairman of the Supervisory Board and that of Klépierre employees.

The relationship between the Chairman of the Supervisory Board's compensation and the average and median full-time equivalent compensation of Klépierre employees (the "average ratio" and "median ratio", respectively) was as follows:

- 2022 average ratio: 1.20;
- 2022 median ratio: 1.56.

Pay ratios referred to in paragraphs I. 6° and 7° of Article L. 22-10-9 of the French Commercial Code, prepared in accordance with the AFEP guidelines, as updated in February 2021

The following table sets out the year-on-year change in the compensation of the Chairman of the Supervisory Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

	2022	2021	2020	2019	2018
CHANGE (%) IN THE COMPENSATION OF THE CHAIRMAN OF THE SUPERVISORY BOARD (DAVID SIMON)[(a)]					
	+2.29%	+9.82%	+0.33%	-3.32%	+34.75%
CHANGE (%) IN THE COMPENSATION OF THE MEMBERS OF THE SUPERVISORY BOARD (EXCLUDING THE CHAIRMAN)					
	-0.39%	+0.55%	+1.31%	+2.49%	+24.20%
KLÉPIERRE SA SCOPE					
			N/A (no employees)		
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE KLÉPIERRE GROUP'S ENTIRE FRENCH WORKFORCE)[(b)]					
Change (%) in the average compensation of Klépierre employees	+16.58%	-14.29%	+1.97%	+0.91%	-1.33%
CONCERNING THE CHAIRMAN OF THE SUPERVISORY BOARD (DAVID SIMON)					
Ratio of the average compensation of Klépierre employees	1.20	1.27	1.17	1.19	1.24
Year-on-year change (%)	-5.80%	+8.67%	-1.61%	-4.20%	+36.57%
Ratio of the median compensation of Klépierre employees	1.56	1.62	1.62	1.55	1.60
Year-on-year change (%)	-3.76%	0%	+4.18%	-2.76%	+36.58%
KLÉPIERRE PERFORMANCE					
Financial criterion (net current cash flow)	2.62	2.18	2.05	2.82	2.65
Year-on-year change (%)	+20.18%	+10.6%	-27.30%	+6.42%	+6.85%

(a) Components of compensation included in the calculation correspond to the total (gross) amount paid during the year in respect of: compensation linked to the duties as Chairman of the Supervisory Board that have been effectively received by him, and paid during the current year in respect of the prior year. The components are presented on page 298 of this document, as well as on page 288 of the 2021 Universal Registration Document, page 292 of the 2020 Universal Registration Document and page 251 of the 2019 Universal Registration Document.

(b) The scope of Klépierre Management's staff used for the calculation below represents 72.5% of the total workforce of this company as of December 31, 2022.

6.2.3.2 Components of compensation paid during or allotted for fiscal year 2022 to the Chairman and the other members of the Executive Board

Summary:

CHANGES IN TOTAL COMPENSATION PAID TO THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD

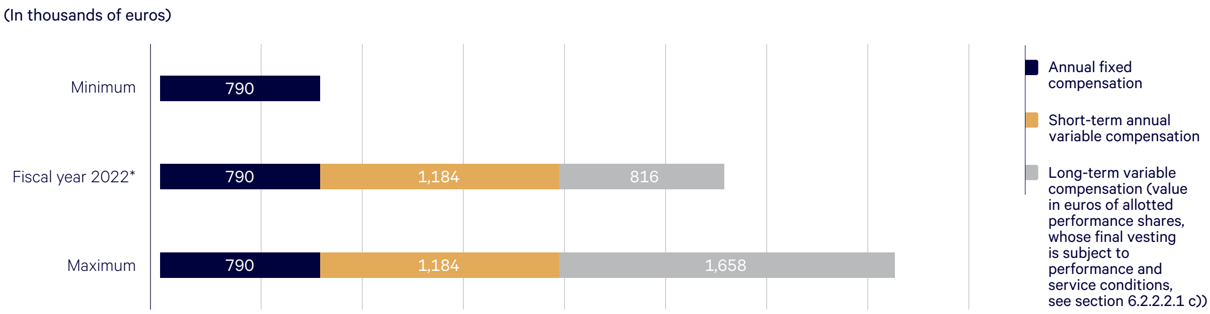
	Chairman of the Executive Board		Chief Financial Officer, member of the Executive Board from January 1, 2022 to June 21, 2022[a]		Chief Financial Officer, member of the Executive Board from June 22, 2022 to December 31, 2022[c]		Chief Operating Officer, member of the Executive Board from January 1, 2022 to February 1, 2022[e]	
In euros	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
Fixed compensation	750,000	789,658	480,000	226,192[b]		237,945[d]	450,000	38,219[f]
Short-term variable compensation (paid in current year with respect to previous year)	375,000	975,000	240,000	624,000	-	-	28,574.50	-
Number of performance shares allotted during the fiscal year concerned	64,000 shares	93,413 shares	41,000 shares[g]	-	-	26,944	38,000 shares	-
Number of performance shares vested during the fiscal year concerned	17,500 shares (out of 35,000 shares initially allotted in respect of the 2018 plan)	17,500 shares (out of 35,000 shares initially allotted in respect of the 2019 plan)	15,000 shares (out of 30,000 shares initially allotted in respect of the 2018 plan)	15,000 shares (out of 30,000 shares initially allotted in respect of the 2019 plan)	-	-	5,500 shares (out of 11,000 shares initially allotted in respect of the 2018 plan)	-

(a) *Compensation paid in respect of Jean-Michel Gault's term of office as member of the Executive Board, which expired on June 21, 2022.*
(b) *Compensation after pro rating between January 1, 2022 and June 21, 2022.*
(c) *Compensation paid in respect of Stéphane Tortajada's term of office as member of the Executive Board appointed as from June 22, 2022.*
(d) *Compensation after pro rating between June 21, 2022 and December 31, 2022.*
(e) *Compensation paid to Beñat Ortega in respect of his term of office as member of the Executive Board. Beñat Ortega resigned from his position with effect from February 1, 2022. In accordance with the rules of the 2019, 2020 and 2021 plans, Beñat Ortega forfeited all rights to any unvested performance shares on the date his resignation took effect.*
(f) *Compensation after pro rating between January 1 and January 31, 2022.*
(g) *As indicated in section 6.2.3.2.2 a), pages 308 and 309, the agreement also provides that Jean-Michel Gault may retain the benefit of 45,595 Klépierre SA performance shares out of the 71,000 initially allotted to him under the 2020 and 2021 plans, pro rating his presence between the grant dates under the concerned plans and his actual departure date, based on the entire vesting period. This concession required the partial waiver, by the Supervisory Board of Klépierre SA on October 18, 2022, of the service condition until the effective date of exercise of the concerned plans. In any event, the number of performance shares that will definitively vest to Jean-Michel Gault under the 2020 and 2021 plans will depend on the achievement of the performance conditions that remain attached to them until the end of the vesting period.*

6.2.3.2.1 Components of compensation paid during or allotted for fiscal year 2022 to Jean-Marc Jestin, Chairman of the Executive Board (17th resolution submitted to the 2023 General Meeting)

The compensation of the Chairman of the Executive Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of April 26, 2022 (11th resolution) by 96.687% of votes cast. This policy complies with the fundamental principles described in section 6.2.1.1, as it promotes long-term growth. These principles were devised after taking into account the vote of the General Meeting of April 26, 2022 (13th resolution, approved by 98.513% of votes cast).

SUMMARY



* *Short-term annual variable portion subject to approval by the 2023 General Meeting.*

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2022 or accounting value	Presentation
Annual fixed compensation	€789,658 (i.e., €750,000 paid on a pro rata basis for the period from January 1, 2022 to June 21, 2022, and €825,000 paid on a pro rata basis for the period from June 22, 2022 to December 31, 2022)	
Annual variable compensation	€1,184,486	See the section below entitled "Short-term variable compensation (fiscal year 2022)".
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	€816,430 (accounting value)	See the section below entitled "Long-term variable compensation (fiscal year 2022), Performance shares allotted in fiscal year 2022"
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€45,804	The Chairman of the Executive Board received the following benefits in 2022, valued at €45,804: • Use of a company car; • The same occupational insurance and healthcare benefits plan as other Klépierre Group managers; • Unemployment insurance subscribed with GSC; • The same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Employment contract and termination/ severance pay	None	Jean-Marc Jestin does not have an employment contract. However, he is eligible for a severance package in the event of his forced departure from Klépierre, the main terms and conditions of which are described below. The severance package will be paid in all cases of forced departure regardless of the method (removal, requested resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. In the event of Jean-Marc Jestin's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to Jean-Marc Jestin's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. At January 1, 2022, the severance payment was therefore equal to 17 months based on the latest (gross) fixed and short-term variable compensation. In terms of performance conditions, the severance package may only be paid in the event that: • In the two fiscal years preceding the year of termination of his term of office, Jean-Marc Jestin received or will be entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being defined according to the applicable compensation policy), and • The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years. These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Chairman of the Executive Board and are therefore among the fundamental principles of the compensation policy applicable to the Chairman, taking into account performance related to the Klépierre Group's commercial strategy.
Non-compete benefit	None	
Supplementary pension plan	None	Jean-Marc Jestin is not eligible for benefits under a specific supplementary pension plan but is eligible for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Other	None	

Short-term variable compensation (fiscal year 2022)

Short-term variable compensation paid in fiscal year 2022 (for fiscal year 2021) approved by the General Meeting of April 26, 2022

On the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of February 15, 2022 decided that:

- The variable portion of 2021 compensation due for achieving the quantitative target would amount to 80% of the annual fixed compensation; and
- The variable portion of 2021 compensation due for achieving the qualitative targets would amount to 50% of the annual fixed compensation;
- Representing a total of €975,000.

Details of the achievement rates for the quantitative and qualitative criteria are presented on page 290 of Klépierre's 2021 Universal Registration Document. This compensation was approved by the General Meeting of April 26, 2022 (15th resolution, approved by 95.482% of votes cast).

Short-term variable compensation allotted for fiscal year 2022 submitted for approval at the 2023 General Meeting

The short-term variable compensation for fiscal year 2022 was set by the Supervisory Board on February 14, 2023, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, Jean-Marc Jestin was not present during the deliberations of the Supervisory Board regarding his compensation.

In application of the compensation policy approved by the General Meeting of April 26, 2022 (11th resolution, approved by 96.687% of votes cast):

- the quantitative component grants entitlement to 100% of fixed compensation:

Objective		Achievement for fiscal year 2022
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in July 2022 of €2.45 per share. In addition, a performance floor was set at a minimum of 95% of the target.	€2.62
As a % of fixed compensation	From 0% to 100%	100%
2022 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**100%**

- the qualitative component grants entitlement to 50% of fixed compensation as presented in the table below:

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2022
CSR	40%	• Progress towards the carbon neutrality of the portfolio and waste management • Promotion of local employment, creating local value and services for local communities	• End of Act for Good®, the Klépierre Group's 5-year CSR plan. 29 of the plan's 32 objectives were fully achieved and three were attained at a level of 95% or more	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 20% of Jean-Marc Jestin's fixed compensation
Strategy	20%	• Quality of implementation of real estate development projects • Achievement of the initial objectives set for the projects submitted to the Investment Committee • Improvement of the quality of the portfolio	• Adherence to budget and schedule for major development operations • Carrying out any and all investment and divestment transactions in accordance with the terms approved by the Supervisory Board • Disposal of non-strategic assets for a total amount of €626 million	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Marc Jestin's fixed compensation
Crisis and risk management	20%	• Strengthening of crisis response capabilities • Contingency planning • Adaptation of business priorities and reporting • Overhaul of the risk management function • Strengthening of the anti-corruption system	• Scrupulous legal monitoring in each country in order to adapt the commercial position with regard to the Klépierre Group's customers • International SOS assistance to support the safety, security and HR teams in personnel management • Implementation of a series of measures to raise rent collection to near pre-Covid levels • Creation of a risk committee to review the Klépierre Group's main risks • Creation of an Ethics and Compliance Committee and a corruption risk map in most countries	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Marc Jestin's fixed compensation

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2022
Human capital	20%	• Promotion, support and implementation of diversity initiatives with a particular focus on gender balance • Implementation of recruitment, training, compensation and internal promotion programs aimed at improving gender balance • Preparation of succession plans for members of the top management team and other key roles • Promotion and development of talent	• Continuation of the diversity and inclusion roadmap, particularly with the staging of a Diversity and Inclusion Week • Increase in the proportion of women in senior executive roles in the Group • Review and adoption of succession plans for key Group roles • Definition and deployment of the initial corporate values (Commit, Develop, Explore and Care)	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Marc Jestin's fixed compensation
2022 QUALITATIVE TOTAL *(as a % of fixed compensation)*				**50%**

For fiscal year 2022, the short-term variable compensation of Jean-Marc Jestin amounts to €1,184,486, i.e., 150% of his fixed compensation

Long-term variable compensation (fiscal year 2022)

Performance shares vested in fiscal year 2022

Plan	End of vesting period	Number of shares vested
2019 Plan	May 6, 2022	17,500 shares, representing a vesting rate of 50%

Performance shares allotted in fiscal year 2022

The allotment of performance shares is examined in light of the total annual compensation of the executive corporate officer concerned, while ensuring that the interests of shareholders are respected. Shares are allotted in the scope of annual plans and the number of shares is set at pre-determined times.

Performance shares were allotted to the Chairman of the Executive Board under the 2022 Plan, with the following characteristics:

- Plan of July 7, 2022 authorized by the General Meeting of April 26, 2022 (20th resolution);
- Allotment of 93,413 shares to the Chairman of the Executive Board, representing:
  - €816,430, based on the measurement of the performance shares in accordance with IFRS,
  - 17.88% of the total allotment under this plan for all beneficiaries concerned;
- 0.03% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 329;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

Comparative analysis of the total compensation of the Chairman of the Executive Board and that of Klépierre employees

Klépierre referred to the AFEP-MEDEF guidelines as updated for the comparative analysis of the total compensation of the Chairman of the Executive Board and that of Klépierre employees.

For the Chairman of the Executive Board, the compensation ratios are as follows:

- 2022 average ratio: 31.34;
- 2022 median ratio: 40.76.

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

The following table sets out the year-on-year change in the compensation of the Chairman of the Executive Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

	2022	2021	2020	2019	2018
CHANGE (%) IN THE COMPENSATION OF THE CHAIRMAN OF THE EXECUTIVE BOARD (JEAN-MARC JESTIN, SINCE NOVEMBER 7, 2016)[a]					
	+46.41%	+0.69%	-22.29%	+10.37%	+25.43%
KLÉPIERRE SA SCOPE					
			N/A (no employees)		
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE KLÉPIERRE GROUP'S ENTIRE FRENCH WORKFORCE)[b]					
Change (%) in the average compensation of Klépierre employees	+16.58%	-14.29%	+1.97%	+0.91%	-1.33%
Ratio of the average compensation of Klépierre employees	31.34	24.95	21.24	27.87	25.48
Year-on-year change (%)	+25.59%	+17.48%	-23.79%	+9.37%	+27.12%
Ratio of the median compensation of Klépierre employees	40.76	31.77	29.38	36.41	32.80
Year-on-year change (%)	+28.30%	+8.14%	-19.31%	+11.01%	+27.13%
KLÉPIERRE PERFORMANCE					
Financial criterion (net current cash flow)	2.62	2.18	2.05	2.82	2.65
Year-on-year change (%)	+20.18%	+10.6%	-27.30%	+6.42%	+6.85%

(a) Components of compensation included in the calculation are the total (gross) amount paid during the year: (i) the fixed portion; (ii) the variable portion paid during the year in respect of the prior year; (iii) extraordinary compensation paid during the year; (iv) performance shares allotted during the year (IFRS value) and (v) benefits in kind. The components are presented on pages 300 and 301 of this document, as well as pages 301 and 302 of the 2021 Universal Registration Document, pages 305 and 306 of the 2020 Universal Registration Document and page 261 of the 2019 Universal Registration Document.

(b) The scope of Klépierre Management's staff used for the calculation below represented 72.5% of the total workforce of this company as of December 31, 2022.

Under this approach, the IFRS valuation of performance shares allotted for a given fiscal year are included in the calculation. This component historically represents a significant portion (more than one-third) of the total compensation of the Chairman of the Executive Board, whereas their vesting rate at Klépierre varies considerably from one year to the next, as shown in the table below.

	2018	2019	2020	2021	2022
Vesting rate of performance shares	0.00%	17.67%	13.00%	50.00%	50.00%

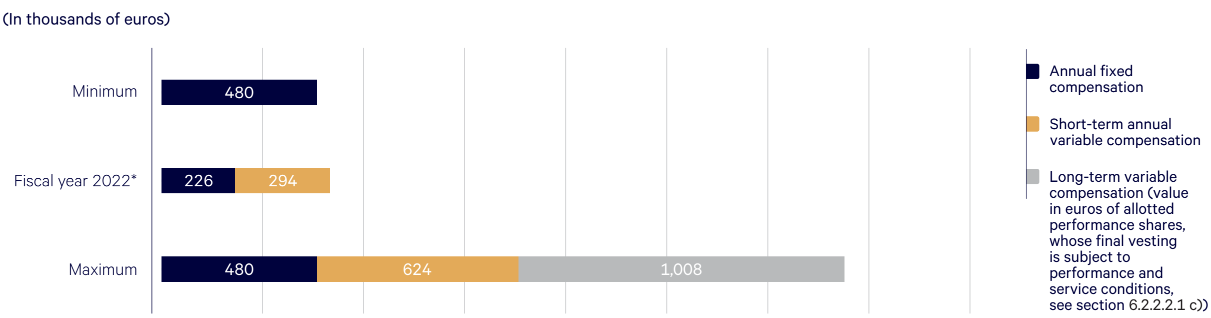
6.2.3.2.2 Components of compensation paid during or allotted for fiscal year 2022 to the other members of the Executive Board

The compensation of the members of the Executive Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of April 26, 2022 (12th resolution) by 96.522% of votes cast.

This policy complies with the fundamental principles described in section 6.2.1.1, as it promotes long-term growth. These principles were devised after taking into account the vote of the General Meeting of April 26, 2022 (13th resolution, approved by 98.513% of votes cast).

a) Jean-Michel Gault, Chief Financial Officer, member of the Executive Board until June 21, 2022 (19th resolution submitted to the vote of the 2023 General Meeting)

SUMMARY



** Pro rated for the effective duration of the term of office in 2022. Subject to approval by the 2023 General Meeting for the annual short-term variable portion.*

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2022 or accounting value	Presentation
Annual fixed compensation	€480,000 paid on a pro rata basis between January 1, 2022 and June 21, 2022, i.e., €226,192.	It should be noted that Jean-Michel Gault's term of office as a member of the Executive Board expired on June 21, 2022 and was not renewed. (see related press release at https://www.klepierre.com/en/les-actualites/klepierre-announces-the-composition-of-its-executive-board).
Annual variable compensation	€624,000 payable on a pro rata basis between January 1, 2022 and June 21, 2022, i.e., €294,049.	See the section below entitled "Short-term variable compensation (fiscal year 2022)".
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	None	
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€21,260	From January 1 to June 21, 2022: • Use of a company car; • The same occupational insurance and healthcare benefits plan as other Klépierre Group managers; • Unemployment insurance subscribed with GSC; • The same compulsory private sector supplementary pension plan as other Klépierre Group managers. Jean-Michel Gault also benefited until June 21, 2022 from the supplementary pension plan for senior executives of the former Compagnie Bancaire, which provided for an additional pension on retirement of a maximum annual amount of €7,122.
Employment contract and termination/ severance pay	None	Jean-Michel Gault's employment contract had been suspended since July 1, 2016 (see the section below entitled "Jean-Michel Gault's situation" on page 308). Jean-Michel Gault benefited from a severance package in the event of his forced departure from Klépierre (described on page 287 of the 2021 Universal Registration Document), which was not applied in the context of the expiration of his term of office as a member of the Executive Board.
Non-compete benefit	None	
Supplementary pension plan	None	Jean-Michel Gault was eligible until June 21, 2022 for the supplementary pension plan for senior executives of the former Compagnie Bancaire, which provided for an additional pension of a maximum amount determined on the basis of reference compensation and seniority as of December 31, 2000. This maximum amount was capped (subject to the application of an increase based on the growth rate of the AGIRC point value) at €7,122, and no increase in the conditional rights could vest in respect of seniority or increases in compensation after December 31, 2000. This plan was closed to new beneficiaries on December 31, 2000. Jean-Michel Gault's compensation package took this pension plan into account. Jean-Michel Gault was also entitled until June 21, 2022 to the same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Other	None	

Short-term variable compensation (fiscal year 2022)

Short-term variable compensation paid in fiscal year 2022 (for fiscal year 2021) approved by the General Meeting of April 26, 2022

For the Chief Financial Officer and member of the Executive Board until June 21, 2022, on the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of February 15, 2022 decided that:

- The variable portion of 2021 compensation due for achieving the quantitative target would amount to 80% of the annual fixed compensation; and
- The variable portion of 2021 compensation due for achieving the qualitative targets would amount to 50% of the annual fixed compensation;
- representing a total of €624,000.

Details of the achievement rates for the quantitative and qualitative criteria are presented on page 293 of Klépierre's 2021 Universal Registration Document. This compensation was approved by the General Meeting of April 26, 2022 (16th resolution, approved by 95.486% of votes cast).

Short-term variable compensation allotted for fiscal year 2022 submitted for approval at the 2023 General Meeting

The short-term variable compensation due to Executive Board members for fiscal year 2022 was set by the Supervisory Board on February 14, 2023, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, the members of the Executive Board were not present during the deliberations of the Supervisory Board regarding their compensation.

In application of the compensation policy approved by the General Meeting of April 26, 2022 (12th resolution, approved by 96.522% of votes cast):

- the quantitative component grants entitlement to 80% of fixed compensation:

Objective		Achievement for fiscal year 2022
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in July 2022 of €2.45 per share. In addition, a performance floor was set at a minimum of 95% of the target.	€2.62
As a % of fixed compensation	From 0% to 80%	80%
2022 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**80%**

- the qualitative component grants entitlement to 50% of fixed compensation as presented in the tables below:

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2021
Financing	50%	• Quality of management of financial transactions to improve the Klépierre Group's profitability • Management and hedging of financial risks	• Organizing a tender for €297 million in bonds maturing in April 2023 and November 2024, generating savings of €3.5 million in 2022, €2 million in 2023 and €1.1 million in 2024 • Setting up a new €100 million one-year revolving credit facility	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 25% of Jean-Michel Gault's fixed compensation
Tax and audit	30%	• Management of the Klépierre Group's tax policy and exposure to risks • Optimization of the audit function to improve risk management	• Further reduction in German tax receivables due to a €4 million cash refund • Settlement in Klépierre's favor of several tax disputes in France, Spain and Poland, for a total amount in excess of €15 million • Roll-out of new tools and upgrading of processes within the audit function • Higher quality of audits and recommendations, particularly as regards cybersecurity	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 15% of Jean-Michel Gault's fixed compensation
Investor relations	20%	• Quality of interactions with the financial community • Relevance of financial information	• Maintain the intensity of interactions with the financial community to promote Klépierre's business model and inform them on key results, developments, strategy and specific topics • Specific focus on inflation, energy prices, interest rates, capital structure and sustainability and their consequences on accounting treatments and funding sources • Confirmation by Standard & Poor's of Klépierre's BBB+ credit rating with a stable outlook, in a challenging macroeconomic environment characterized by high inflation and deteriorating financing conditions	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Michel Gault's fixed compensation
2022 QUALITATIVE TOTAL *(AS A % OF FIXED COMPENSATION)*				**50%**

For fiscal year 2022 (i.e., from January 1, 2022 to June 21, 2022), the short-term variable compensation of Jean-Michel Gault amounts to €294,049, i.e., 130% of his fixed compensation as determined on a pro rata basis for that period.

Long-term variable compensation (fiscal year 2022)

Performance shares vested in fiscal year 2022

Executive Board member	Plan	End of vesting period	Number of shares vested
Jean-Michel Gault	2019 Plan	May 6, 2022	15,000 shares, representing a vesting rate of 50%

Performance shares allotted in fiscal year 2022

No performance shares were allotted to Jean-Michel Gault whose term of office expired in fiscal year 2022.

Jean-Michel Gault's situation[1]

Jean-Michel Gault had had an indefinite employment contract with Klépierre Management SNC since August 1, 1998. Pursuant to the national collective bargaining agreement for the real estate industry, the applicable notice period is three months. Although not required by the AFEP-MEDEF Code, as a member of the Executive Board, his employment contract was suspended on July 1, 2016 in connection with his duties as a member of the Executive Board of Klépierre SA.

His employment contract was also amended on November 21, 2017 in order to (i) insert therein Jean-Michel Gault's agreement to waive any severance pay exceeding two years of the last fixed and variable compensation received as a member of the Executive Board (including in respect of the termination of his employment contract) and (ii) to implement a non-statutory package in the event of his forced departure (except in the event that he was not re-appointed), as described on page 287 of the 2021 Universal Registration Document.

The waiver referred to above allowed the Company to contain the financial risk linked to any termination of the latter's employment contract, by limiting the severance to two years under all circumstances, in accordance with the rules on severance pay for corporate officers set out in the AFEP-MEDEF Code. Signing this amendment did not lead to any payment in favor of Jean-Michel Gault.

On May 24, 2022, the Supervisory Board of Klépierre SA noted that Jean-Michel Gault's term of office as a member of the Executive Board was due to expire on June 21, 2022, and was not renewed.

As his term of office was not renewed, the abovementioned severance package was not applicable.

His employment contract with Klépierre Management SNC, a Klépierre SA subsidiary, automatically resumed with effect from June 22, 2022. In that context, on June 22, 2022 the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, approved and voluntarily subjected to the provisions of Articles L. 225-86 and L. 22-10-30 of the French Commercial Code, the terms of an amendment to the arrangements for the resumption of his employment contract, as summarized below.

Amendment to Jean-Michel Gault's employment contract with Klépierre Management SNC (a subsidiary of Klépierre SA)

Main terms and conditions of the amendment to the employment contract	Employee status in Klépierre Management SNC: Advisor to the Executive Board of Klépierre SA as of June 22, 2022 Compensation as an employee: • Fixed compensation: annual fixed basic salary of €400,000 (including the 13th month), i.e., a gross monthly amount of €30,769; • Variable compensation: 100% of the fixed compensation paid during the period of activity concerned in the event all objectives set are met. Benefits in kind as an employee: • Company car, treated as a benefit in kind as part of his compensation; • Benefits and rights to which he is entitled under the collective bargaining agreement applicable to his category and under the conditions provided for their application, in particular the applicable occupational insurance and healthcare benefits plans. Jean-Michel Gault has the status of senior executive within the meaning of Article L. 3111-2 of the French Labor Code and is excluded from the laws applicable to working hours and the organization of working schedules.
Interest of the agreement for Klépierre SA and the shareholders, including minority shareholders	To guarantee a smooth transition within its teams.
Ratio between the cost for Klépierre SA and the last annual profit of Klépierre SA	Jean-Michel Gault's compensation under his employment contract with Klépierre Management SNC is paid by the latter.

Settlement agreement between Jean-Michel Gault, Klépierre Management SNC (a subsidiary of Klépierre SA) and the Company

Following a disagreement on the assignments entrusted to him, Klépierre Management SNC (a subsidiary of Klépierre SA) and Jean-Michel Gault entered into amicable discussions in order to settle the consequences and terms and conditions of the termination of Jean-Michel Gault's duties as an employee, further to his dismissal, and to reach a settlement agreement, which was signed on November 21, 2022, between the Company, Klépierre Management SNC (Jean-Michel Gault's employer) and Jean–Michel Gault, the main terms and conditions of which are described below.

The signature and the content of the settlement agreement (including the financial undertakings contained therein) were authorized by the Supervisory Board of Klépierre SA on October 18, 2022, upon the recommendation of the Nomination and Compensation Committee which met on October 17, 2022, and voluntarily subjected to the provisions of Articles L. 225-86 and L. 20-10-30 of the French Commercial Code.

(1) *The following items are subject to the shareholders' vote in the 4th and 5th resolutions submitted to the 2023 General Meeting.*

Terms and conditions	Jean-Michel Gault received the contractual redundancy payment due by Klépierre Management SNC as a result of the termination of his employment contract in the amount of €719,693 gross, the elements of his account balance and in particular an indemnity in lieu of paid vacations, as well as the variable compensation for the period from June 22, 2022 until December 9, 2022, i.e., the effective date of the termination of his duties as employee.
Financial conditions (subject to approval by the General Meeting of May 11, 2023)	The settlement agreement provides for the payment by Klépierre Management SNC of a gross amount of €936,307 as a settlement indemnity. In total, the amount of this indemnity, added to the abovementioned contractual redundancy payment (resulting from the applicable collective agreement) is equivalent to approximately 18 months' salary (gross) against almost 28 years of seniority. The agreement also provides that Jean-Michel Gault may retain the benefit of 45,595 Klépierre SA performance shares out of the 71,000 initially allotted to him under the 2020 and 2021 plans, pro rating his presence between the grant dates under the concerned plans and his actual departure date, based on the entire vesting period. This concession required the partial waiver, by the Supervisory Board of Klépierre SA on October 18, 2022, of the service condition until the effective date of exercise of the concerned plans. In any event, the number of performance shares that will definitively vest to Jean-Michel Gault under the 2020 and 2021 plans will depend on the achievement of the performance conditions that remain attached to them until the end of the vesting period.
Interest of the agreement for Klépierre SA and the shareholders, including non-controlling shareholders	Klépierre SA and Klépierre Management SNC considered that it was not in their interest to engage in litigation with a former executive, which would necessarily be long, costly and likely to damage their image. This settlement agreement includes an irrevocable and mutual waiver of any legal proceedings or actions and, in particular, a waiver by Jean-Michel Gault of any claim related to the performance and/or termination of his employment contract with Klépierre Management SNC and his corporate offices within the Klépierre Group. This settlement agreement also provides for confidentiality and non-denigration obligations for Jean-Michel Gault. The concessions made by Klépierre SA and Klépierre Management SNC in the settlement agreement must be viewed in light of the theoretical maximum risk in the event that the employee contested his dismissal before the employment tribunals and the dismissal was deemed to be unfair. In view of Jean-Michel Gault's 28 years of seniority, the maximum amount of damages for unfair dismissal could amount to 19.5 months of salary, i.e., some €1,300,000 (in addition to contractual redundancy pay), based on the components of remuneration received as an employee. In addition, in the event of a dispute, Jean-Michel Gault could make additional claims for compensation and Klépierre Management SNC could be required to reimburse up to six months' unemployment benefits received by him. Accordingly, the settlement indemnity that could be paid to Jean-Michel Gault in the event of that the related resolution is adopted by the General Meeting is significantly lower than the maximum risk incurred in the event of a dispute,
Ratio between the cost for Klépierre SA and the last annual profit of Klépierre SA	The contractual redundancy payment (resulting from the applicable collective agreement) and the settlement indemnity provided for in the settlement agreement are borne by Klépierre Management SNC which is the entity having entered into the employment contract with Jean-Michel Gault.

The amendment to Jean-Michel Gault's employment contract and the abovementioned settlement agreement were the subject of two press releases published on June 27, 2022 and November 21, 2022.

It should also be noted that Jean-Michel Gault was not eligible to claim full retirement benefits at the time of, or in connection with, the expiration of his corporate office.

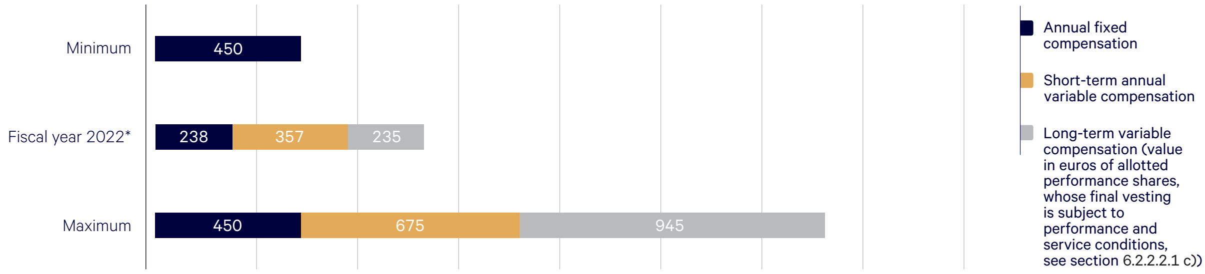
By way of reminder, even though the settlement agreement was concluded further to a disagreement over the assignments entrusted to Jean-Michel Gault under his employment contract after the termination of his corporate office, it was decided in the interests of transparency and governance, given that Jean-Michel Gault was previously a member of the Executive Board, (i) to voluntarily submit both the amendment to the employment contract and the settlement agreement to the related-party agreements procedure, and therefore to the approval of the 2023 General Meeting under the 4th and 5th resolutions (see sections 7.1.4.3 "Related-party agreements" and 7.1.5 "Statutory Auditors' special report on related-party agreements"), and (ii) to make the reciprocal concessions in the context of the settlement agreement, in particular the financial undertakings made by Klépierre Management SNC and Klépierre SA, subject to the approval of the 2023 General Meeting. If these financial commitments are not approved by the General Meeting, they will be null and void.

In addition, the compensation policy applicable to the Chairman of the Executive Board, which prohibits holding both a corporate office and an employment contract, will be systematically extended to members of the Executive Board in future. Accordingly, in the event a Klépierre Group employee is appointed as a new member of the Executive Board, the Supervisory Board will request the termination of the relevant employment contract (without compensation). Accordingly, no member of Klépierre's Executive Board will in future be able to combine a corporate office with an employment contract (regardless of whether or not the employment contract is suspended).

b) Stéphane Tortajada, Chief Financial Officer, member of the Executive Board with effect from June 22, 2022 (18th resolution submitted to the vote of the 2023 General Meeting)

SUMMARY

(In thousands of euros)



* *Pro rated for the effective duration of the term of office in 2022. Short-term annual variable portion subject to approval by the 2023 General Meeting.*

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2022 or accounting value	Presentation
Annual fixed compensation	€450,000 paid on a pro rata basis between June 22, 2022 and December 31, 2022, i.e., €237,945.	Stéphane Tortajada was appointed to the Executive Board effective from June 22, 2022 by the Supervisory Board at its meeting of May 24, 2022 (see related press release at https://www.klepierre.com/en/les-actualites/klepierre-announces-the-composition-of-its-executive-board)
Annual variable compensation	€675,000 paid on a pro rata basis between June 22, 2022 and December 31, 2022, i.e., €356,918.	See the section below entitled "Short-term variable compensation (fiscal year 2022)".
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	€235,491 (accounting value)	See the section below entitled "Long-term variable compensation (fiscal year 2022)".
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€8,707	With effect from June 22, 2022: Contributions paid by the Company for Stéphane Tortajada to continue to benefit from the occupational insurance benefits plan for Klépierre Group employees (excluding healthcare benefits). Unemployment insurance subscribed with GSC.
Employment contract and termination/severance pay	None	Stéphane Tortajada does not have an employment contract. However, he is eligible for a severance package in the event of his forced departure, the terms and conditions of which are similar to those applicable to the Chairman of the Executive Board (see section 6.2.3.2.1 "Components of compensation paid during or allotted for fiscal year 2022 to Jean-Marc Jestin, Chairman of the Executive Board").
Non-compete benefit	None	
Supplementary pension plan	None	Stéphane Tortajada is not eligible for benefits under a specific supplementary pension plan but is eligible for the same compulsory private sector supplementary pension plan as other Klépierre Group managers.
Other	None	

Short-term variable compensation (fiscal year 2022)

Short-term variable compensation paid in fiscal year 2022 (for fiscal year 2021) approved by the 2022 General Meeting

Not applicable.

Short-term variable compensation allotted for fiscal year 2022 submitted for approval at the 2023 General Meeting

The short-term variable compensation due to Executive Board members for fiscal year 2022 was set by the Supervisory Board on May 24, 2022, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, the members of the Executive Board were not present during the deliberations of the Supervisory Board regarding their compensation.

In application of the compensation policy approved by the General Meeting of April 26, 2022 (12th resolution, approved by 97.46% of votes cast):

- the quantitative component grants entitlement to 100% of fixed compensation:

Objective		Achievement for fiscal year 2021
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in July 2022 of €2.45 per share. In addition, a performance floor was set at a minimum of 95% of the target.	€2.62
As a % of fixed compensation	From 0% to 100%	100%
2021 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**100%**

- the qualitative component grants entitlement to 50% of fixed compensation as presented in the tables below:

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2021
Financing	50%	• Quality of management of financial transactions to improve the Klépierre Group's profitability • Management and hedging of financial risks	• Setting up a €75 million, 5-year loan • Implementing a one-year extension of the €1,385 million syndicated revolving credit facility • Active management of commercial paper issuance in euros to strengthen liquidity at low cost while extending the average maturity of the program to the longest in the market (up to one year) • Implementing a hedging program enabling the Klépierre Group to increase its hedging rate to 100% in 2023 and to 90% in 2024	After examining the main achievements, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, that the target attained was 100%, corresponding to 25% of Stéphane Tortajada's fixed compensation
Tax and audit	30%	• Management of the Klépierre Group's tax policy and exposure to risks • Optimization of the audit function to improve risk management	• Implementing an optimization plan for the internal audit function based on new tools and processes, improving the quality and quantity of internal audits and recommendations, and repositioning the function internally and outside Klépierre	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 15% of Stéphane Tortajada's fixed compensation
Investor relations	20%	• Quality of interactions with the financial community • Relevance of financial information	• Communicating on the challenges facing the Klépierre Group and the choices made to preserve strong funding ratios and strategic views on operations • Maintaining the level of interactions with the financial community in order to promote the strength of Klépierre's business model, mainly focused on individual meetings	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Stéphane Tortajada's fixed compensation
2021 QUALITATIVE TOTAL *(AS A % OF FIXED COMPENSATION)*				**50%**

For fiscal year 2022 (i.e., from June 22, 2022 to December 31, 2022), the short-term variable compensation of Stéphane Tortajada amounts to €356,918, i.e., 150% of his fixed compensation as determined on a pro rata basis for that period.

Long-term variable compensation (fiscal year 2022)

Performance shares vested in fiscal year 2022

Executive Board member	Plan	End of vesting period	Number of shares vested
Stéphane Tortajada	N/A	N/A	N/A

Performance shares allotted in fiscal year 2022

The allotment of performance shares is examined in light of the total annual compensation of the executive corporate officer concerned, while ensuring that the interests of shareholders are respected. Shares are allotted in the scope of annual plans and the number of shares is set at pre-determined times.

Performance shares were allotted to Stéphane Tortajada for his duties as member of the Executive Board under the 2022 Plan, with the following characteristics:

- Plan of July 7, 2022 authorized by the General Meeting of April 26, 2022 (20th resolution);
- Allotment of 26,944 shares to the Chief Financial Officer, member of the Executive Board, representing:
  - €235,491, based on the measurement of the performance shares in accordance with IFRS,
  - 5.16% of the total allotment under this plan for all beneficiaries concerned;
- 0.009% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 329;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

c) Beñat Ortega, Chief Operating Officer, member of the Executive Board until January 31, 2022 (20th resolution submitted to the 2023 General Meeting)

Beñat Ortega resigned as a member of the Executive Board with effect from February 1, 2022. The components of his compensation are set out in the regulatory press release of February 1, 2022, available on www.klepierre.com.

Annual fixed compensation

Beñat Ortega's annual fixed compensation for fiscal year 2022 totals €450,000, payable on a pro rata basis for the period from January 1 to January 31, 2022 (i.e., €38,219).

Short-term variable compensation

Given the date of Beñat Ortega's departure, and by mutual consent, it was decided that no short-term variable compensation would be paid to Beñat Ortega for fiscal year 2022.

Long-term incentives and severance

In accordance with the terms of the plans, Beñat Ortega forfeited all rights to performance shares not already vested on the date his resignation was received (i.e., performance shares awarded under the 2019, 2020 and 2021 plans). As Beñat Ortega chose to leave the Group of his own volition, he did not receive any severance pay.

Other components of compensation

The other benefits to which Beñat Ortega was entitled as member of the Company's Executive Board were identical to those due to the other members of the Executive Board in 2022 and are disclosed in the Company's 2021 Universal Registration Document. Beñat Ortega's entitlement to any such benefits ceased on February 1, 2022, the effective date of his resignation. Beñat Ortega is not entitled to any supplementary pension benefits.

d) Comparative analysis of the total compensation of the members of the Executive Board (other than the Chairman) and that of Klépierre employees

The 2022 compensation ratios of the Chief Financial Officer, member of the Executive Board until June 21, 2022, are as follows:

- 2022 average ratio: 13.42;
- 2022 median ratio: 17.46.

The 2022 compensation ratios of the Chief Financial Officer, member of the Executive Board from June 22, 2022, are as follows:

- 2022 average ratio: 8.61;
- 2022 median ratio: 11.20.

The 2022 compensation ratios of the Chief Operating Officer, member of the Executive Board until January 31, 2022, are as follows:

- 2022 average ratio: 5.41;
- 2022 median ratio: 7.04.

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

The following table sets out the year-on-year change in the compensation of the members of the Executive Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

	2022	2021	2020	2019	2018
CHANGE (%) IN THE COMPENSATION OF THE CHIEF FINANCIAL OFFICER, MEMBER OF THE EXECUTIVE BOARD UNTIL JUNE 21, 2022 (JEAN-MICHEL GAULT)					
	-3.18%	-2.70%	-27.90%	+2.04%	+14.21%
CHANGE (%) IN THE COMPENSATION OF THE CHIEF FINANCIAL OFFICER, MEMBER OF THE EXECUTIVE BOARD AS FROM JUNE 22, 2022 (STÉPHANE TORTAJADA)					
	N/A	N/A	N/A	N/A	N/A
CHANGE (%) IN THE COMPENSATION OF CHIEF OPERATING OFFICER, MEMBER OF THE EXECUTIVE BOARD[b]					
	-48.98%	N/A	N/A	N/A	N/A
KLÉPIERRE SA SCOPE					
			N/A (no employees)		
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE KLÉPIERRE GROUP'S ENTIRE FRENCH WORKFORCE)[c]					
Change (%) in the average compensation of Klépierre employees	+16.58%	-14.29%	+1.97%	+0.91%	-1.33%
Concerning the Chief Financial Officer, member of the Executive Board until June 21, 2022					
Ratio of the average compensation of Klépierre employees	13.42	16.16	14.24	20.14	19.92
Year-on-year change (%)	-16.95%	+13.51%	-29.30%	+1.12%	+15.75%
Ratio of the median compensation of Klépierre employees	17.46	20.58	19.69	26.31	25.63
Year-on-year change (%)	-15.15%	+4.50%	-25.13%	+2.63%	+15.76%
Concerning the Chief Financial Officer, member of the Executive Board as from June 22, 2022					
Ratio of the average compensation of Klépierre employees	8.61	N/A	N/A	N/A	N/A
Year-on-year change (%)	N/A	N/A	N/A	N/A	N/A
Ratio of the median compensation of Klépierre employees	11.20	N/A	N/A	N/A	N/A
Year-on-year change (%)	N/A	N/A	N/A	N/A	N/A
Concerning the Chief Operating Officer, member of the Executive Board[b]					
Ratio of the average compensation of Klépierre employees	5.41	12.36	N/A	N/A	N/A
Year-on-year change (%)	-56.23%	N/A	N/A	N/A	N/A
Ratio of the median compensation of Klépierre employees	8.03	15.74	N/A	N/A	N/A
Year-on-year change (%)	-55.29%	N/A	N/A	N/A	N/A
Klépierre performance					
Financial criterion (net current cash flow)	2.62	2.18	2.05	2.82	2.65
Year-on-year change (%)	+20.18%	+10.6%	-27.30%	+6.42%	+6.85%

(a) Components of compensation included in the calculation are the total (gross) amount paid during the year: (i) the fixed portion; (ii) the variable portion paid during the year in respect of the prior year; (iii) extraordinary compensation paid during the year; (iv) performance shares allotted during the year (IFRS value) and (v) benefits in kind. The components are presented on pages 314 and 315 of this document, as well as pages 302 of the 2021 Universal Registration Document, pages 305 and 306 of the 2020 Universal Registration Document and page 261 of the 2019 Universal Registration Document.
(b) Beñat Ortega joined the Klépierre Executive Board on November 16, 2020, and resigned his office with effect from February 1, 2022.
(c) The scope of Klépierre Management's staff used for the calculation below represents 72.5% of the total workforce of this company as of December 31, 2022.

6.2.4 Summary tables based on AMF and AFEP-MEDEF Code recommendations

TABLE 1 – SUMMARY TABLE OF COMPENSATION IN STOCK OPTIONS AND SHARES ALLOTTED TO EACH EXECUTIVE CORPORATE OFFICER *(in euros)*

David Simon – Chairman of the Supervisory Board	2021	2022
Compensation due in respect of the fiscal year (itemized in Table 2)	100,367	102,667
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	–	–
TOTAL	**100,367**	**102,667**

Jean-Marc Jestin – Chairman of the Executive Board	2021	2022
Compensation due in respect of the fiscal year (itemized in Table 2)	1,764,407	2,019,948
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	629,760	816,430
TOTAL	**2,394,167**	**2,836,378**

Jean-Michel Gault – Chief Financial Officer, member of the Executive Board until June 21, 2022	2021	2022
Compensation due in respect of the fiscal year (itemized in Table 2)	1,142,741	1,221,260[a]
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	403,440	–
TOTAL	**1,546,181**	**1,221,260**

(a) In respect of his corporate office.

Stéphane Tortajada – Chief Financial Officer, member of the Executive Board as from June 22, 2022	2021	2022
Compensation due in respect of the fiscal year (itemized in Table 2)	–	1,133,707
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	–	235,491
TOTAL	**–**	**1,369,198**

Beñat Ortega, Chief Operating Officer, member of the Executive Board until January 31, 2022	2021	2022
Compensation due in respect of the fiscal year (itemized in Table 2)	1,071,231	453,461
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year[a]	373,920[a]	–
TOTAL	**1,445,151**	**453,461**

(a) As Beñat Ortega resigned from his duties with effect from February 1, 2022, he forfeited all rights to these shares.

TABLE 2 – SUMMARY OF COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER *(in euros)*

	2021		2022	
David Simon – Chairman of the Supervisory Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	–	–	–	–
Short-term variable compensation	–	–	–	–
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind	–	–	–	–
Other	–	–	–	–
Compensation in respect of his role as Chairman and member of the Supervisory Board	100,367	91,389	102,667	100,367
TOTAL	**100,367**	**91,389**	**102,667**	**100,367**

	2021		2022	
Jean-Marc Jestin – Chairman of the Executive Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	750,000	750,000	789,658	789,658
Short-term variable compensation	975,000[(a)]	375,000[(b)]	1,184,486[(c)]	975,000
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind[(d)]	39,407	39,407	45,804	45,804
Other	0	0	0	0
TOTAL	**1,764,407**	**1,164,407**	**2,019,948**	**1,810,462**

(a) Jean-Marc Jestin's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 290 of the 2021 Universal Registration Document.
(b) Jean-Marc Jestin's variable compensation for fiscal year 2020 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 294 of the 2020 Universal Registration Document.
(c) Jean-Marc Jestin's variable compensation for fiscal year 2022 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on pages 302 and 303 of this document.
(d) Corresponds to the provision of a company car, contributions paid by the Company for Jean-Marc Jestin to continue to benefit from the occupational insurance and healthcare benefits plan for Klépierre Group employees, and the unemployment insurance subscribed with GSC.

	2021		2022	
Jean-Michel Gault – Chief Financial Officer, member of the Executive Board until June 21, 2022 (date of expiration of his term of office)	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	480,000	480,000	480,000[(f)]	226,192[(a)]
Short-term variable compensation	624,000[(b)]	240,000[(c)]	624,000[(d)]	624,000
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind[(e)]	38,741	38,741	21,260	21,260
Other	0	0	0	0
TOTAL	**1,142,741**	**758,741**	**1,221,260**	**871,452**

(a) The annual fixed compensation of €480,000 was calculated on a pro rata basis for the term of office as a member of the Executive Board, covering the period from January 1 to June 21, 2022.
(b) Jean-Michel Gault's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 293 of the 2021 Universal Registration Document.
(c) Jean-Michel Gault's variable compensation for fiscal year 2020 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 297 of the 2020 Universal Registration Document.
(d) Jean-Michel Gault's variable compensation for fiscal year 2022 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on pages 306 and 307 of this document.
(e) Corresponds to provision of a company car, contributions paid by the Company for Jean-Michel Gault to continue to benefit from the occupational insurance and healthcare benefits plan for Klépierre Group employees, and the unemployment insurance subscribed with GSC.
(f) This amount does not take prorating into account.

	2021		2022	
Beñat Ortega, Chief Operating Officer, member of the Executive Board until January 31, 2022	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	450,000	450,000	450,000[(e)]	38,219[(a)]
Short-term variable compensation	585,000[(b)]	28,571[(c)]	–	–
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind[(d)]	36,231	36,231	3,461	3,461
Other	–	–	-	-
TOTAL	**1,071,231**	**514,802**	**453,461**	**241,680**

(a) The annual fixed compensation of €450,000 was calculated on a pro rata basis for the term of office as a member of the Executive Board, covering January 1 to January 31, 2022.
(b) Beñat Ortega's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 294 of the 2021 Universal Registration Document.
(c) Beñat Ortega's variable compensation for fiscal year 2020 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 297 of the 2020 Universal Registration Document.
(d) Corresponds to the provision of a company car, contributions paid by the Company for Beñat Ortega to continue to benefit from the occupational insurance and healthcare benefits plan for Klépierre Group employees, and the unemployment insurance subscribed with GSC.
(e) This amount does not take prorating into account.

	2021		2022	
Stéphane Tortajada, Chief Financial Officer, member of the Executive Board as from June 22, 2022 (date of appointment to the Executive Board)	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	–	–	450,000[(d)]	237,945[(a)]
Short-term variable compensation	–	–	675,000[(b)]	–
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind[(c)]	–	–	8,707	8,707
Other	–	–	0	0
TOTAL	**–**	**–**	**1,133,707**	**246,652**

(a) The annual fixed compensation of €450,000 was calculated on a pro rata basis for the term of office as a member of the Executive Board, covering a period from June 22, 2022 to December 31, 2022.
(b) Stéphane Tortajada's variable compensation for fiscal year 2022 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 311 of this document.
(c) Corresponds to contributions paid by the Company for Stéphane Tortajada to continue to benefit from the occupational insurance plan for Klépierre Group employees, and the unemployment insurance subscribed with GSC.
(d) This amount does not take prorating into account.

TABLE 3 – COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

	2021		2022	
Non-executive corporate officers	**Amount allotted**	**Amount paid**	**Amount allotted**	**Amount paid**
David Simon				
Fixed/variable compensation	100,367	91,389	102,667	100,367
Other compensation	-	-	-	-
John Carrafiell				
Fixed/variable compensation	68,628	72,889	68,222	68,628
Other compensation	-	-	-	-
Béatrice de Clermont-Tonnerre				
Fixed/variable compensation	56,367	55,167	67,513	56,367
Other compensation	-	-	-	-
Steven Fivel				
Fixed/variable compensation	101,092	97,902	102,444	101,092
Other compensation	-	-	-	-
Stanley Shashoua				
Fixed/variable compensation	75,845	71,889	74,222	75,845
Other compensation	-	-	-	-
Catherine Simoni				
Fixed/variable compensation	91,353	90,389	96,222	91,353
Other compensation	-	-	-	-
Rose-Marie Van Lerberghe				
Fixed/variable compensation	81,614	87,402	65,598	81,614
Other compensation	-	-	-	-
Florence von Erb				
Fixed/variable compensation	56,367	61,389	52,444	56,367
Other compensation	-	-	-	-
Robert Fowlds				
Fixed/variable compensation	56,367	47,389	58,667	56,367
Other compensation	-	-	-	-

TABLE 4 – STOCK OPTIONS ALLOTTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE COMPANY AND BY ANY KLÉPIERRE GROUP COMPANY

Not applicable.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FISCAL YEAR

Not applicable.

TABLE 6 – PERFORMANCE SHARES ALLOTTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER

<table>
<tr><th>Beneficiary</th><th>Plan date</th><th>Number of shares allotted during the fiscal year</th><th>Value of shares based on method used in the consolidated financial statements</th><th>End of vesting period</th><th>End of lock-up period</th><th>Performance conditions</th></tr>
<tr><td>David Simon
Chairman of the Supervisory Board</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Jean-Marc Jestin
Chairman of the Executive Board</td><td rowspan="4">July 7, 2022 Plan</td><td>93,413</td><td>€816,430</td><td rowspan="2">July 7, 2025</td><td rowspan="2">-[c]</td><td rowspan="2">All of these shares are subject to performance conditions in accordance with the principles set out on page 329 of this document.</td></tr>
<tr><td>Stéphane Tortajada
Chief Financial Officer, member of the Executive Board</td><td>26,944</td><td>€235,491</td></tr>
<tr><td>Beñat Ortega
Chief Operating Officer, member of the Executive Board[a]</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Jean-Michel Gault
Chief Financial Officer, member of the Executive Board[b]</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
</table>

(a) Beñat Ortega resigned with effect from February 1, 2022.
(b) Jean-Michel Gault's term of office expired on June 21, 2022 and was not renewed.
(c) Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

TABLE 7 – VESTING OF PERFORMANCE SHARES FOR EACH EXECUTIVE CORPORATE OFFICER

Beneficiaries	Plan	Number of shares that vested during the fiscal year	Vesting conditions
David Simon	-	-	-
Jean-Marc Jestin	2017 Plan	4,550	Yes
Jean-Michel Gault	2017 Plan	3,900	Yes
Beñat Ortega	2017 Plan	1,430	Yes
Stéphane Tortajada[a]		N/A	

(a) Stéphane Tortajada joined the Executive Board with effect from June 22, 2022.

Senior executives remain bound by a holding obligation under Article L. 225-197-1 of the French Commercial Code as recommended in the AFEP-MEDEF Code.

The additional chart below sets out the number of performance shares allotted to Executive Board members as corporate officers, which vested during the fiscal year:

Beneficiaries	Plan	End of vesting period	Number of shares vested
David Simon	-	-	-
Jean-Marc Jestin	2019 Plan	May 6, 2022	17,500
Jean-Michel Gault	2019 Plan	May 6, 2022	15,000
Beñat Ortega[a]	2019 Plan	May 6, 2022	0
Stéphane Tortajada[b]		N/A	

(a) As Beñat Ortega resigned from his duties with effect from February 1, 2022, he forfeited all rights to these shares.
(b) Stéphane Tortajada joined the Executive Board with effect from June 22, 2022.

TABLE 8 – HISTORY OF STOCK OPTION ALLOTMENTS

Not applicable.

TABLE 9 – HISTORY OF PERFORMANCE SHARE ALLOTMENTS

See section 7.1.3.3 of this Universal Registration Document.

TABLE 10 – SUMMARY OF MULTI-ANNUAL VARIABLE COMPENSATION FOR EACH EXECUTIVE CORPORATE OFFICER

Not applicable.

TABLE 11 - SITUATION OF THE MEMBERS OF THE EXECUTIVE BOARD AS OF DECEMBER 31, 2022

	Employment contract		Supplementary pension plan		Compensation or benefits due or conditionally due on termination or change of function		Compensation related to non-compete clause	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
David Simon Chairman of the Supervisory Board Date appointed: March 14, 2012 Term expires: 2024 General Meeting		X		X		X		X
Jean-Marc Jestin Chairman of the Executive Board Date appointed:[a]: June 22, 2022 Term expires[a]: June 21, 2025		X		X	X			X
Jean-Michel Gault Chief Financial Officer, member of the Executive Board Date appointed:[a] June 22, 2019 Term expires[a]: June 21, 2022	X[b]		X[c]		X			X
Beñat Ortega Chief Operating Officer, member of the Executive Board Date appointed[a]: November 16, 2020 Term expires[a]: June 21, 2022[d]		X		X	X			X
Stéphane Tortajada Chief Financial Officer, member of the Executive Board Date appointed:[a] June 22, 2022 Term expires[a]: June 21, 2025		X		X	X			X

(a) To the Executive Board.

(b) In the past, Jean-Michel Gault exercised his corporate office as an Executive Board member without consideration and received compensation for his employment contract. In order to allow him to fully undertake his role as an Executive Board member, the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee, decided to suspend his employment contract for the duration of his corporate office, with effect from July 1, 2016. Jean-Michel Gault's term of office expired on June 21, 2022.

(c) Jean-Michel Gault was eligible for the supplementary pension plan for senior executives of the former Compagnie Bancaire, which provides for an additional pension on retirement of a maximum annual amount of €7,122. Jean-Michel Gault did not request payment of his pension entitlement when his term of office expired on June 21, 2022.

(d) Beñat Ortega resigned with effect from February 1, 2022.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7 SHARE CAPITAL AND SHAREHOLDING, GENERAL MEETING, AND SHARE BUYBACK PROGRAM

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7.1 SHARE CAPITAL AND SHAREHOLDING

7.1.1 General information on the share capital

7.1.1.1 Share capital – Type of shares

As of December 31, 2022, the share capital totaled €401,605,640.80, divided into 286,861,172 fully paid-up shares each with a par value of €1.40.

In accordance with Article 29 of the Company's bylaws, each share confers a single vote.

The shares may be held in either registered or bearer form, at the shareholder's discretion. The share capital may be modified under the conditions provided by law.

7.1.1.2 Delegations of authority and authorizations granted to the Executive Board

As of the date of this document, the Executive Board had been granted the following delegations of authority and authorizations that are in force:

General Meeting of June 17, 2021

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2022
Capital increase with preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities[(a)]	Maximum nominal amount: €120 million and €1.5 billion for debt securities	26 months with effect from June 17, 2021 (20th resolution)	None
Capital increase without preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities, by means of a public offering or private placement[(a)(b)]	Maximum nominal amount: €41 million and €1.5 billion for debt securities	26 months with effect from June 17, 2021 (21st and 22nd resolution)	None
Increase in the number of securities to be issued in the event of an issue of ordinary shares and/or securities giving rights to shares of the Company, any subsidiary and/or any other company, with or without preemptive subscription rights[(a)]	At the same price as that decided for the initial issue, within the periods and limits specified by the applicable regulations as of the date of the issue[(c)]	26 months with effect from June 17, 2021 (23rd resolution)	None
Capital increase without preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company as consideration for contributions in kind in the form of equity securities and/or securities giving rights to shares of the Company[(a)]	Up to 10% of the share capital	26 months with effect from June 17, 2021 (24th resolution)	None
Capital increase by capitalizing premiums, reserves, profits or other items[(a)]	€100 million	26 months with effect from June 17, 2021 (25th resolution)	None

(a) Overall maximum nominal amount of the share capital increases, whether immediate and/or future, that may be carried out pursuant to the authorizations granted to the Executive Board: €120 million (26th resolution) (plus the nominal amount of any additional shares issued to protect the rights of the holders of securities giving rights to shares of the Company).
Overall maximum nominal amount of debt securities giving rights to shares of the Company: €1.5 billion (26th resolution).
(b) Private placement: issues may not exceed the limits specified by the applicable regulations as of the date of the issue (20% of the share capital per year, pursuant to Article L. 225-136-2 of the French Commercial Code).
(c) Within 30 days of the close of the subscription period and within the limit of 15% of the initial issue, pursuant to Article R. 225-118 of the French Commercial Code.

General Meeting of April 26, 2022

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2022
Authorization for the Company to buy back its own shares	Maximum program amount: 10% of the share capital and €917,955,744 Maximum purchase price: €32 per share with a par value of €1.40	18 months with effect from April 26, 2022 (18th resolution)	None
Authorization to reduce the share capital by canceling treasury shares	10% of the share capital in a 24-month period	26 months with effect from April 26, 2022 (19th resolution)	None
Authorization to allot free shares of the Company without preemptive subscription rights	1% of the share capital	38 months with effect from April 26, 2022 (20th resolution)	Allotment of 522,357 free shares representing 0.18% of the share capital as of December 31, 2022

7.1.1.3 Distributions

The distributions made in the last five fiscal years are as follows:

Fiscal year	2017	2018	2019	2020[c]	2021[c]
Number of shares	314,356,063	[a]	[b]	294,848,054	286,861,172
Net distribution	€1.96	€2.10	€2.20	€1.00	€1.70
Net amount distributed	€616,137,883	€642,619,152	€665,861,009	€294,848,054	€487,663,992

(a) The dividend of €2.10 consisted of (i) an interim dividend in a total amount of €322,794,781.05, or €1.05 per share (based on a total of 307,423,601 shares), with the shares going ex-dividend on March 7, 2019 and the interim dividend being paid in cash on March 11, 2019; and (ii) a final dividend to the shareholders representing an additional distribution of €319,824,370.95, or €1.05 per share (based on a total of 304,594,639 shares), with the shares going ex-dividend on July 8, 2019 and the final dividend being paid in cash on July 11, 2019.

(b) The dividend of €2.20 consisted of (i) an interim dividend in a total amount of €332,930,504.50, or €1.10 per share (based on a total of 302,664,095 shares), with the shares going ex-dividend on March 9, 2020 and the interim dividend being paid in cash on March 11, 2020; and (ii) a final dividend to the shareholders representing an additional distribution of €319,824,370.95, or €1.10 per share (based on a total of 299,939,198 shares), with the shares going ex-dividend on July 7, 2020 and the final dividend being paid in cash on July 9, 2020.

(c) The distributed amount qualifies as an equity repayment.

Dividends unclaimed after a period of five years from the date of payment are paid to the French State.

Shares held by the Company do not confer rights to dividends.

7.1.1.4 Share capital and stock market

Shares

All the Company's share capital is traded on Euronext Paris (compartment A).

	2018	2019	2020	2021	2022
Market capitalization *(in millions of euros)*[a]	8,475	10,245	5,516	5,981	6,176
Number of shares traded (daily average)	718,289	726,782	1,456,093	1,089,183	974,916
SHARE PRICE *(in euros)*					
High	37.32	33.85	34.66	25.76	26.37
Low	26.50	26.53	10.21	16.53	17.34
Closing	26.96	33.85	18.39	20.85	21.53

Trading volume over the last 18 months (in number of shares and amount of equity traded)

		High *(in euros)*	Low *(in euros)*	Number of shares traded	Amount of equity traded *(in euros)*
2020	September	13.82	10.21	41,314,600	491,201,767
	October	13.14	10.65	34,896,410	419,132,636
	November	20.55	11.06	53,533,394	910,354,056
	December	20.31	17.60	27,087,689	511,301,407
2021	January	21.60	16.53	33,031,652	636,854,324
	February	19.87	17.23	29,269,610	542,346,779
	March	21.80	19.59	43,357,493	888,929,190
	April	22.06	20.30	20,295,657	428,445,007
	May	23.85	22.03	19,192,375	441,033,197
	June	25.76	21.45	17,776,200	420,498,125
	July	22.86	20.12	19,928,028	426,408,402
	August	21.32	20.15	13,525,785	279,909,657
	September	20.96	18.91	18,788,723	369,516,667
	October	21.21	18.61	21,066,654	415,769,271
	November	22.34	18.69	25,373,297	516,284,520
	December	20.85	18.79	19,646,866	382,700,218
2022	**January**	**24.04**	**21.14**	**23,716,023**	**545,769,964**
	February	**26.37**	**22.38**	**21,530,034**	**529,824,344**
	March	**24.89**	**20.61**	**28,392,907**	**652,990,980**
	April	**24.04**	**21.82**	**15,326,088**	**353,608,425**
	May	**22.96**	**20.50**	**23,397,422**	**508,913,823**
	June	**21.65**	**18.36**	**20,993,903**	**422,468,305**
	July	**21.65**	**18.36**	**20,993,903**	**422,468,305**
	August	**23.02**	**20.46**	**17,437,988**	**376,790,627**
	September	**20.94**	**17.34**	**21,344,318**	**406,274,044**
	October	**20.37**	**17.41**	**20,947,417**	**391,033,940**
	November	**22.70**	**19.91**	**21,396,418**	**465,342,640**
	December	**22.55**	**21.11**	**15,520,322**	**341,037,266**
2023	January	23.55	22.00	16,338,292	370,839,480
	February	24.73	22.69	17,539,864	418,955,340

Source: Bloomberg.

Dilutive instruments

There are no outstanding dilutive instruments.

7.1.1.5 Bonds

Issue date	Maturity date	Currency	Outstanding nominal	Coupon	ISIN code
EUROBOND ISSUES LISTED ON THE PARIS STOCK EXCHANGE (EMTN)[a]					
05/21/2012	05/21/2027	EUR	50,000,000	4.23%	FR0011255280
11/06/2014 – 01/28/2015 – 11/06/2015	11/06/2024	EUR	556,700,000	1.75%	FR0012283653
04/17/2015	04/17/2023	EUR	523,700,000	1.00%	FR0012674661
10/22/2015	10/22/2025	EUR	255,000,000	2.125%	FR0013030038
02/19/2016	02/19/2026	EUR	500,000,000	1.875%	FR0013121753
09/29/2016	09/29/2031	EUR	600,000,000	1.250%	FR0013203825
02/16/2017 – 02/27/2017	02/16/2027	EUR	600,000,000	1.375%	FR0013238045
12/11/2017 – 05/06/2020 – 06/16/2020	12/13/2032	EUR	700,000,000	1.625%	FR0013300605
07/01/2019	07/01/2030	EUR	600,000,000	0.625%	FR0013430741
05/12/2020	05/12/2029	EUR	600,000,000	2.00%	FR0013512233
11/17/2020	02/17/2031	EUR	600,000,000	0.875%	FR0014000KT3

(a) Prospectuses for the EMTN (Euro Medium Term Notes) program are available on Klépierre's website (www.klepierre.com/en), in the "Finance" section.

7.1.2 Changes in the share capital – Breakdown of the share capital and voting rights

7.1.2.1 Changes in the share capital over the last five fiscal years as of December 31, 2022

Dates	Nature of change	Number of shares concerned	Additional paid-in capital	Share capital on completion of the transaction
February 20, 2019	Share capital reduction	6,932,462	€240,363,057.51	€430,393,041.40
June 20, 2019	Share capital reduction	2,828,962	€96,011,667.47	€426,432,494.60
December 17, 2019	Share capital reduction	1,930,544	€63,912,225.52	€423,729,733
June 22, 2020	Share capital reduction	2,724,897	€79,529,401.12	€419,914,877.20
January 19, 2021	Share capital reduction	5,091,144	€150,713,532.84	€412,787,275.60
June 22, 2021	Share capital reduction	4,493,022	€135,709,688.50	€406,497,044.80
December 15, 2021	Share capital reduction	3,493,860	€94,856,813.12	€401,605,640.80

7.1.2.2 Changes in the breakdown of the share capital and voting rights over the last three fiscal years

To the Company's knowledge and based on disclosures of crossings of thresholds set in the bylaws, the share capital breaks down as follows:

	Position as of December 31, 2020				Position as of December 31, 2021				Position as of December 31, 2022			
	Number of shares	% of share capital	% of theoretical voting rights[a]	% of voting rights exercisable in GMs[b]	Number of shares	% of share capital	% of theoretical voting rights[a]	% of voting rights exercisable in GMs[b]	Number of shares	% of share capital	% of theoretical voting rights[a]	% of voting rights exercisable in GMs[b]
Simon Property Group	63,924,148	21.31	21.31	22.41	63,924,148	22.28	22.28	22.40	63,924,148	22.28	22.28	22.39
APG Group	17,648,751	5.88	5.88	6.19	17,648,751	6.15	6.15	6.18	17,648,751	6.15	6.15	6.18
BlackRock	19,063,125	6.36	6.36	6.68	17,918,808	6.25	6.25	6.28	17,918,808	6.25	6.25	6.28
Norges Bank	14,898,142	4.97	4.97	5.22	14,747,803	5.14	5.14	5.17	14,747,803	5.14	5.14	5.17
Employees/ corporate officers	571,905	0.19	0.19	0.20	651,988	0.23	0.23	0.23	617,976	0.22	0.22	0.22
Free float	169,119,011	56.38	56.38	59.30	170,492,253	59.43	59.43	59.74	170,643,365	59.49	59.49	59.76
Treasury shares	14,714,116	4.91	4.91	–	1,477,421	0.52	0.52	–	1,360,321	0.47	0.47	–
TOTAL	**299,939,198**	**100**	**100**	**100**	**286,861,172**	**100**	**100**	**100**	**286,861,172**	**100**	**100**	**100**

(a) Theoretical voting rights correspond to the total number of voting rights attached to the total number of outstanding shares, including any shares that do not have voting rights.
(b) Exercisable voting rights correspond to the total number of voting rights, less any shares that do not have voting rights.

Since December 31, 2022, no share capital reductions have been carried out under the delegation of authority granted in the nineteenth resolution to the Ordinary and Extraordinary General Meeting of April 26, 2022.

To the Company's knowledge, there have been no material changes since December 31, 2022 in the ownership of the share capital or voting rights.

Employee share ownership

In December 2018, the Executive Board decided to set up a share ownership plan reserved for certain Klépierre Management SNC employees (the "**Beneficiaries**"), through the Klépierre Management SNC company savings plan *(plan d'epargne d'entreprise* – PEE). Under this plan, the Beneficiaries had the opportunity to purchase shares in the Company at a price of €24.96 per share.

Further to the centralization of the Beneficiaries' purchase requests, the Executive Board noted that 326,689 shares of the Company had been sold to the Beneficiaries, for a total price of €8,154,157.44.

Shareholders' agreements

To the Company's best knowledge, no agreement existed as of December 31, 2022 that could result in a change of control at a later date.

Upon the conclusion of the agreement between Klépierre and Corio on July 29, 2014, Simon Property Group ("**SPG**"), BNP Paribas SA ("**BNPP**"), Klépierre's reference shareholders, and the Dutch foundation (*stichting*) Stichting Depositary APG Strategic Real Estate Pool, represented by its management company APG Asset Management NV ("**APG**"), Corio's reference shareholder, each acting directly or through affiliates (respectively, the "**SPG group**", the "**BNPP group**" and the "**APG group**", and together, the "**Parties**"), entered into a shareholders' agreement (the "**Shareholders' Agreement**") to organize their relationship as Klépierre shareholders. The agreement was published by the French financial markets authority (*Autorité des marchés financiers* – AMF) as required by law, in decision 214C2161 of October 16, 2014.

The Shareholders' Agreement entered into force on January 15, 2015 (the "**Completion Date**").

To the best of the Company's knowledge, the provisions of the Shareholders' Agreement are no longer applicable to the BNPP group, since its stake in Klépierre fell below 5% in November 2015.

I – Klépierre's Governance

Representation on the Supervisory Board

Under the Shareholders' Agreement, both the SPG and APG groups must be represented on Klépierre's Supervisory Board. As such, each group undertakes to vote in favor of the representatives presented by the other at General Meetings of Shareholders and Supervisory Board meetings (solely for appointments by way of co-option).

In particular, the Shareholders' Agreement provides that three Supervisory Board members must be representatives of the SPG group (including the Chairman of the Board who will have a casting vote) and one member must be a representative of the APG group. The Supervisory Board must have at least five independent members within the meaning of the AFEP-MEDEF Code, appointed by Klépierre's General Meeting of Shareholders.

In the event that the SPG group's stake falls below the lowest of (i) 13.6% of the total number of Klépierre shares, (ii) the BNPP group's stake in the Company or (iii) the APG group's stake in the Company:

(i) The number of representatives of each Party on the Supervisory Board will be determined pro rata to their respective stakes in Klépierre; and

(a) The Chairman of the Board will no longer be appointed on a proposal from the SPG group.

Representation on the Supervisory Board's Specialized Committees

Under the Shareholders' Agreement, the Supervisory Board is assisted by the following advisory committees: the Audit Committee, the Nomination and Compensation Committee, the Sustainable Development Committee and the Investment Committee.

The Shareholders' Agreement also determines the membership of the Investment Committee and provides for mutual voting commitments on the part of the SPG and APG groups for that purpose, such that the representatives of each Party on the Supervisory Board are appointed as members of the Investment Committee.

II – Transfers of securities

The Shareholders' Agreement includes the following commitments with regard to transfers of Klépierre securities, which were still in force as of the date of this document:

Right of first refusal

After the Completion Date, (i) the APG group undertook to give the SPG group, and (ii) the SPG group undertook to give the APG group, a right of first refusal on all the securities offered at the price proposed by the selling entity within the SPG or APG groups (the "**Seller**"), within a period of five business days from the date of receipt of the notice.

This right of first refusal applies in the event of a transfer of Klépierre securities to a third party, on the understanding that "transfer" includes any transfer of the right of ownership, immediately or in the future, as well as any division of ownership, any form of security or trust and any derivative transaction.

However, the following transactions are excluded from the right of first refusal: (i) the tendering of securities to a public takeover bid for the Company; (ii) sales on the market (in the form of block sales, market placements or similar procedures); (iii) derivative contracts providing for settlement in cash; (iv) issues of indexed debt securities; and (v) securities lending and other temporary ownership transfer transactions (a **"Market Transaction"**).

By way of exception, the right of first refusal will in any event apply in the case of the Market Transactions referred to in (i), (iii) and (v) above, as well as in the case of a Market Transaction with an identified third party, provided that the transfer is made to a competitor of SPG, and in the case of a Market Transaction (in the form of a placement) representing at least 7.5% of Klépierre's share capital and voting rights. In the case of a Market Transaction in the form of a sale on the market or a placement below this threshold, or in the case of the Market Transactions referred to in (iv) above, they will be conducted in good faith, in order to avoid the transfer of a substantial portion of the stake whose sale to a competitor of SPG is under consideration.

In the case of a Market Transaction to which the right of first refusal applies, the abovementioned period of five days is reduced to three business days.

Lastly, each Party undertakes to ensure that sales take place in an orderly fashion so as not to disrupt the market in Klépierre securities.

The Shareholders' Agreement was concluded for a term of 10 years. It may be terminated at any time as regards a Party, in the event that such Party comes to own less than 5% of Klépierre's share capital and voting rights.

Under the terms of the Shareholders' Agreement, SPG and APG declared that they were not acting in concert as regards Klépierre (within the meaning of Article L. 233-10 of the French Commercial Code [*Code de commerce*]), which was a key prerequisite to the signature of the Shareholders' Agreement, and they also undertake not to act in concert.

7.1.2.3 Crossing of thresholds set by law or in the bylaws

According to Article 7 of the bylaws, any individual or legal entity, acting alone or in concert, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company by registered letter with acknowledgment of receipt indicating the number of shares held, within five trading days of the date of the threshold crossing.

If the 10% threshold of the Company's share capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than an individual is required to indicate in its threshold crossing disclosure whether or not it is a Shareholder Subject to Withholding (as defined in Article 32 of the bylaws). Should such shareholder declare that it was not a Shareholder Subject to Withholding, it would have to substantiate such claim whenever so requested by the Company, as well as provide the Company with a legal opinion from an internationally reputed tax law firm whenever so requested. Any shareholder other than an individual who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's share capital must promptly notify the Company of any change in its tax status that may cause it to acquire or lose the status of Shareholder Subject to Withholding.

Unless they have been disclosed in accordance with the conditions set out above, the shares exceeding the disclosure threshold subject to the declaration requirement will be stripped of voting rights at General Meetings of Shareholders where the failure to disclose is brought to the attention of the Meeting or where one or more shareholders together holding at least 2% of the Company's share capital ask the Meeting to do so. Voting rights will be suspended at all General Meetings of Shareholders held within two years of the date on which the appropriate disclosure is duly made.

All shareholders are also required to inform the Company, in accordance with the procedures and deadlines set out above, if their shareholding falls below any of the abovementioned thresholds.

The table below summarizes all crossings of thresholds, set by law or in the bylaws, of which the Company was notified during fiscal year 2022:

	Date of crossing	Number of shares held after threshold crossing	Date of the letter of notification sent to the Company	Above or below (% share capital held)	Above or below (% voting rights held)
Cohen & Steers	October 18, 2022	11,492,110	October 19, 2022	Above (4.01%)	Above (4.01%)
	October 19, 2022	11,421,499	October 20, 2022	Below (3.98%)	Below (3.98%)
	October 26, 2022	11,486,090	October 27, 2022	Above (4.00%)	Above (4.00%)
	November 15, 2022	11,426,617	November 16, 2022	Below (3.98%)	Below (3.98%)
Wellington Management Group LLP[(a)]	January 31, 2022	6,090,605	February 1, 2022	Above (2.12%)	Above (2.12%)
	August 24, 2022	5,720,695	August 25, 2022	Below (1.99%)	Below (1.99%)

(a) Acting on behalf of customers and funds, which it manages.

7.1.2.4 Transactions by corporate officers and similar individuals in Company securities (Article L. 621-18-2 of the French Monetary and Financial Code [*Code monétaire et financier*])

No transactions were reported by corporate officers and similar individuals to the French financial markets authority (*Autorité des marchés financiers* – AMF) during fiscal year 2022.

7.1.3 Stock purchase options and performance shares

7.1.3.1 Stock option and performance share allotment policy

Stock options and performance shares are allotted to executive corporate officers and employees in order to strengthen their motivation over the long term, thus aligning the interests of senior executives with those of shareholders with a view to creating long-term value.

Prior to 2012, the Company implemented several stock purchase option plans for its senior executives and certain employees. However, since 2012, the Company has given preference to performance shares.

Beneficiaries

The beneficiaries of these plans are senior executives, to whom allotments are made in accordance with the executive corporate officer compensation policy, and particularly dedicated Group employees, in order to foster loyalty. As a result, the list of beneficiaries changes each year, along with the number of shares allotted to each beneficiary.

Allotment by the Supervisory Board

These allotments are made pursuant to the recommendations of the AFEP-MEDEF Code and generally occur during the second or third quarter of the year.

Cap on the number of performance shares offered

Pursuant to the AFEP-MEDEF Code, the Supervisory Board determines the maximum percentage of performance shares that may be allotted to the members of the Executive Board (currently 0.3% of the share capital over a 38-month period from the General Meeting of Shareholders of April 26, 2022, which is deducted from the overall percentage of 1% of the share capital authorized by that

General Meeting of Shareholders over the same period).

The number of performance shares allotted to individual members of the Executive Board must be previously approved by the Supervisory Board after recommendation by the Nomination and Compensation Committee, and is determined with regard to the executive corporate officer's total annual compensation.

Hedging arrangements

In accordance with the AFEP-MEDEF Code, the members of the Executive Board have not implemented any hedging instruments with regard to the stock options and performance shares allotted to executive corporate officers.

7.1.3.2 Stock purchase option plan

The most recent stock option plan was adopted by the Executive Board on May 27, 2011. The stock options had a term of eight years and therefore expired on May 26, 2019, as described on page 275 of the 2019 Universal Registration Document.

Accordingly, tables 8 and 9 on allotments of stock options provided for in Appendix 2 of AMF position-recommendation 2021-02 are therefore not currently required.

7.1.3.3 Performance share plans

Conditions common to all plans adopted up to December 31, 2022

Share vesting period and lock-up period

- **Vesting period**: the shares allotted to beneficiaries vest and are delivered in the form of Company shares at the end of a vesting period set by the Executive Board. In accordance with the authorization of the General Meeting of Shareholders, the vesting period may not be less than three years.
- **Lock-up period**: following the vesting period, beneficiaries are required to hold the shares for a period set by the Executive Board.
- **Plans implemented by the Supervisory Board**: on the basis of the above principles, the Executive Board has implemented "3+2" plans (three-year vesting period and two-year lock-up period) for French tax residents and "4+0" plans (four-year vesting period and no lock-up period) for non-French tax residents, as well as a "3+0" plan (three-year vesting period and no lock-up period[(1)]) for all beneficiaries.

Service condition

The shares will only vest if the beneficiary is still with the Klépierre Group at the end of the vesting period, barring exceptional cases where rights are maintained pursuant to the rules of the relevant plan.

Should the beneficiary leave the Group before the expiration of the term set for assessing the performance share performance criteria, maintenance of all or a portion of the entitlement to the performance shares is subject to the decision of the Supervisory Board and must be substantiated. With respect to the Executive Board members, the Supervisory Board will authorize a partial waiver of the service condition, such that performance shares vest pro rata to members' service to the Group.

Performance conditions

Performance conditions are determined by the Executive Board after consultation with the Nomination and Compensation Committee and the Supervisory Board. They are identical for all performance share beneficiaries, as described below.

As regards the 2022 plan, vesting of certain free shares, for a total not exceeding 0.15% of the capital, allocated to beneficiaries other than members of the Group's management are not subject to performance conditions in accordance with the authorization given by the General Meeting of April 26, 2022 (20^{th} resolution).

(1) In addition to the shareholding obligation set by the Supervisory Board, the Chairman and members of the Executive Board are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office.

Overview of plans adopted between January 1, 2019 and the filing date of this document

2019 Plans

On May 6, 2019[1], the Executive Board adopted a plan for 317,800 performance shares in respect of 106 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2022, a maximum potential dilution of 0.11%.

At the end of the vesting period, the performance conditions were measured as follows:

Criteria	Weighting	Outcome
Absolute performance of Klépierre	10%	0% of performance shares vested
Relative performance of Klépierre	30%	100% of performance shares vested
Internal performance of Klépierre	40%	0% of performance shares vested
Klépierre's CSR performance	20%	100% of performance shares vested

2020 Plans

On May 7, 2020 and December 22, 2020, the Executive Board adopted two plans for, respectively, 312,900 shares in respect of 109 beneficiaries and 7,250 shares in respect of two beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2021, a maximum potential dilution of 0.11%.

Under the 2020 Plans, the performance conditions are assessed against the following achievement scale:

Absolute performance: 10% weighting		Relative performance: 30% weighting		Internal performance: 40% weighting		CSR performance: 20% weighting	
Performance	% of shares delivered	Performance	% of shares delivered	Performance	% of shares delivered	Performance	% of shares delivered
≤16.5%	0%	Index -1%	0%	<1%	0%	GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating	8%
20%	33.3%	Index	33.3%	1%	30%	Reduction in the Group's energy consumption Target: 40% reduction	3%
22.5%	50%	Index +1%	50%	≥3%	100%	Shopping centers with sustainable development certification Target: 100% of shopping centers	3%
25%	66.7%	Index +2%	66.7%			Shopping centers contributing to local employment Target: 100% of shopping centers having implemented at least one initiative during the year to promote local employment	3%
27.5%	83.3%	Index +3%	100%			Employees receiving training Target: 100% of employees	3%
≥30%	100%						

If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

(1) *A second plan dated October 31, 2019 expired due to the departure from the Group of the sole beneficiary.*

2021 Plan

On July 1, 2021, the Executive Board adopted a plan for 486,500 shares in respect of 117 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2021, a maximum potential dilution of 0.17%.

Under the 2021 Plan, the performance conditions are assessed against the following achievement scale:

Absolute performance: 10% weighting		**Relative performance: 30% weighting**		**Internal performance: 40% weighting**		**CSR performance: 20% weighting**		
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**Criteria**	**Target**	**% of shares delivered**
≤16.5%	0%	Index -1%	0%	<1%	0%	GRESB rating (12% of the allotment)		100%
20%	33.3%	Index	33.3%	1%	30%	Reduction in the Group's energy consumption ("REDUC") (2% of the allotment)	REDUC > -40%	0%
							REDUC ≤ -44%	100%
22.5%	50%	Index +1%	50%	≥3%	100%	Shopping centers with sustainable development certification ("CERTIF") (2% of the allotment)	CERTIF = 100%	100%
25%	66.7%	Index +2%	66.7%			Shopping centers contributing to local employment ("EMP") (2% of the allotment)	EMP = 100%	100%
27.5%	83.3%	Index +3%	100%			Employees receiving training ("TRAIN") (2% of the allotment)	TRAIN = 100%	100%
≥30%	100%							

If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

2022 Plan

On July 7, 2022, the Executive Board adopted a plan for 522,357 shares in respect of 140 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2022, a maximum potential dilution of 0.17%.

Under the 2022 Plan, the performance conditions are assessed against the following achievement scale:

Absolute performance: 20% weighting		**Relative performance: 25% weighting**		**Internal performance: 20% weighting**		**CSR performance: 35% weighting**		
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**CSR performance**	**Target**	**% of shares delivered**
≤10%	0%	Below the median	0%	<1%	0%	***GRESB rating*** 15% of the allotment	The Company must rank in the top five in its category and have a "5-star" rating in the latest ranking published prior to the vesting date	100%
12%	33.3%	6th (median)	50%	1%	30%			
14%	50%	5th	60%	≥3%	100%	***Carbon emissions in 2024 ($CARB_{2024}$)*** 20% of the allotment	$CARB_{2024}$ > 4.4 $kgCO_2eq$/sq.m	0%
16%	66.7%	4th	70%				$CARB_{2024}$ = 4.4 $kgCO_2eq$/sq.m	50%
18%	83.3%	3rd	80%				$CARB_{2024}$ ≤ 3.86 $kgCO_2eq$/sq.m	100%
≥20%	100%	2nd	90%					
		1st	100%					

For the absolute stock market performance, internal performance and CSR performance, if the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

TABLE 9 – AMF/AFEP-MEDEF CODE RECOMMENDATIONS – HISTORICAL DATA OF FREE SHARES ALLOTTED – INFORMATION ON PERFORMANCE SHARES

	2019 Plans	2020 Plans	2021 Plan	2022 Plan
Date of Executive Board meeting	May 6, 2019[(d)]	May 7, 2020 December 22, 2020	July 1, 2021	July 7, 2022
Total number of performance shares allotted	321,800	320,150	486,500	522,357
o/w allotted to corporate officers:				
• Jean-Marc Jestin	35,000	35,000	64,000	93,413
• Jean-Michel Gault[(a)]	30,000	30,000[(f)]	41,000[(f)]	N/A[(a)]
• Beñat Ortega[(b)]	N/A[(b)]	2020 Plan no. 1: N/A[(b)] 2020 Plan no. 2: 1,250	38,000	N/A[(b)]
• Stéphane Tortajada[(c)]	N/A[(c)]	N/A[(c)]	N/A[(c)]	26,944
End of vesting period	France Plan: May 6, 2022 International Plan: May 6, 2023	France Plans: May 7, 2023 and December 22, 2023 International Plan: May 7, 2024	France Plan: July 1, 2024 International Plan: July 1, 2025	July 7, 2025
End of lock-up period	France Plan: May 6, 2024 International Plan: May 6, 2023	France Plans: May 7, 2025 and December 22, 2025 International Plan: May 7, 2024	France Plan: July 1, 2026 International Plan: July 1, 2025	No lock-up period[(g)]
Performance condition	Performance conditions assessed based on four criteria: • Absolute performance of the Klépierre share relative to its TSR; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • Absolute performance of the Klépierre share relative to its TSR; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • Absolute performance of the Klépierre share relative to its TSR; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • Absolute stock market performance of Klépierre's shares, assessed relative to their rate of return; • Relative stock market performance of Klépierre's shares compared to peer performance, measured against their profitability; • Internal performance, assessed in relation to the average change in net rental income over three years as shown in Klépierre SA's last three consolidated financial statements approved and available on the vesting date; • CSR performance, assessed based on the GRESB rating of the Klépierre Group and the level of attainment of the carbon emissions reduction target.
Number of shares vested as of December 31, 2022	79,150	0	0	0
Total number of shares canceled or lapsed	205,950	81,482	114,823	2,000
Shares outstanding at the fiscal year end	36,700[(e)]	238,668	371,677	520,357

(a) Jean-Michel Gault's term of office as a member of the Executive Board expired on June 21, 2022 and was not renewed.
(b) Beñat Ortega joined the Klépierre Executive Board on November 16, 2020, and resigned his office with effect from February 1, 2022. In accordance with the terms of the plans, Beñat Ortega forfeited all rights to performance shares not already vested on the date his resignation was received (i.e., performance shares granted under the 2019, 2020 and 2021 plans).
(c) Stéphane Tortajada joined the Klépierre Executive Board on June 22, 2022.
(d) A second plan dated October 31, 2019 expired due to the departure from the Group of the sole beneficiary.
(e) Still under service condition.
(f) As indicated in section 6.2.3.2.2 a), pages 308 and 309, the settlement agreement provides that Jean-Michel Gault may retain the benefit of 45,595 Klépierre SA performance shares out of the 71,000 initially allotted to him under the 2020 and 2021 plans, pro rating his presence between the allotment grant dates under the concerned plans and his actual departure date, based on the entire vesting period (service condition partially waived by the Supervisory Board of October 18, 2022, it being specified that the number of performance shares to be vested will depend on the achievement of the performance conditions that remain attached to them until the end of the vesting period).
(g) Pursuant to Article L. 225-197-1 of the French Commercial Code as set out in the AFEP-MEDEF Code, the Supervisory Board set the holding obligation for the Chairman and members of the Executive Board as follows: they are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office.

7.1.4 Material contracts

7.1.4.1 Material financing contracts

2021

Update of the Euro Medium Term Note (EMTN) program

- Purpose: legal framework enabling the rapid issuance of a broad range of bonds.
- Maximum amount €7 billion.
- Listing: Paris.
- Governing law: French.
- Dealers: ABN Amro, Banco Sabadell, Barclays, BNP Paribas, BofA, CaixaBank, Citigroup, CIC, Crédit Agricole, Deutsche Bank, DnB, Goldman Sachs, HSBC, ING, Intesa, JP Morgan, Mediobanca, Mizuho, Morgan Stanley, MUFG, Natixis, NatWest, Santander, Société Générale, SMBC, UBS, Unicredit.
- Program rating: A-.

In 2021, Klépierre did not issue any notes under the EMTN program.

2022

Update on the Euro Medium Term Note (EMTN) program

« Euro Medium Term Notes »

- Purpose: legal framework enabling the rapid issuance of a broad range of bonds.
- Maximum amount €7 billion.
- Listing: Paris.
- Governing law: French.
- Dealers: ABN Amro, Banco Sabadell, Barclays, BNP Paribas, BofA, CaixaBank, CIC, Crédit Agricole CIB, Deutsche Bank, DnB, Goldman Sachs, HSBC, ING, Intesa Sanpaolo, JP Morgan, Mediobanca, Mizuho, Morgan Stanley, MUFG, Natixis, NatWest, Santander, Société Générale, SMBC, UBS, Unicredit.
- Program rating: A-.

In 2022, Klépierre did not issue any notes under the EMTN program.

Credit facility agreements

- Purpose: credit facility agreement for a total maximum amount of €100 million.
- Repayment terms: in full at maturity (2027) where the two one-year extension options are not exercised.
- Interest: indexed to three-month Euribor, plus a fixed margin and a drawdown fee.

Bank loan agreements

- Purpose: setting up a bank loan in the amount of €75 million.
- Repayment terms: in full at maturity (2027).
- Interest: fixed rate.

7.1.4.2 Material investment and disposal contracts

This section sets out transactions exceeding €100 million.

2021

Sale of medium-sized units (22 stores) in Bègles (Gironde) – France

Date of sale: December 16, 2022 (promissory agreement signed on September 22, 2021)

- Parties: Bègles Arcins SCS and Bègles Papin SNC as sellers; SAS SOREF1 Rives d'Arcins as buyer
- Purpose: sale of the Arches de l'Estey retail park and of medium-sized units in the immediate vicinity of the Rives d'Arcins shopping center.

Sale of the Boulevard Berlin asset in Berlin – Germany

Date of sale: December 17, 2021 (promissory agreement signed on June 28, 2021).

- Parties: Klépierre SA and Multi Mikado Holding BV as sellers; Ainoa Investment Sàrl, Dunman Bob GmbH and Hatrix Investment Sàrl as buyers
- Purpose: sale of Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH, owner of the shopping center.

2022

Sale of an office complex in Utrecht – Netherlands

Date of sale: December 22, 2022 (promissory agreement signed on December 19, 2022).

- Parties: Hoog Catharijne Mall of the Netherlands B.V. as seller; ITC HCO BV, ITC HCO TB BV, ITC HCO SB BV as buyers
- Purpose: Sale of part of the office complex in the Hoog Catharijne mall in Utrecht

Sale of a portfolio of restaurants – France

Date of sale: June 8, 2022, June 28, 2022, July 21, 2022 and December 19, 2022 (promissory agreement signed on April 27, 2022).

- Parties: Klémurs as seller and Épargne Pierre, My Share SCPI, Foncière Remusat, Société d'aménagement de Montpellier Méditerranée Métropole and two individuals as buyers
- Purpose: Disposal of 58 Buffalo Grill restaurants

7.1.4.3 Related-party agreements

Annual review of related-party agreements

On February 14, 2023, the Supervisory Board reviewed (i) the related-party agreements and commitments entered into and authorized by the Supervisory Board during fiscal year 2022 as well as (ii) the related-party agreements and commitments entered into and authorized by the Supervisory Board during previous fiscal years that remained in force during fiscal year 2022.

Related-party agreements authorized during fiscal year 2022

Date of the authorization granted by the Supervisory Board	Date of signature of the agreement	Parties to the agreement	Purpose of the agreement	Description of the agreement
June 21, 2022	June 27, 2022	Klépierre Management SNC and Jean-Michel Gault	Amendment to the employment contract of Jean-Michel Gault	Press release available on the Klépierre SA website at the following address: https://www.klepierre.com
October 18, 2022	November 21, 2022	Klépierre SA, Klépierre Management SNC and Jean-Michel Gault	Settlement agreement	Press release available on the Klépierre SA website at the following address: https://www.klepierre.com

Previously authorized related-party agreements that remained in force during fiscal year 2022

Date of the authorization granted by the Supervisory Board	Date of signature of the agreement	Parties to the agreement	Purpose of the agreement	Description of the agreement
October 3, 2008	October 6, 2008	Nordica Holdco AB and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensioenfonds ABP	Intra-group loan granted as part of the Steen & Strøm transaction	Amount as of December 31, 2022: €82,142,661.44 Term: perpetual Interest rate: 3.30% since October 6, 2018 2022 interest expense: €2,680,586.73
November 30, 2015	December 18, 2015	Klépierre and APG Strategic Real Estate Pool NV (parent companies of the shareholders of Nordica Holdco AB) in favor of Nordica Holdco AB	Intra-group loan granted as part of the Oslo Center acquisition	Amount as of December 31, 2022: €22,433,373.26 Term: perpetual Interest rate: 3.20% until December 17, 2020, then 3% 2022 interest expense: €662,978.90

Internal charter relating to the classification of agreements (the "Charter")

Klépierre SA has adopted a Charter that clarifies the rules used internally to classify the various agreements likely to be entered into within the Klépierre Group. The Charter applies to the French companies of the Group.

The Charter was implemented in response to AMF recommendation 2012-05 of July 2, 2012 as amended on October 5, 2018, and more specifically to proposal no. 4.1, which recommends that companies:

- *"Introduce an internal charter […] governing the classification of agreements and their submission to the procedure applicable to related-party agreements. The charter should define the criteria adopted by the company, by adapting the CNCC guide to its own situation, in agreement with their Statutory Auditors; and*
- *Submit the charter to their Board for approval and publish it on their website".*

The Charter is available for consultation at www.klepierre.com/en.

Procedure applicable to agreements entered into by Klépierre SA in the ordinary course of business and on arm's length terms (the "Procedure")

Article L. 22-10-29 of the French Commercial Code states that: *"in companies whose shares are admitted to trading on a regulated market, the Supervisory Board shall put in place a procedure to regularly assess whether agreements entered into in the ordinary course of business and on arm's length terms, as stated in Article L. 225-87 of the French Commercial Code, still qualify as such. All persons directly or indirectly involved in any such agreements shall not take part in their assessment"*. Accordingly, Klépierre SA introduced the Procedure applicable to agreements entered into by Klépierre SA in the ordinary course of business and on arm's length terms.

It is available for consultation at www.klepierre.com/en.

In accordance with the Procedure, the Executive Board[1] shall meet at least once a year to identify all existing agreements entered into in the ordinary course of business and on arm's length terms and to verify whether they still qualify as such. Thus, for each agreement entered into in the ordinary course of business and on arm's length terms, the Executive Board shall specifically assess, on a case-by-case basis:

- "Ordinary course of business" condition: Several criteria shall be examined, in particular the ordinary nature of the agreement in view of the business of the Company, as well as the legal importance or the economic consequences of the agreement;
- "Arm's length terms" condition: The terms usually employed by the Company in its relations with third parties can be regarded as arm's length, provided that they are also in line with the practices of external companies engaged in the same business. For example, an agreement could be regarded as having not been entered into at arm's length if the economic data of that agreement differ too much from the terms under which agreements are usually entered into with third parties.

(1) In the event that the Executive Board cannot carry out the assessment of an agreement, such agreement will be assessed by the Deputy Chief Financial Officer and/or the Group General Counsel.

After its examination, the Executive Board shall recommend either (i) that the agreement continue to be classified as an agreement entered into in the ordinary course of business and on arm's length terms, on the grounds that the related conditions are still satisfied; or otherwise, (ii) that the agreement be reclassified as a related-party agreement. The Executive Board shall then submit its recommendations to the Audit Committee in a written report. The Audit Committee shall decide whether or not to reclassify each agreement submitted to it by the Executive Board. In this respect, it may ask the opinion of the Statutory Auditors. It may also decide to involve any experts or, more generally, request any further information that it deems useful. In the event that the original classification as an agreement entered into in the ordinary course of business and on arm's length terms is retained by the Audit Committee, the Procedure will no longer apply to that agreement. Otherwise, the Audit Committee shall issue a recommendation to the Supervisory Board to approve or reject the agreement concerned. In addition, the agreement shall be disclosed to the Statutory Auditors, who may prepare a special report explaining the circumstances under which the advance authorization procedure provided for in Article L. 225-86 of the French Commercial Code was not followed. If the Supervisory Board approves the agreement, the following General Meeting of the Company will then be asked to ratify it.

7.1.5 Statutory Auditors' report on related party agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2022

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Klépierre,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying why they benefit the Company, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-58 of the French Commercial Code (*Code de Commerce*) in respect of the performance of the agreements, already authorized by the Annual General Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These guidelines require that we verify the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

Agreements authorized and concluded during the year ended December 31, 2022

Pursuant to Article L. 225-88 of the French Commercial Code (*Code de Commerce*), we have been informed of the following agreements concluded during the year ended December 31, 2022 which were subject to the prior authorization of your Supervisory Board.

Conclusion of an amendment to the employment contract of Jean-Michel Gault with Klépierre Management SNC (subsidiary of Klépierre)

Jean-Michel Gault, who has been employed under an indefinite employment contract by with Klépierre Management SNC since August 1, 1998, has had his employment contract suspended in connection with his duties as a member of the Executive Board of Klépierre. On May 24, 2022, the Supervisory Board of Klépierre noted that Jean-Michel Gault's term of office as a member of the Executive Board would expire on June 21, 2022. As a result, as of June 22, 2022, Jean-Michel Gault's employment contract with Klépierre Management SNC automatically took effect. In this context, the Supervisory Board approved on June 21, 2022 the terms of an amendment providing for the terms and conditions under which this resumption would take place. Amendment to the employment contract is dated June 27, 2022.

Main terms and conditions of the amendment to the employment contract of Jean-Michel Gault

Employee status within Klépierre Management SNC

Jean-Michel Gault will have advisory functions towards the Executive Board of Klépierre, and as such will be responsible for ensuring a smooth transition within the teams.

Compensation of Jean-Michel Gault as an employee

Jean Michel Gault's fixed compensation, as of June 22, 2022, will be based on a fixed annual amount of €400,000 (including the 13th month), i.e. a gross monthly amount of €30,769.23. It may be supplemented by variable remuneration which, if the objectives assigned are achieved, may be equal to 100% of the fixed remuneration received during the concerned period of activity.

Benefits in kind for Jean-Michel Gault as an employee

Jean-Michel Gault will benefit from a company car valued as a benefit in kind in his pay.

He will also benefit from all the collective rights and benefits applicable to the category to which he belongs and under the conditions provided for their application, and in particular from the applicable health and welfare insurance contracts.

He will have the status of executive within the meaning of Article L. 3111-2 of the French Labor Code and will be excluded from the legislation applicable to working hours and the organization of working time.

Interest of the agreement for the company

Jean-Michel Gault is no longer a member of the Executive Board of Klépierre and is an employee of Klépierre Management SNC. As indicated above, his new functions will ensure a smooth transition within the teams.

Settlement agreement between Jean-Michel Gault, Klépierre Management SNC (a subsidiary of Klépierre) and Klépierre

Following a disagreement on the assignments entrusted to him, Klépierre Management SNC and Jean-Michel Gault entered into amicable discussions in order to settle the consequences and terms and conditions of the termination of Jean-Michel Gault's duties as an employee and to reach a settlement agreement signed November 21, 2022.

Terms and conditions

As the settlement agreement was entered into between Klépierre and a former member of the Executive Board, Klépierre decided, in the interest of transparency and governance, to subject it to the regulated related party agreements regime.

The signature and the content of the settlement agreement (including the financial undertakings contained therein) were authorized by the Supervisory Board of Klépierre on October 18, 2022, upon recommendation of the Nomination and Compensation Committee which met on October 17, 2022.

Jean-Michel Gault will receive the conventional redundancy payment due by Klépierre Management SNC as a result of the termination of his employment contract in the amount of €719,693 gross, the elements of his account balance and in particular an indemnity in lieu of paid vacations, as well as the variable compensation for the period from June 22, 2022, until December 9, 2022, i.e., the effective date of the termination of his duties as employee.

Financial conditions

The settlement agreement provides for the payment by Klépierre Management SNC of a gross amount of €936,307 as a settlement indemnity. In total, the amount of this indemnity, added to the above-mentioned conventional redundancy payment, is equivalent to approximately eighteen months' salary (gross) against almost 28 years of seniority.

The agreement also provides that Jean-Michel Gault may retain the benefit of 45,595 Klépierre performance shares out of the 71,000 initially granted to him under the 2020 and 2021 plans, pro rating his presence between the granting dates under the concerned plans and his actual departure date, based on the entire vesting period. This concession required the partial waiver, by the Supervisory Board of Klépierre on October 18, 2022, of the service condition until the effective date of exercise of the concerned plans. In any event, the number of performance shares that will definitively vest to Jean-Michel Gault under the 2020 and 2021 plans will depend on the satisfaction of the performance conditions that remain attached to them until the end of the vesting period.

Interested person

Jean-Michel Gault, employee of Klépierre Management SNC, member of the Executive Board of Klépierre until June 22, 2022.

Interest of the agreement for the company

Klépierre and Klépierre Management SNC considered that it was not in their interest to engage in litigation with a former executive, which would necessarily be long, costly and likely to damage their image.

This settlement agreement includes an irrevocable and mutual waiver of any legal proceedings or actions and, in particular, a waiver by Jean-Michel Gault of any claim related to the performance and/or termination of his employment contract with Klépierre Management SNC and his corporate offices within the Klépierre Group.

This settlement agreement also provides for confidentiality and non-denigration obligations for Jean-Michel Gault.

The reciprocal concessions made in the context of the settlement agreement and, in particular, the financial undertakings taken by Klépierre Management SNC and Klépierre as described in section “Financial conditions” above are subject to their approval by the general meeting of Klépierre's shareholders, which will be held to rule on the financial statements for the year 2022. If these financial commitments are not approved by the shareholders' meeting, they will be null and void.

Ratio between the cost for Klépierre and the last annual profit of Klépierre

The conventional redundancy payment and the settlement indemnity provided for in the settlement agreement are borne by Klépierre Management SNC which is the entity having entered into the employment contract with him.

Agreements previously approved by the Annual General Meeting

Agreements, previously approved by the Annual General Meeting during previous fiscal years, continued during the year

Pursuant to Article R. 225-57 of the French Commercial Code (*Code de commerce*), we have been informed that the performance of the following agreements, previously approved by the Annual General Meeting during previous fiscal years, continued during the year.

With Nordica Holdco AB, 56.1% indirectly held by Klépierre Company

Agreement no. 1

Nature and purpose

On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Nordica Holdco AB bearing annual fixed interest of 6.5% with indefinite life duration. This interest rate came to 4.7% starting January 1, 2014 and then 3.3% since October 6, 2018 in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions

This loan was granted on October 6, 2008. As of December 31, 2022, the loan balance totaled €82,142,661.44 and the interest recorded in respect of the fiscal year amounted to €2,680,586.73.

Agreement no. 2

Nature and purpose

On November 30, 2015, your Supervisory Board authorized an intercompany loan with indefinite life duration, granted by your Company and APG Strategic Real Estate Pool NV to Nordica Holdco AB and bearing annual fixed interest of 3.2%. This interest rate have been reduced to 3% starting December 18, 2020 in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions

This loan was granted on December 18, 2015. As of December 31, 2022, the loan balance totaled €22,433,373.26 and the interest recorded in the respect of the fiscal year amounted to €662,978.90.

Paris-La Défense, March 30, 2023
The Statutory Auditors

DELOITTE & ASSOCIÉS
Damien Leurent Jean-Vincent Coustel

ERNST & YOUNG AUDIT
Gilles Cohen

7.2 GENERAL MEETING OF SHAREHOLDERS

Report of the Executive Board to the Ordinary and Extraordinary General Meeting

The Report of the Executive Board presents to the Company's shareholders the draft resolutions that will be submitted to their vote on May 11, 2023. Shareholders are nevertheless invited to read the draft resolutions in full before exercising their voting rights.

Dear Shareholders,

We have called this Ordinary and Extraordinary General Meeting of Shareholders to submit the following draft resolutions to the agenda for your approval:

Agenda

Resolutions of the Ordinary General Meeting

1. Approval of the Company financial statements for the fiscal year ended December 31, 2022 – Approval of non-deductible expenses and costs;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2022;
3. Appropriation of net income for the fiscal year ended December 31, 2022 and setting of the dividend;
4. Approval of the amendment to Jean-Michel Gault's employment contract with Klépierre Management SNC entered into on June 27, 2022, voluntarily subjected to the regime provided for in Article L. 225-86 *et seq.* of the French Commercial Code;
5. Approval of the settlement agreement between the Company, Klépierre Management SNC and Jean-Michel Gault in connection with the termination of his duties as an employee of Klépierre Management SNC, voluntarily subjected to the regime provided for in Article L. 225-86 *et seq.* of the French Commercial Code;
6. Approval of the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code;
7. Re-appointment of Catherine Simoni as a member of the Supervisory Board;
8. Re-appointment of Florence von Erb as a member of the Supervisory Board;
9. Re-appointment of Stanley Shashoua as a member of the Supervisory Board;
10. Placing on record that following the non-re-appointment of BEAS as Alternate Statutory Auditor, no replacement is appointed;
11. Placing on record that following the non-re-appointment of PICARLE & ASSOCIÉS as Alternate Statutory Auditor, no replacement is appointed;
12. Approval of the 2023 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board;
13. Approval of the 2023 compensation policy for the Chairman of the Executive Board;
14. Approval of the 2023 compensation policy for the members of the Executive Board (excluding the Chairman);
15. Approval of the information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code relating to the compensation of corporate officers paid during or allotted for the fiscal year ended December 31, 2022;
16. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to David Simon in his capacity as Chairman of the Supervisory Board;
17. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Jean-Marc Jestin in his capacity as Chairman of the Executive Board;
18. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Stéphane Tortajada in his capacity as Chief Financial Officer and member of the Executive Board as from June 22, 2022;
19. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Jean-Michel Gault in his capacity as Chief Financial Officer and member of the Executive Board until June 21, 2022;
20. Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Beñat Ortega in his capacity as member of the Executive Board until January 31, 2022;
21. Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer.

Resolutions of the Extraordinary General Meeting

22. Delegation of authority to the Executive Board, for a period of 26 months, to reduce the share capital by canceling treasury shares;
23. Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities, with preemptive subscription rights;

24. Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities by means of a public offering other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, without preemptive subscription rights;
25. Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company and/or securities giving rights to debt securities by means of a private placement referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, without preemptive subscription rights;
26. Delegation of authority to the Executive Board, for a period of 26 months, to increase the number of securities to be issued in the event of an issue of ordinary shares and/or securities giving rights to shares of the Company, any subsidiary and/or any other company, with or without preemptive subscription rights;
27. Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company for contributions as consideration in kind in the form of equity securities and/or securities giving rights to shares of the Company, without preemptive subscription rights;
28. Delegation of authority to the Executive Board, for a period of 26 months, to increase the Company's share capital by capitalizing premiums, reserves, profits or other items;
29. Overall ceiling on authorizations to issue shares and securities giving rights to shares of the Company.

Resolutions of the Ordinary General Meeting

30. Advisory opinion on the Company's ambition and objectives in the fight against climate change;
31. Powers for formalities.

Resolutions of the Ordinary General Meeting

First and second resolutions – Approval of the Company financial statements and the consolidated financial statements

Having considered the Executive Board's management report, the Supervisory Board's report and the Statutory Auditors' reports, the General Meeting is invited to approve the Company financial statements for the year ended December 31, 2022, showing net income of €346,879,370, and the consolidated financial statements for the year ended December 31, 2022, showing net income of €429,814,000.

The Company financial statements for the year ended December 31, 2022 do not report any non-deductible expenses or charges as defined in Article 39-4 of the French Tax Code.

The Company financial statements and the consolidated financial statements, as well as the Statutory Auditors' reports on those statements and the Executive Board's management report, are set out in the present document.

You are invited to approve the first and second resolutions as presented to you.

First resolution

(Approval of the Company financial statements for the fiscal year ended December 31, 2022 – Approval of non-deductible expenses and costs)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, as well as the Company financial statements for the fiscal year ended December 31, 2022, approves said financial statements as presented, which comprise the statements of financial position and income, as well as the notes to the consolidated financial statements, and the operations reflected in said financial statements or summarized in said reports, showing net income of €346,879,370.

It notes that the Company financial statements for the fiscal year ended December 31, 2022 do not report any non-deductible expenses or charges as defined in Article 39-4 of the French Tax Code (*Code général des impôts*) and do not report any add-back expenses pursuant to Article 39-5 of said Code for the fiscal year.

Second resolution

(Approval of the consolidated financial statements for the fiscal year ended December 31, 2022)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, as well as the consolidated financial statements for the fiscal year ended December 31, 2022, approves said financial statements as presented, which comprise the statements of financial position and income, as well as the notes to the consolidated financial statements, and the operations reflected in said financial statements or summarized in said reports, showing net income of €429,814,000.

Third resolution – Appropriation of net income for the fiscal year ended December 31, 2022 and setting of the dividend.

Shareholders are asked to agree to pay a dividend totaling €502,007,051 (i.e., €1.75 per share) out of distributable earnings for the year (€259,949,713) and the issue premium (€242,057,338), after noting that:

- Following this distribution and the appropriation of net income for the fiscal year ended December 31, 2022, equity will continue to exceed half of the share capital plus non-distributable reserves.
- Following the distribution, the "Retained earnings" line will be reduced from a negative balance of €86,929,657 to €0.
- Following the distribution of the premium, the "Issue premium" account will be reduced from €3,583,554,521.00 to €3,341,497,183.00.
- Each share will receive a cash distribution of €1.75 (including the interim dividend), which for tax purposes breaks down as follows:
  - €0.8046 deducted from earnings for the year of exempt activities under the SIIC regime, not eligible for the 40% tax relief.
  - €0.1015 deducted from the SIIC distribution obligations carried forward from prior years, not eligible for the 40% tax relief.
  - €0.8439 deducted from the "Issue premium" account and treated for tax purposes as an equity repayment for shareholders.
- Given that the interim dividend of €0.87 (gross) per share decided by the Executive Board on March 7, 2023 (deducted in full from earnings of exempt activities under the SIIC regime, and not eligible for the 40% tax relief) went ex-dividend on March 28, 2023, and was paid on March 31, 2023, the balance of €0.88 (gross) per share will go ex-dividend on July 7, 2023, and will be paid on July 11, 2023. The balance of the dividend breaks down as follows for tax purposes:
  - €0.0362 deducted from the SIIC distribution obligations carried forward from prior years, not eligible for the 40% tax relief.
  - €0.8439 deducted from the "Issue premium" account and treated for tax purposes as an equity repayment for shareholders.
- In accordance with legal provisions, treasury shares held by the Company on the ex-dividend date do not carry distribution rights.

You are invited to approve the third resolution as presented to you.

Third resolution

(Appropriation of net income for the fiscal year ended December 31, 2022 and setting of the dividend)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, resolves to appropriate the net income for the fiscal year ended December 31, 2022, as follows:

Net income for the period	**€346,879,370**
Less amounts allocated to the "Legal reserve" account	€0
Less amounts allocated to the "Retained earnings" account	-€86,929,657
i.e., Distributable earnings of	€259,949,713
Dividend distributed to shareholders:	**€259,949,713**
• Of which dividend deducted from earnings for the year of exempt activities (SIIC)	€230,821,407
• Of which additional dividend in respect of SIIC distribution obligations carried forward from prior years	€29,128,306
• Of which dividend deducted from taxable earnings for the year	€0
Premiums distributed to shareholders deducted from the "Issue premiums" account and treated for tax purposes as an equity repayment for shareholders within the meaning of paragraph 1 of Article 112 of the French Tax Code:	**€242,057,338**
TOTAL DISTRIBUTION	**€502,007,051**
In addition to the interim dividend paid on March 30, 2023 deducted from distributable earnings for the year and in respect of exempt activities:	**€249,569,220**
For a remaining distribution amount of	€252,437,831
• Of which dividend deducted from earnings for the year of exempt activities (SIIC)	€0
• Of which additional dividend in respect of SIIC distribution obligations carried forward from prior years	€10,380,493
• Including the issue premium, treated for tax purposes as an equity repayment within the meaning of paragraph 1 of Article 112 of the French Tax Code:	€242,057,338
Amount allocated to “Retained earnings”	€0
Amount allocated to the "Issue, merger and contribution premium" account	€0

Following this distribution and the appropriation of net income for the fiscal year ended December 31, 2022, equity will continue to exceed half of the share capital plus non-distributable reserves.

Following the distribution, the "Retained earnings" line will be reduced from a negative balance of €86,929,657 to €0.

Following the distribution of the premium, the "Issue premium" account will be reduced from €3,583,554,521 to €3,341,497,183.

The General Meeting notes that each share will receive a cash distribution of €1.75 (including the interim dividend), which for tax purposes breaks down as follows:

- €0.8046 deducted from earnings for the year of exempt activities under the SIIC regime, not eligible for the 40% tax relief;
- €0.1015 deducted from the SIIC distribution obligations carried forward from prior years, not eligible for the 40% tax relief;
- €0.8439 deducted from the "Issue premium" account and treated for tax purposes as an equity repayment for shareholders within the meaning of paragraph 1 of Article 112 of the French Tax Code.

Given that the interim dividend of €0.87 (gross) per share decided by the Executive Board on March 7, 2023 (deducted in full from earnings of exempt activities under the SIIC regime, and not eligible for the 40% tax relief) went ex-dividend on March 28, 2023, and was paid on March 30, 2023, the balance of €0.88 (gross) per share will go ex-dividend on July 7, 2023, and will be paid on July 11, 2023. The balance of the dividend breaks down as follows for tax purposes:

- €0.0362 deducted from the SIIC distribution obligations carried forward from prior years, not eligible for the 40% tax relief; and
- €0.8439 deducted from the "Issue premium" account and treated for tax purposes as an equity repayment for shareholders within the meaning of paragraph 1 of Article 112 of the French Tax Code.

In accordance with legal provisions, treasury shares held by the Company on the ex-dividend date do not carry distribution rights.

The General Meeting confers all necessary powers on the Executive Board to determine the adjustments to make to the overall amount of the dividend and consequently on the balance of the distributable earnings to be appropriated to “Retained earnings” or “Issue, merger and contribution premium”, depending on whether the distribution was deducted from net income for the fiscal year or from the “Issue premium” account, respectively.

Pursuant to Article 243 *bis* of the French Tax Code, distributions for the last three fiscal years were as follows:

Fiscal year	Total amount paid to shareholders *(in euros)*	Net amount per share *(in euros)*	Amount eligible for the tax relief provided for under Article 158-3-2° of the French Tax Code for eligible shareholders *(in euros)*	Amount not eligible for the tax relief provided for under Article 158-3-2° of the French Tax Code *(in euros)*
2019	662,863,622.30	2.20	178,702,607.55	484,161,014.75[(a)]
2020	294,848,054.00	1.00	0	294,848,054.00[(b)]
2021	487,663,992.00	1.70	0	487,663,992.00[(b)]

(a) Including equity repayments, within the meaning of paragraph 1 of Article 112 of the French Tax Code, of €254,378,433.82.
(b) Entirely comprising an equity repayment, within the meaning of paragraph 1 of Article 112 of the French Tax Code.

The General Meeting confers all necessary powers on the Executive Board to determine the number of shares held by the Company and the amount of the balance of equity premiums.

Fourth to sixth resolutions – Related-party agreements

Pursuant to the sixth resolution, you are asked to approve the Statutory Auditors' special report on agreements governed by Article L. 225-86 of the French Commercial Code, which includes two new agreements relating to the situation of Jean-Michel Gault and voluntarily subjected to the regime provided for in Article L. 225-86 *et seq.* of the French Commercial Code, authorized by the Supervisory Board during the fiscal year ended December 31, 2022 and not yet approved by the General Meeting.

Each of these agreements is subject to a specific resolution (fourth and fifth resolutions) submitted to your vote. Jean-Michel Gault had an indefinite employment contract with Klépierre Management SNC since August 1, 1998. Pursuant to the national collective bargaining agreement for the real estate industry, the applicable notice period is three months. Although not required by the AFEP-MEDEF Code as a member of the Executive Board, his employment contract was suspended on July 1, 2016 in connection with his duties as a member of the Executive Board of Klépierre SA.

His employment contract was also amended on November 21, 2017 in order to (i) insert therein Jean-Michel Gault's agreement to waive any severance pay exceeding two years of the last fixed and variable compensation received as a member of the Executive Board (including in respect of the termination of his employment contract) and (ii) to implement a non-statutory package in the event of his forced departure (except in the event that he was not re-appointed), as described on page 287 of the 2021 Universal Registration Document.

The waiver referred to above allowed the Company to contain the financial risk linked to any termination of Jean-Michel Gault's employment contract, by limiting the severance to two years under all circumstances, in accordance with the rules on severance pay for corporate officers set out in the AFEP-MEDEF Code. Signing this amendment did not lead to any payment in favor of Jean-Michel Gault.

On May 24, 2022, the Supervisory Board of Klépierre SA noted that Jean-Michel Gault's term of office as a member of the Executive Board was due to expire on June 21, 2022, and was not renewed.

As his term of office was not renewed, the abovementioned severance package was not applicable.

1. Amendment to Jean-Michel Gault's employment contract with Klépierre Management SNC (a subsidiary of Klépierre SA) - Fourth resolution

Jean-Michel Gault's employment contract with Klépierre Management SNC, a Klépierre SA subsidiary, automatically resumed with effect from June 22, 2022. In that context, on June 22, 2022 the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, approved and voluntarily subjected to the provisions of Articles L. 225-86 and L. 22-10-30 of the French Commercial Code the terms of an amendment to the arrangements for the resumption of his employment contract, as summarized below.

Main terms and conditions of the amendment to the employment contract	Employee status in Klépierre Management SNC: Advisor to the Executive Board of Klépierre SA as of June 22, 2022 Compensation as an employee: • Fixed compensation: annual fixed basic salary of €400,000 (including the 13th month), i.e., a gross monthly amount of €30,769; • Variable compensation: 100% of the fixed compensation paid during the period of activity concerned in the event all objectives set are met. Benefits in kind as an employee: • Company car, treated as a benefit in kind as part of his compensation; • Benefits and rights to which he is entitled under the collective bargaining agreement applicable to his category and under the conditions provided for their application, in particular the applicable occupational insurance and healthcare benefits plans. Jean-Michel Gault has the status of senior executive within the meaning of Article L. 3111-2 of the French Labor Code and is excluded from the laws applicable to working hours and the organization of working schedules.
Interest of the agreement for Klépierre SA and the shareholders, including non-controlling shareholders	To guarantee a smooth transition within its teams.
Ratio between the cost for Klépierre SA and the last annual profit of Klépierre SA	Jean-Michel Gault's compensation under his employment contract with Klépierre Management SNC is paid by the latter.

2. Settlement agreement between Jean-Michel Gault, Klépierre Management SNC (a subsidiary of Klépierre SA) and the Company - Fifth resolution

Following a disagreement on the assignments entrusted to him, Klépierre Management SNC (a subsidiary of Klépierre SA) and Jean-Michel Gault entered into amicable discussions in order to settle the consequences and terms and conditions of the termination of Jean-Michel Gault's duties as an employee, further to his dismissal, and to reach a settlement agreement, which was signed on November 21, 2022, between the Company, Klépierre Management SNC (Jean-Michel Gault's employer) and Jean-Michel Gault, the main terms and conditions of which are described below.

The signature and the content of the settlement agreement (including the financial undertakings contained therein) were authorized by the Supervisory Board of Klépierre SA on October 18, 2022, upon the recommendation of the Nomination and Compensation Committee which met on October 17, 2022, and voluntarily subjected to the provisions of Articles L. 225-86 and L. 20-10-30 of the French Commercial Code.

Terms and conditions	Jean-Michel Gault will receive the contractual redundancy payment due by Klépierre Management SNC as a result of the termination of his employment contract in the amount of €719,693 gross, the elements of his account balance and in particular an indemnity in lieu of paid vacations, as well as the variable compensation for the period from June 22, 2022 until December 9, 2022, i.e., the effective date of the termination of his duties as employee.
Financial conditions (subject to approval by the General Meeting of May 11, 2023)	The settlement agreement provides for the payment by Klépierre Management SNC of a gross amount of €936,307 as a settlement indemnity. In total, the amount of this indemnity, added to the abovementioned contractual redundancy payment (resulting from the applicable collective agreement) is equivalent to approximately 18 months' salary (gross) against almost 28 years of seniority. The agreement also provides that Jean-Michel Gault may retain the benefit of 45,595 Klépierre SA performance shares out of the 71,000 initially granted to him under the 2020 and 2021 plans, pro rating his presence between the grant dates under the concerned plans and his actual departure date, based on the entire vesting period. This concession required the partial waiver, by the Supervisory Board of Klépierre SA on October 18, 2022, of the service condition until the effective date of exercise of the concerned plans. In any event, the number of performance shares that will definitively vest to Jean-Michel Gault under the 2020 and 2021 plans will depend on the satisfaction of the performance conditions that remain attached to them until the end of the vesting period.
Interest of the agreement for Klépierre SA and the shareholders, including non-controlling shareholders	Klépierre SA and Klépierre Management SNC considered that it was not in their interest to engage in litigation with a former executive, which would necessarily be long, costly and likely to damage their image. This settlement agreement includes an irrevocable and mutual waiver of any legal proceedings or actions and, in particular, a waiver by Jean-Michel Gault of any claim related to the performance and/or termination of his employment contract with Klépierre Management SNC and his corporate offices within the Klépierre Group. This settlement agreement also provides for confidentiality and non-denigration obligations for Jean-Michel Gault. The concessions made by Klépierre SA and Klépierre Management SNC in the settlement agreement must be viewed in light of the theoretical maximum risk in the event that the employee contested his dismissal before the employment tribunals and the dismissal was deemed to be unfair. In view of Jean-Michel Gault's 28 years of seniority, the maximum amount of damages for unfair dismissal could amount to 19.5 months of salary, i.e., some €1,300,000 (in addition to contractual redundancy pay), based on the components of remuneration received as an employee. In addition, in the event of a dispute, Jean-Michel Gault could make additional claims for compensation and Klépierre Management SNC could be required to reimburse up to six months' unemployment benefits received by him. Accordingly, the settlement indemnity that could be paid to Jean-Michel Gault in the event of that the related resolution is adopted by the General Meeting is significantly lower than the maximum risk incurred in the event of a dispute.
Ratio between the cost for Klépierre SA and the last annual profit of Klépierre SA	The contractual redundancy payment (resulting from the applicable collective agreement) and the settlement indemnity provided for in the settlement agreement are borne by Klépierre Management SNC which is the entity having entered into the employment contract with Jean-Michel Gault.

The amendment to Jean-Michel Gault's employment contract and the abovementioned settlement agreement were the subject of two press releases published on June 27, 2022 and November 21, 2022.

It should also be noted that Jean-Michel Gault was not eligible to claim full retirement benefits at the time of, or in connection with, the expiration of his corporate office.

By way of reminder, even though the settlement agreement was concluded further to a disagreement over the assignments entrusted to Jean-Michel Gault under his employment contract following the termination of his corporate office, in order to best deal with this legacy situation, it was decided in the interests of transparency and governance, given that Jean-Michel Gault was previously a member of the Executive Board, (i) to voluntarily submit both the amendment to the employment contract and the settlement agreement to the related-party agreements procedure, and therefore to the approval of the 2023 General Meeting under the 4th and 5th resolutions (see sections 7.1.4.3 "Related-party agreements" and 7.1.5 "Statutory Auditors' special report on related party agreements"), and (ii) to make the reciprocal concessions in the context of the settlement agreement, in particular the financial undertakings made by Klépierre Management SNC and Klépierre SA, subject to the approval of the 2023 General Meeting. If these financial commitments are not approved by the General Meeting, they will be null and void.

In addition, the compensation policy applicable to the Chairman of the Executive Board, which prohibits holding both a corporate office and an employment contract, will be systematically extended to members of the Executive Board in future. Accordingly, in the event a Klépierre Group employee is appointed as a new member of the Executive Board, the Supervisory Board will request the termination of the relevant employment contract (without compensation if the appointee is a Klépierre Group employee). Accordingly, no member of Klépierre's Executive Board will in future be able to combine a corporate office with an employment contract (regardless of whether or not the employment contract is suspended).

You are invited to approve the fourth to sixth resolutions as presented to you.

Fourth resolution

(Approval of the amendment to Jean-Michel Gault's employment contract with Klépierre Management SNC entered into on June 27, 2022, voluntarily subjected to the regime provided for in Article L. 225-86 et seq. *of the French Commercial Code)*

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having reviewed the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 *et seq.* of the French Commercial Code and the report of the Executive Board, approves the amendment to the employment contract entered into by Jean-Michel Gault with Klépierre Management SNC on June 27, 2022, voluntarily subject to the regime provided for in Article L. 225-86 *et seq.* of the French Commercial Code and authorized by the Supervisory Board on June 21, 2022.

Fifth resolution

(Approval of the settlement agreement between the Company, Klépierre Management SNC and Jean-Michel Gault in connection with the termination of his duties as an employee of Klépierre Management SNC, voluntarily subjected to the regime provided for in Article L. 225-86 et seq. *of the French Commercial Code)*

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having reviewed the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 *et seq.* of the French Commercial Code and the report of the Executive Board, approves the settlement agreement between the Company, Klépierre Management SNC and Jean-Michel Gault in connection with the termination of his duties as an employee of Klépierre Management SNC, voluntarily subjected to the regime provided for in Article L. 225-86 *et seq.* of the French Commercial Code and authorized by the Supervisory Board on October 18, 2022.

Sixth resolution

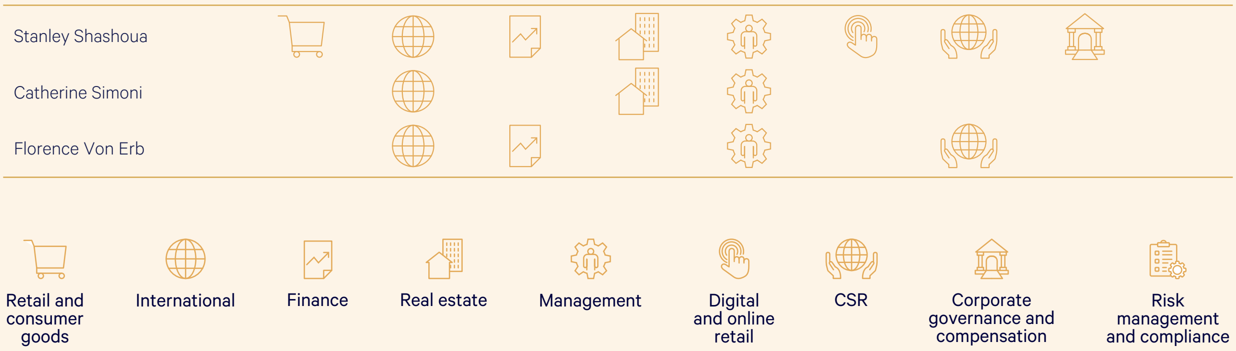
Approval of the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code.

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 *et seq.* of the French Commercial Code, places on record that the Statutory Auditors were not made aware of any new agreement that remained in force during the fiscal year ended December 31, 2022, other than those referred to in the fourth and fifth resolutions above, and approves the terms of this report.

Seventh to ninth resolutions – Re-appointment of members of the Supervisory Board

Pursuant to the seventh to ninth resolutions, the General Meeting is invited to re-appoint Catherine Simoni, Florence von Erb and Stanley Shashoua for terms of three years, expiring at the end of the Ordinary Shareholders' Meeting to be called in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

With their terms of office due to expire at the end of the 2023 General Meeting, Catherine Simoni, Florence Von Erb and Stanley Shashoua are seeking re-appointment. After reviewing the individual situation of each of these three members and given their skills (as presented in the skills matrix below), the quality of their contribution to the Supervisory Board's work and to the Committees of which they are members, their solid understanding of the Group's challenges and their assiduous attendance at meetings, both the Nomination and Compensation Committee and the Supervisory Board are in favor of their re–appointment.



Catherine Simoni

If her re-appointment to the Supervisory Board is approved, the Supervisory Board will re-appoint Catherine Simoni as a member of the Nomination and Compensation Committee and of the Investment Committee.

Her attendance rate at the 2022 meetings of the Supervisory Board, the Nomination and Compensation Committee and the Investment Committee was 100%.

Catherine Simoni is regarded as independent according to the criteria set out in the AFEP-MEDEF Corporate Governance Code.

Her detailed profile can be found on page 266 of this document.

Florence Von Erb

If her re-appointment to the Supervisory Board is approved, the Supervisory Board will re-appoint Florence von Erb as a member of the Audit Committee and the Sustainable Development Committee.

Her attendance rate at the 2022 meetings of the Supervisory Board, the Audit Committee and the Sustainable Development Committee is 100%.

Florence von Erb is regarded as independent according to the criteria set out in the AFEP-MEDEF Corporate Governance Code.

Her detailed profile can be found on page 268 of this document.

Stanley Shashoua

If his re-appointment to the Supervisory Board is approved, the Supervisory Board will re-appoint Stanley Shashoua as a member of the Investment Committee and the Sustainable Development Committee.

His attendance rate at the 2022 meetings of the Supervisory Board, the Investment Committee, the Audit Committee and the Sustainable Development Committee was 100%.

Stanley Shashoua is a representative of the Company's principal shareholder, Simon Property Group, Inc.

His detailed profile can be found on page 265 of this document.

The current membership of the Supervisory Board (which would remain unchanged in the event of the re-appointment of the above members) is set forth on pages 257 *et seq.* of this document. As a result, the Supervisory Board comprises:

- Five independent members, representing 56% of the members, above the minimum 50% proportion recommended by the AFEP-MEDEF Code;
- Four women, representing 44%, above the 40% proportion required under the French Commercial Code;
- Five non-French members.

In accordance with the AFEP-MEDEF Code, the Supervisory Board regularly deliberates on the desirable balance of its membership and that of the Specialized Committees in order to guarantee shareholders and the market that its duties are carried out with the necessary independence and objectivity, in line with the Group's challenges and strategy. When reviewing its membership and proposals for appointment or re-appointment submitted to the General Meeting, the Supervisory Board closely examines the individual situation of each member, particularly:

- The skills and experience they contribute to the work of the Board and the Committees;
- Their availability and attendance at meetings, as well as their commitment;
- Their situation as regards any conflicts of interest;
- Their contribution to the diversity of the Board in terms of qualifications, age, gender, nationality, length of service on the Board and professional experience.

At the date hereof, the Supervisory Board considers that its current membership is balanced and satisfactory and meets both regulatory requirements and the recommendations of the AFEP-MEDEF Code. All of its members have expertise and complementary skills. In addition, they all have in-depth knowledge of Klépierre and its organization and operations. The Board also notes that its members are active, and attend meetings assiduously.

You are invited to approve the seventh to ninth resolutions as presented to you.

Seventh resolution

(Re-appointment of Catherine Simoni as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of Catherine Simoni as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint her for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Catherine Simoni is seeking re-appointment and has stated that she neither holds any position nor is affected by any impediment that might prevent her from exercising it.

Eighth resolution

(Re-appointment of Florence von Erb as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of Florence von Erb as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint her for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Florence von Erb is seeking re-appointment and has stated that she neither holds any position nor is affected by any impediment that might prevent her from exercising it.

Ninth resolution

(Re-appointment of Stanley Shashoua as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, and noted that the term of office of Stanley Shashoua as member of the Supervisory Board expires at the close of this General Meeting, resolves to re-appoint him for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2026 to approve the financial statements for the fiscal year ending December 31, 2025.

Stanley Shashoua is seeking re-appointment and has stated that he neither holds any position nor is affected by any impediment that might prevent him from exercising it.

Tenth and eleventh resolutions – Non-replacement of the Alternate Statutory Auditors after they were not re-appointed

The tenth and eleventh resolutions concern the placing on record that following the non-re-appointment of the Alternate Statutory Auditors whose term of office expired at the end of the General Meeting held on April 26, 2022, no replacement is appointed.

You are invited to approve the tenth and eleventh resolutions as presented to you.

Tenth resolution

(Placing on record that following the non-re-appointment of BEAS as Alternate Statutory Auditor, no replacement is appointed)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and noted that the term of BEAS as Alternate Statutory Auditor expired at the close of the General Meeting held on April 26, 2022, places on record in the absence of a legal obligation to replace it, the non-re-appointment of BEAS as Alternate Statutory Auditor.

Eleventh resolution

(Placing on record that following the non-re-appointment of Picarle & Associés as Alternate Statutory Auditor, no replacement is appointed)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and noted that the term of Picarle & Associés as Alternate Statutory Auditor expired at the close of the General Meeting held on April 26, 2022, places on record in the absence of a legal obligation to replace it, the non–re-appointment of Picarle & Associés as Alternate Statutory Auditor.

Twelfth to fourteenth resolutions – 2023 compensation policies applicable to the Supervisory Board and Executive Board

Pursuant to the twelfth to fourteenth resolutions, you are asked to approve the compensation policies applicable in 2023 for the Chairman and the other members of the Supervisory Board and the Chairman and the other members of the Executive Board, respectively, for the performance of their offices.

2023 compensation policy for the Chairman and the other members of the Supervisory Board

No changes are envisaged in the compensation policy of the Chairman and the other members of the Supervisory Board for 2023 versus the policy in place for fiscal year 2022.

As a reminder, the compensation of the Chairman and members of the Supervisory Board consists solely of an overall budget, the maximum of which was set at €700,000 by the Ordinary and Extraordinary Shareholders' Meeting of April 19, 2016 (i.e., €688,000 for a nine-member Supervisory Board).

Taking into account the fact that the number of Supervisory Board members was reduced to nine following the General Meeting of April 18, 2017, the utilization in fiscal year 2023 of the annual fixed budget of €700,000 is not expected to exceed €688,000.

Subject to the approval of the 2023 General Meeting (12^{th} resolution), the annual budget will be determined in 2024 by the Supervisory Board based on the duties of each member on the Board and/or its various Committees, distinguishing between Chair or Vice Chair and members, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (of the Supervisory Board and/or the Committees) or Vice Chair of the Supervisory Board	Fixed portion: €22,000 per office Variable portion: N/A	€132,000
Supervisory Board members	Fixed portion: €12,000	€108,000
	Variable portion: Amount based on attendance record at Board meetings	€224,000
Committee members	Fixed portion: N/A Variable portion: Amount based on attendance record at the relevant Committee meetings	€224,000
Total		**€688,000**

The table above shows that the variable component is the major portion, representing up to 65% of the overall amount, in accordance with the recommendations of the AFEP-MEDEF Code.

Supervisory Board members may also obtain the reimbursement of all reasonable costs and expenses arising from the exercise of their duties, subject to providing the necessary supporting documentation.

No other components of compensation are awarded to the Chairman and members of the Supervisory Board or its Committees, and no agreements (employment or service agreements) have been entered into by Board or Committee members with the Company or any other Klépierre Group entity.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2023.

The compensation policy for the Chairman and the other members of the Supervisory Board is presented in detail in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy" and 6.2.2.1 "Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2023" of the present document.

2023 compensation policy for the Chairman and the other members of the Executive Board

The components of compensation for the Chairman and the other members of the Executive Board for fiscal year 2023, as established by the Supervisory Board on February 14, 2023, on the basis of the work of the Nomination and Compensation Committee meeting of February 10, 2023, remain unchanged versus 2022.

SUMMARY PRESENTATION OF THE 2023 COMPENSATION STRUCTURE FOR THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD AS PROPOSED TO THE GENERAL MEETING

Fixed compensation	Short-term variable compensation (capped at 150% of fixed compensation)	Long-term variable compensation (capped at: 100% of fixed + short-term variable[a])			
Annual compensation Benefits in kind	Quantitative criteria (up to 100% of fixed compensation) + Qualitative criteria (up to 50% of fixed compensation)	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		20%	25%	20%	35%
		Performance assessed over three years (except in cases provided for in the plan rules; see page 293)			
		Shareholding obligation (see page 295)			

(a) *Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.*

The Nomination and Compensation Committee regularly benchmarks the practices of companies comparable in size and activities to Klépierre, notably to verify (i) the appropriateness of Executive Board member compensation with regard to the Group's size and to Board members' experience as well as (ii) the competitiveness of the compensation offered to Executive Board members versus the benchmark.

The study conducted by the Nomination and Compensation Committee in 2022 benchmarking compensation awarded to Executive Board members against the market showed that the 2022 compensation levels for executive corporate officers as adopted by the General Meeting of April 26, 2022 were consistent with Klépierre's positioning (in terms of its market capitalization) within the benchmark panels selected. This positioning corresponds to the median of the panel of SBF 120 companies and to the highest quartile of the panel of major European listed real estate companies.

In addition, the Supervisory Board may, in exceptional circumstances and having solicited the opinion of the Nomination and Compensation Committee, use its judgment to adapt and/or amend the criteria and/or calculation scale (upwards or downwards) used to determine the annual short-term variable compensation of the Chairman and the other members of the Executive Board, in the event that the impact of such an exceptional circumstance were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's faculty in this regard (which is separate from that granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, the modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as the Covid-19 health crisis and subsequent developments, and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

The proposed 2023 compensation policy for the Chairman and the other members of the Executive Board is presented in detail in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy" and 6.2.2.2 "Compensation of the Chairman and the other members of the Executive Board for fiscal year 2023" of the Company's 2022 Universal Registration Document.

You are invited to approve the twelfth to fourteenth resolutions as presented to you.

Twelfth resolution

(Approval of the 2023 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report describing the compensation policy for executive corporate officers drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in the 2022 Universal Registration Document in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.1 "Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2023", approves the 2023 compensation policy for the Chairman and the other members of the Supervisory Board, including the principles and criteria for distributing and allotting sums allocated to the compensation of the Chairman and the other members of the Supervisory Board as set out in the aforementioned document.

Thirteenth resolution

(Approval of the 2023 compensation policy for the Chairman of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report describing the compensation policy for corporate officers and drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in the 2022 Universal Registration Document in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.2.1 "Components of compensation for the Chairman of the Executive Board for fiscal year 2023", approves the compensation policy for the Chairman of the Executive Board for fiscal year 2023, including the principles and criteria for distributing sums allocated to the compensation of the Chairman of the Executive Board as set out in the aforementioned document.

Fourteenth resolution

(Approval of the 2023 compensation policy for the members of the Executive Board (excluding the Chairman))

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report describing the compensation policy for corporate officers and drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in the 2022 Universal Registration Document in sections 6.2.1.1 "Fundamental principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.2.2 "Components of compensation for the members of the Executive Board (excluding the Chairman) for fiscal year 2023", approves the 2023 compensation policy for the members of the Executive Board (excluding the Chairman), including the principles and criteria for distributing and allotting sums allocated to the compensation of said members of the Executive Board as set out in the aforementioned document.

Fifteenth resolution – Approval of the disclosures on the compensation for 2022 of the Chairman and the members of the Supervisory Board and the Chairman and the other members of the Executive Board required under paragraph I of Article L. 22-10-9 of the French Commercial Code

The General Meeting is invited to hold an *ex-post* vote on the disclosures on corporate officer compensation required under paragraph I of Article L. 22-10-9 of the French Commercial Code, as presented in section 6.2.3 "Supervisory Board and Executive Board compensation (fiscal year 2022)" of the 2022 Universal Registration Document.

You are invited to approve the fifteenth resolution as presented to you.

Fifteenth resolution

(Approval of the information referred to in paragraph I of Article L. 22-10-9 of the French Commercial Code regarding corporate officer compensation paid during or allotted for the fiscal year ended December 31, 2022)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information required under paragraph I of Article L. 22-10-9 of said Code, as presented in the Supervisory Board's corporate governance report referred to in Article L. 225-68 of said code and set out in the 2022 Universal Registration Document in section 6.2.3 "Supervisory Board and Executive Board compensation (fiscal year 2022)".

Sixteenth to twentieth resolutions – Approval of the components of compensation paid during or allotted for fiscal year 2022 to the Chairman of the Supervisory Board, the Chairman of the Executive Board and the other members of the Executive Board

The General Meeting is invited to hold an *ex-post* vote on the amount or value of the components of compensation paid during or allotted for fiscal year 2022 to the Chairman of the Supervisory Board, the Chairman of the Executive Board and each of the members of the Executive Board.

The components of compensation paid during or allotted for fiscal year 2022 to executive corporate officers are presented in section 6.2.3 "Supervisory Board and Executive Board compensation (fiscal year 2022)" of this document.

You are invited to approve the sixteenth to twentieth resolutions as presented to you.

Sixteenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to David Simon in his capacity as Chairman of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2022 to David Simon in his capacity as Chairman of the Supervisory Board, as set out in the 2022 Universal Registration Document in section 6.2.3.1 b) "Chairman of the Supervisory Board".

Seventeenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Jean-Marc Jestin in his capacity as Chairman of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2022 to Jean-Marc Jestin in his capacity as Chairman of the Executive Board, as set out in the 2022 Universal Registration Document in section 6.2.3.2.1 "Components of compensation paid during or allotted for fiscal year 2022 to Jean-Marc Jestin, Chairman of the Executive Board".

Eighteenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Stéphane Tortajada in his capacity as Chief Financial Officer and Executive Board member as from June 22, 2022)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2022 to Stéphane Tortajada in his capacity as Chief Financial Officer and Executive Board member from June 22, 2022, as set out in the 2022 Universal Registration Document in section 6.2.3.2.2 b) "Stéphane Tortajada, Chief Financial Officer, member of the Executive Board as from June 22, 2022".

Nineteenth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Jean-Michel Gault in his capacity as Chief Financial Officer and member of the Executive Board until June 21, 2022)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2022 to Jean-Michel Gault in his capacity as Chief Financial Officer and Executive Board member until June 21, 2022, as set out in the 2022 Universal Registration Document in section 6.2.3.2.2 a) "Jean-Michel Gault, Chief Financial Officer, member of the Executive Board until June 21, 2022".

Twentieth resolution

(Approval of the fixed, variable and exceptional components of the total compensation and benefits in kind paid during or allotted for the fiscal year ended December 31, 2022 to Beñat Ortega in his capacity as Chief Operating Officer, member of the Executive Board until January 31, 2022)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2022 to Beñat Ortega in his capacity as Chief Operating Officer and Executive Board member until January 31, 2022, as set out in the 2022 Universal Registration Document in section 6.2.3.2.2 c) "Beñat Ortega, Chief Operating Officer, member of the Executive Board until January 31, 2022".

Twenty-first resolution – Authorization granted to the Company to buy back its shares

The General Meeting is invited to renew the authorization granted to the Executive Board on April 26, 2022, for a further period of 18 months, to trade in the Company's shares, notably in order:

- To maintain the secondary market in or liquidity of the Klépierre SA share through an investment services provider pursuant to a liquidity agreement that complies with decision 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (*Code du travail*); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

The Executive Board may not use this authorization during the offer period in the event of a public offer initiated by a third party for the Company's shares without the prior authorization of the General Meeting.

The shares may be purchased, sold, exchanged or transferred by any means, on one or more occasions, in particular on the market or over-the-counter, including in whole or in part, by purchasing, selling, exchanging or transferring blocks of shares. Where appropriate, these means shall include the use of financial futures.

The number of Company shares that may be purchased in this manner would be subject to the following ceilings: on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program may not exceed 10% of the shares comprising the Company's share capital, and the number of shares held by the Company at any time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

The maximum purchase price per share would be €35, representing a total amount allocated to the share buyback program of €1,004,014,095, excluding acquisition costs.

This authorization is requested for a period of 18 months and would supersede the authorization granted by the General Meeting of April 26, 2022.

For information purposes, no shares were bought back during the fiscal year ended December 31, 2022.

You are invited to approve the twenty-first resolution as presented to you.

Twenty-first resolution

(Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report, authorizes the Executive Board, which may delegate under the conditions provided for by law and the Company's bylaws, in accordance with the provisions in Articles L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014 and Commission Delegated Regulation (EU) 2016/1052 of March 8, 2016, as well as any other legal and regulatory provisions which may be applicable, to purchase or arrange for the purchase of the Company's shares, notably in order:

- To maintain the secondary market in or liquidity of the Klépierre share through an investment services provider pursuant to a liquidity agreement that complies with decision 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or

- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq*. and L. 22-10-59 *et seq*. of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq*. of the French Labor Code (*Code du travail*); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

The General Meeting resolves that this program is also intended to enable any future market practices permitted by the AMF to be implemented, and more generally, any transaction in accordance with the legislation and regulations in force or which may become applicable. In such event, the Company will inform its shareholders by way of a press release.

The General Meeting resolves that the number of shares that may be purchased by the Company is subject to the following limits:

- The total number of shares purchased by Company since the start of the buyback program (including those subject to the said buyback) may not exceed 10% of the shares comprising the Company's share capital, at any time whatsoever, this percentage being applied to the share capital as adjusted to take into account the impact of any transactions affecting the share capital after this General Meeting, on the understanding (i) that the number of shares purchased by the Company with a view to their being held and subsequently delivered as payment or exchange as part of a merger, spin-off or asset transfer transaction may not exceed 5% of the share capital; and (ii) in accordance with the provisions in Article L. 22-10-62 of the French Commercial Code, that when the shares are purchased to maintain a liquid market under the conditions defined by the General Regulation of the AMF, the number of shares included in the calculation of the abovementioned 10% ceiling corresponds to the number of shares purchased, less the number of shares resold during the authorization period;
- The number of shares held by the Company at any given time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

The General Meeting resolves that such operations may be carried out on one or more occasions, at any time within the limits authorized by the legal and regulatory provisions in force and in those provided for in this resolution (except during a public offer for the Company's shares), and by any means, on regulated markets, multi-lateral trading systems, using systematic internalizers or over-the-counter, including by purchasing or selling blocks of securities (without limiting the proportion of the buyback program that may be carried out in this way), by public tender or exchange offer, or by using options or other financial futures, or by delivering shares following the issue of securities giving rights to shares of the Company by conversion, exchange, redemption, exercising of a warrant or any other means, whether directly or indirectly through an investment services provider.

The General Meeting sets the maximum purchase price of the shares under this resolution at €35 per share (or the exchange value of this amount in any other currency at the same date), excluding acquisition fees. This maximum price only applies to purchases decided after the date of this General Meeting and not to future transactions carried out pursuant to an authorization granted by a previous General Meeting and providing for purchases after the date of this General Meeting. In the event of transactions affecting the share capital, and in particular share splits or consolidations or the allotment of free shares, or of transactions affecting shareholders' equity, the abovementioned amount will be adjusted to take account of the impact of the value of such transactions on the share value.

The General Meeting notes, for information purposes, that the maximum purchase price per share of €35 (or the exchange value of this amount in any other currency at the same date), excluding acquisition fees and on the basis of the number of shares comprising the Company's share capital at December 31, 2022, corresponds to the total amount allocated to the share buyback program, the subject of this resolution, i.e., €1,004,014,095, excluding acquisition fees.

The General Meeting delegates to the Executive Board, which may sub-delegate under the conditions provided by law, in the event of a change in the par value, the power to carry out the following transactions (i) capital increase by capitalization of reserves, (ii) allotment of free shares, (iii) share splits or consolidations, (iv) reserve or other asset distributions, (v) capital amortization, or (vi) any other transaction affecting the shareholders' equity, as well as the power to adjust the abovementioned maximum purchase price to take into account the impact on the value of the share.

The General Meeting delegates to the Executive Board, which may sub-delegate under the conditions provided by law, all powers to implement this authorization, to carry out these transactions, to determine the terms and conditions thereof, to enter into any agreements and to complete any formalities, to issue stock exchange instructions, to allocate or reallocate purchased shares to various objectives, and to submit any declarations to the AMF or any other competent authority.

The General Meeting sets the authorization period at 18 months, from the date of this General Meeting, and notes that, from this same date, this delegation of authority supersedes the delegation of authority granted by the 18th resolution of the Company's General Meeting of April 26, 2022.

Resolutions of the Extraordinary General Meeting

Twenty-second resolution – Delegation of authority to reduce the share capital by canceling treasury shares

The purpose of this resolution is to authorize the Executive Board, which may delegate such authorization under the conditions provided for by law, to reduce the share capital, on one or more occasions, by canceling any number of treasury shares within the limits authorized by law.

The Company may cancel treasury shares in order to achieve various financial objectives, such as to actively manage its capital, to optimize its balance sheet, or to offset dilution resulting from a capital increase.

The number of the Company's shares that may be canceled would be subject to the following ceilings: on the date of each cancellation, the maximum number of shares canceled by the Company during the 24-month period preceding such cancellation, including the shares subject to said cancellation, may not exceed 10% of the shares comprising the Company's capital on that date.

This authorization is requested for a period of 26 months and would supersede the authorization granted by the General Meeting of April 26, 2022.

No share capital reductions were carried out during fiscal year 2022.

You are invited to approve the twenty-second resolution as presented to you.

Twenty-second resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to reduce the share capital by canceling treasury shares)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, authorizes the Executive Board to reduce the share capital, on one or more occasions, in such proportions and at such times as it shall decide, by canceling any number of treasury shares as it shall decide within the limits authorized by law, in accordance with the provisions of Articles L. 22-10-62 *et seq.* of the French Commercial Code.

On the date of each cancellation, the maximum number of shares canceled by the Company during the 24-month period preceding such cancellation (including the shares subject to said cancellation) may not exceed 10% of the shares comprising the Company's share capital on that date, i.e., for information purposes, as of December 31, 2022, a maximum of 28,686,117 shares, on the understanding that this limit applies to the amount of the Company's share capital as adjusted, where necessary, to take into account the impact of any transactions affecting the share capital after this General Meeting.

The General Meeting confers all necessary powers on the Executive Board, which may delegate such powers under the conditions provided for by law and the Company's bylaws, to charge the difference between the book value of the canceled shares and their par value to any reserve or share premium accounts, to approve the terms and conditions of the cancellations, to complete any share cancellation or capital reduction transactions that may be carried out pursuant to this authorization, to make the corresponding amendments to the bylaws, to submit any declarations to the AMF and to complete all formalities.

With effect from the date hereof, this authorization supersedes the delegation of authority granted by the 19th resolution of the Company's General Meeting of April 26, 2022.

It is given for a period of 26 months with effect from the date hereof.

Twenty-third to twenty-ninth resolutions – Renewal of financial authorizations

The 23rd to 29th resolutions relate to financial delegations of authority that may be granted to the Executive Board.

The purpose of these resolutions is to renew the authorizations previously granted by the General Meeting of June 17, 2021, which are due to expire.

The purpose of these financial authorizations is to give the Executive Board the power to steer Klépierre's financial management, by authorizing it, in particular, to issue securities in certain circumstances and under certain conditions, depending on market opportunities.

Subject to compliance with the maximum limits, as set out in the summary table below and which are consistent with market practices, and the terms and conditions strictly defined for each of the authorizations, the Executive Board would be authorized to issue securities, with or without preemptive subscription rights, where appropriate.

For the record, any capital increase in cash generally involves a preemptive right to subscribe to the new shares, allowing shareholders to subscribe during a fixed period to a number of shares in proportion to their interest in the share capital. This preemptive subscription right can be detached from the shares and is negotiable throughout the subscription period.

Certain authorizations submitted to the vote of the General Meeting would result in capital increases without this preemptive subscription right for the following reasons:

- Depending on market conditions, preemptive subscription rights may need to be canceled in order to carry out an issue of securities under optimal conditions, for example, if the Company has to act swiftly;
- In addition, the vote on certain resolutions might, by law, entail the express waiver by shareholders of their preemptive subscription rights in favor of the beneficiaries of the issues or allocations.

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2022
Capital increase with preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities[(a)]	Maximum nominal amount: €120 million and €1.5 billion for debt securities	26 months with effect from May 11, 2023 (23rd resolution)	None
Capital increase without preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities, by means of a public offering or private placement[(a)(b)]	Maximum nominal amount: €40.1 million and €1.5 billion for debt securities	26 months with effect from May 11, 2023 (24th and 25th resolutions)	None
Increase in the number of securities to be issued in the event of an issue of ordinary shares and/or securities giving rights to shares of the Company, any subsidiary and/or any other company, with or without preemptive subscription rights[(a)]	At the same price as that decided for the initial issue, within the periods and limits specified by the applicable regulations as of the date of the issue[(c)]	26 months with effect from May 11, 2023 (26th resolution)	None
Capital increase without preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company as consideration for contributions in kind in the form of equity securities and/or securities giving rights to shares of the Company[(a)]	Up to 10% of the share capital	26 months with effect from May 11, 2023 (27th resolution)	None
Capital increase by capitalizing premiums, reserves, profits or other items[(a)]	€100 million	26 months with effect from May 11, 2023 (28th resolution)	None

(a) *Overall maximum nominal amount of the share capital increases, whether immediate and/or future, that may be carried out pursuant to the authorizations granted to the Executive Board: €120 million (29th resolution) (plus the nominal amount of any additional shares issued to protect the rights of the holders of securities giving rights to shares of the Company). Overall maximum nominal amount of debt securities giving rights to shares of the Company: €1.5 billion (29th resolution).*

(b) *Private placement: issues may not exceed the limits specified by the applicable regulations as of the date of the issue (20% of the share capital per year, pursuant to Article L. 225-136-2 of the French Commercial Code).*

(c) *Within 30 days of the close of the subscription period and within the limit of 15% of the initial issue, pursuant to Article R. 225-118 of the French Commercial Code.*

You are invited to approve the twenty-third to twenty-ninth resolutions as presented to you.

Twenty-third resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities, with preemptive subscription rights)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6 of the French Commercial Code and the provisions of Articles L. 22-10-49 and L. 228-91 *et seq.* of said Code:

1. Delegates to the Executive Board, which may sub-delegate under the conditions provided for by law, the regulations and the Company's bylaws, its authority, subject to prior authorization by the Supervisory Board, to issue, on one or more occasions, in France or abroad, with preemptive subscription rights, in such proportions and at such times as it shall decide, either in euros or in any other currency or monetary unit benchmarked to a basket of currencies, (i) ordinary Company shares, (ii) securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code, which are equity securities of the Company giving rights to other equity securities of the Company and/or giving rights to debt securities of the Company, (iii) debt securities governed or not by Articles L. 228-91 *et seq.* of the French Commercial Code, which give rights or may give rights to equity securities to be issued by the Company, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, (iv) securities, which are equity securities of the Company, giving rights to existing equity securities of or equity securities to be issued by companies and/or debt securities of companies, in which the Company will directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, and/or (v) securities, which are equity securities of the Company, giving rights to existing equity securities and/or debt securities of other companies, in which the Company will not directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities, on the understanding that in each case, the shares and other securities may be subscribed either in cash or by offsetting receivables;
2. Resolves to set the following ceilings on the amounts of capital increases authorized in the event that the Executive Board decides to use this delegation of authority:
   - The maximum nominal amount of the capital increases which may be carried out immediately or in the future pursuant to this delegation of authority is set at €120 million or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies, on the understanding that this amount will be deducted from the overall ceiling applicable to capital increases provided for in the 29th resolution of this General Meeting or, where appropriate, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority. In the event of future financial transactions, the nominal amount of any additional shares issued to preserve the rights of holders of securities giving rights to the shares of the Company, of stock subscription options or of free share allotment rights will be added to this ceiling in accordance with the law and with any contractual provisions,

- In the event that debt securities are issued under this authorization, the maximum nominal amount of the debt securities which may be issued immediately or in the future under this delegation of authority may not exceed €1.5 billion or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies on the issue date, plus any above-par redemption premium, on the understanding that the amount will be deducted from the overall ceiling applicable to issues of debt securities provided for in the 29th resolution of this General Meeting or, if applicable, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;

3. In the event the Executive Board uses this delegation of authority:
   - Resolves that the issue or issues will be preferentially reserved to shareholders, who may subscribe in proportion to their existing interests in the Company's capital at that time,
   - Notes that the Executive Board may grant shareholders a preferential right to subscribe for any securities not taken up by other shareholders,
   - Notes that any decision to carry out an issue pursuant to this delegation of authority will automatically result in the waiver by the shareholders, in favor of the holders of securities giving rights to shares of the Company or which may give rights to equity securities to be issued, of their preemptive right to subscribe to the shares to be issued to which such securities will give immediate or future rights,
   - Notes that any decision to issue the securities referred to in paragraph 1 (iv) above will, if these securities give rights to equity securities to be issued by a company in which the Company directly or indirectly holds or will hold more than half the share capital at the time of issue, require approval by the Extraordinary General Meeting of the company concerned,
   - Resolves that in the event of an issue of ordinary shares and/or securities, in accordance with Article L. 225-134 of the French Commercial Code, where the entire amount of the issue is not taken up by shareholders using the abovementioned rights, the Executive Board may, under the conditions provided for by law and in such order as it shall determine, exercise one or other of the following powers:
     - Re-allot at its discretion all or a portion of the shares or, in the case of securities giving rights to shares of the company, the securities that were intended for issue but which have not been subscribed,
     - Offer to the public all or a portion of the shares or, in the case of securities giving rights to shares of the company, the securities that have not been subscribed, on the French market or abroad,
     - In general and including in the two abovementioned situations, limit the issue to the amount of the subscriptions, provided that it equals at least three-quarters of the intended capital increase amount,
   - Resolves that issues of warrants for the Company's shares may be carried out by subscription offer, as well as by a free allotment to the holders of existing shares, on the understanding that fractional allotment rights will be neither negotiable nor transferable and that the corresponding securities will be sold;

4. Resolves that the Executive Board will have all necessary powers, which it may delegate under the conditions provided for by law and the Company's bylaws, to implement this delegation of authority, notably in order:
   - To decide on the issue and determine the securities to be issued,
   - In the case of an immediate or future share issue, to decide on the amount of the capital increase, the issue price and the amount of the premium which may be required for the issue,
   - To determine the dates and terms of the issue, and the nature, number and characteristics of the securities to be created; in addition, in the case of bonds or other debt securities (including securities giving rights to debt securities referred to in Article L. 228-91 of the French Commercial Code), to decide whether they will be subordinated or not, to set their coupon, to provide for, where applicable, mandatory or optional provisions governing the suspension or non-payment of interest and to determine the duration thereof (either temporary or indefinite), to provide for the possibility of reducing or increasing the par value of the securities and to determine the other terms and conditions of issue and redemption; if applicable, these securities may be accompanied by warrants giving rights to the allotment, purchase or subscription of bonds or other debt securities, or may grant the Company the power to issue debt securities (whether fungible or non-fungible) as consideration for the interest that was suspended by the Company, or may take the form of hybrid bonds as defined by the financial services authorities; to amend the abovementioned conditions during the term of the securities, in accordance with the applicable law,
   - To determine the payment method for the shares or securities giving rights to shares to be issued immediately or in the future,
   - To set, where applicable, the terms and conditions of exercise of the rights attached to the shares or securities, and, in particular, to determine the date (which may be retrospective) from which the new shares to be issued will be entitled to distributions, and any other conditions to complete the issue,
   - To set the terms and conditions under which the Company may purchase or trade the securities issued or to be issued immediately or in the future on the stock market, at any time or during fixed periods, with a view to their cancellation or otherwise, in accordance with the law,
   - To provide for the possibility to suspend the exercise of the rights attached to these securities, in accordance with legal and regulatory provisions,
   - On its own initiative, to charge the expenses of the capital increase to the amount of the corresponding premiums and to deduct the amounts required to fund the legal reserve from this amount,
   - To determine and make any adjustments to take into account the impact of any transactions affecting the Company's share capital and to establish all other conditions necessary to preserve the rights of holders of securities giving access to shares of the Company (including by way of cash adjustments) in accordance with legal and regulatory provisions and any applicable contractual provisions,
   - To arrange, where necessary, for the shares or securities to be issued to be admitted to trading on a regulated market,

- To record the completion of each capital increase and to make the corresponding amendments to the bylaws,
- And in general, to enter into any agreement, particularly to ensure the successful completion of the planned issues, take all steps and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto;

5. Resolves that the Executive Board may not use this delegation of authority from the date a public offer for the Company's securities is filed by a third party and until the end of the offer period unless it has obtained prior authorization from the General Meeting;
6. Sets the validity period of the delegation of authority granted in this resolution at 26 months with effect from the date of this Meeting;
7. Notes that, with effect from the date hereof, this delegation of authority supersedes the delegation of authority granted by the 20th resolution of the Company's General Meeting of June 17, 2021.

Twenty-fourth resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities by means of a public offering other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, without preemptive subscription rights)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6 of the French Commercial Code and the provisions of Articles L. 22-10-49, L. 225-135, L. 22–10-51, L. 225-136, L. 22-10-52 and L. 22-10-54 of said Code, as well as Articles L. 228-91 *et seq*. of said Code:

1. Delegates to the Executive Board, which may sub-delegate under the conditions provided for by law, the rules of procedure and the Company's bylaws, its authority, subject to prior authorization by the Supervisory Board, to issue, on one or more occasions, in such proportions and at such times as it shall decide, in France or abroad, without preemptive subscription rights, by means of a public offering other than those referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, either in euros or in any other currency or monetary unit benchmarked to a basket of currencies, (i) ordinary Company shares, (ii) securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code, which are equity securities of the Company giving rights to other equity securities of the Company and/or giving rights to debt securities of the Company, (iii) debt securities governed or not by Articles L. 228-91 *et seq.* of the French Commercial Code, which give rights or may give rights to equity securities to be issued by the Company, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, (iv) securities, which are equity securities of the Company, giving rights to existing equity securities of or equity securities to be issued by companies and/or debt securities of companies, in which the Company will directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, and/or (v) securities, which are equity securities of the Company, giving rights to existing equity securities and/or debt securities of other companies, in which the Company will not directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities, on the understanding that, in each case, the shares and other securities may be subscribed either in cash or by offsetting receivables. In particular, these securities may be issued as consideration for securities tendered to the Company in connection with a public offer with an exchange component (OPE) initiated by the Company and carried out in France or abroad according to local rules on securities that meet the conditions provided for in Article L. 22-10-54 of the French Commercial Code;

   This decision automatically results in the waiver by the shareholders, in favor of the holders of securities which may be issued by companies in the Company's group, of their preemptive right to subscribe to the shares or securities giving rights to shares of the Company to which such securities give right;

2. Resolves to set the following ceilings on the amounts of issues authorized in the event that the Executive Board decides to use this delegation of authority:
   - The maximum nominal amount of the capital increases which may be carried out immediately or in the future pursuant to this delegation of authority is set at €40,160,564 or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies, on the understanding that this amount will be deducted from the nominal ceiling applicable to capital increases without preemptive subscription rights provided for in paragraph 2 of the 25th resolution of this General Meeting and from the overall ceiling applicable to capital increases provided for in the 29th resolution of this General Meeting or, where appropriate, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;
   - In the event of future financial transactions, the nominal amount of any additional shares issued to preserve the rights of the holders of securities giving rights to shares of the Company will be added to these ceilings in accordance with the law and any contractual provisions;
   - In the event that debt securities are issued under this delegation of authority, the maximum nominal amount of the debt securities which may be issued immediately or in the future under this delegation of authority may not exceed €1.5 billion or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies on the issue date, plus any above-par redemption premium, on the understanding that the amount will be deducted from the nominal ceiling applicable to issues of debt securities provided for in paragraph 2 of the 25th resolution of this General Meeting and from the overall ceiling applicable to issues of debt securities provided for in the 29th resolution of this General Meeting or, if applicable, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;

3. Resolves to cancel shareholders' preemptive right to subscribe to the securities subject to this resolution, but authorizes the Executive Board, pursuant to Article L. 22-10-51, paragraph 1 of the French Commercial Code, to give the shareholders a priority subscription period which does not give rise to negotiable rights and which must be exercised in proportion to the number of shares held by each shareholder and may be rounded out by a preferential right to subscribe for any securities not taken up by other shareholders, for such period and on such terms as it shall determine in accordance with the applicable legal and regulatory provisions and in respect of all or a portion of the issue;
4. Resolves that if subscriptions, including those by the shareholders, do not absorb the entire issue, the Executive Board may, in such order as it shall determine, exercise one or other of the following powers:
   - Re-allot at its discretion all or a portion of the unsubscribed securities,
   - Offer all or a portion of the unsubscribed securities to the public,
   - Limit the amount of the transaction to the amount of the subscriptions received, provided that it equals at least three-quarters of the intended issue amount;
5. Notes that any decision to carry out public offerings of shares and/or securities pursuant to this delegation of authority may be associated, as part of the same issue or of several issues of shares and/or securities, with offers referred to in Article L. 411-2, paragraph 1 of the French Monetary and Financial Code (*Code monétaire et financier*) in accordance with the delegation of authority given in the 25th resolution of this General Meeting;
6. Notes that any decision to carry out an issue pursuant to this delegation of authority will automatically result in the waiver by the shareholders, in favor of the holders of securities giving rights to shares of the Company, of their preemptive right to subscribe to the shares to which such securities give right;
7. Notes that any decision to issue the securities referred to in paragraph 1 (iv) above will, if these securities give rights to equity securities to be issued by a company in which the Company directly or indirectly holds or will hold more than half the share capital at the time of issue, require approval by the Extraordinary General Meeting of the company concerned;
8. Notes that, in accordance with paragraph 1 of Article L. 22–10–52 of the French Commercial Code:
   - The issue price of the shares issued directly will be at least equal to the minimum provided for in the regulatory provisions applicable on the issue date (at the date hereof, the weighted average share price on the Euronext Paris regulated market over the three trading days preceding the launch of the public offer less a maximum discount of 10%), after any correction of this average in the event of a difference in the distribution entitlement dates,
   - The issue price of the securities giving rights to shares of the Company and the number of shares to which the conversion, redemption or transformation of each security giving rights to shares of the Company may give right will be the amount immediately received by the Company, plus any sum that it may subsequently receive, i.e., for each share issued as a result of the issue of these securities, an amount at least equal to the minimum subscription price defined in the preceding sub-paragraph;
9. Resolves that the Executive Board will have all necessary powers, which it may delegate under the conditions provided for by law and the Company's bylaws, to implement this delegation of authority, notably in order:
   - To decide on the issue and determine the securities to be issued,
   - In the case of an immediate or future share issue, to decide on the amount of the capital increase, the issue price and the amount of the premium which may be required for the issue,
   - To determine the dates and terms of the issue, and the nature, number and characteristics of the securities to be created; in addition, in the case of bonds or other debt securities (including securities giving rights to debt securities referred to in Article L. 228-91 of the French Commercial Code), to decide whether they will be subordinated or not, to set their coupon, to provide for, where applicable, mandatory or optional provisions governing the suspension or non-payment of interest and to determine the duration thereof (either temporary or indefinite), to provide for the possibility of reducing or increasing the par value of the securities and to determine the other terms and conditions of issue and redemption; if applicable, these securities may be accompanied by warrants giving rights to the allotment, purchase or subscription of bonds or other debt securities, or may grant the Company the power to issue debt securities (whether fungible or non-fungible) as consideration for the interest that was suspended by the Company, or may take the form of hybrid bonds as defined by the financial services authorities; to amend the abovementioned conditions during the term of the securities, in accordance with the applicable law,
   - To determine the payment method for the shares or securities giving rights to shares to be issued immediately or in the future,
   - To set, where applicable, the terms and conditions of exercise of the rights attached to the shares or securities giving rights to the shares to be issued, and, in particular, to determine the date (which may be retrospective) from which the new shares will be entitled to distributions, and any other conditions to complete the capital increase,
   - To set the terms and conditions under which the Company may purchase or trade the securities issued or to be issued immediately or in the future on the stock market, at any time or during fixed periods, with a view to their cancellation or otherwise, in accordance with the law,
   - To provide for the possibility to suspend the exercise of rights over the securities issued in accordance with legal and regulatory provisions,
   - In the event of the issue of securities as consideration for securities tendered during a public offer with an exchange component (OPE), to establish the list of the securities tendered to the exchange, to set the conditions of the issue, the exchange ratio and, if applicable, the amount of the cash balance to be paid without having to apply the price calculation conditions provided for in paragraph 8 of this resolution, and to determine the conditions of the issue in the case of either an OPE, an alternative purchase or exchange offer, or a single offer proposing the purchase or exchange of selected securities in exchange for a payment in cash and securities, or a public tender offer (OPA) or an exchange offer followed by a subsidiary OPE or OPA, or any other form of public offer that complies with applicable laws and regulations,
   - On its own initiative, to charge the expenses of the capital increases to the amount of the corresponding premiums and to deduct the amounts required to fund the legal reserve from this amount,
   - To determine and make any adjustments to take into account the impact of any transactions affecting the Company's share

capital and to establish the conditions necessary to preserve the rights of holders of securities giving rights to shares of the Company (including by way of cash adjustments),

- To record the completion of each capital increase and to make the corresponding amendments to the bylaws,
- To arrange, where necessary, for the shares or securities to be issued to be admitted to trading on a regulated market,
- And in general, to enter into any agreement, particularly to ensure the successful completion of the planned issues, take all steps and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto;

10. Resolves that the Executive Board may not use this delegation of authority from the date a public offer for the Company's securities is filed by a third party and until the end of the offer period unless it has obtained prior authorization from the General Meeting;
11. Sets the validity period of the delegation of authority granted in this resolution at 26 months with effect from the date of this Meeting;
12. Notes that, with effect from today's date, this authority cancels the unused part, if applicable, of the authority delegated by the 21st resolution of the Company's General Meeting of June 17, 2021;
13. Notes that, in the event that the Executive Board uses the delegation of authority granted by this resolution, it will report to the following Ordinary General Meeting on the use made thereof, in accordance with the law and regulations.

Twenty-fifth resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company and/or securities giving rights to debt securities by means of a private placement referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, without preemptive subscription rights)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 to L. 225-129-6 of the French Commercial Code, and the provisions of Articles L. 22-10-49, L. 225-135, L. 22–10-51, L. 225-136, L. 22-10-52 and L. 228-91 *et seq.* of said Code, and the provisions of paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code:

1. Delegates to the Executive Board, which may sub-delegate under the conditions provided for by law, the regulations and the Company's bylaws, its authority, subject to prior authorization by the Supervisory Board, to issue, on one or more occasions, in such proportions and at such times as it shall decide, in France or abroad, without preemptive subscription rights, by means of a public offering referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code, either in euros or in any other currency or monetary unit benchmarked to a basket of currencies, (i) ordinary Company shares, (ii) securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code, which are equity securities of the Company giving rights to other equity securities of the Company and/or giving rights to debt securities of the Company, (iii) debt securities governed or not by Articles L. 228-91 *et seq.* of the French Commercial Code, which give rights or may give rights to equity securities to be issued by the Company, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, (iv) securities, which are equity securities of the Company, giving rights to existing equity securities of or equity securities to be issued by companies and/or debt securities of companies, in which the Company will directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, and/or (v) securities, which are equity securities of the Company, giving rights to existing equity securities and/or debt securities of other companies, in which the Company will not directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities, on the understanding that, in each case, the shares and other securities may be subscribed either in cash or by offsetting receivables;

   This decision automatically results in the waiver by the shareholders, in favor of the holders of securities which may be issued by companies in the Company's group, of their preemptive right to subscribe to the shares or securities giving rights to shares of the Company to which such securities give right;

2. Resolves to set the following ceilings on the amounts of issues authorized in the event that the Executive Board decides to use this delegation of authority:
   - The maximum nominal amount of the capital increases which may be carried out immediately or in the future pursuant to this delegation of authority is set at €40,160,564 or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies, on the understanding that this amount will be deducted from the nominal ceiling applicable to capital increases without preemptive subscription rights provided for in paragraph 2 of the 24th resolution of this General Meeting and from the overall ceiling applicable to capital increases provided for in the 29th resolution of this General Meeting or, where appropriate, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority,
   - In the event of future financial transactions, the nominal amount of any additional shares issued to preserve the rights of the holders of securities giving rights to shares of the Company will be added to these ceilings in accordance with the law and any contractual provisions, and
   - In the event that debt securities are issued under this delegation of authority, the maximum nominal amount of the debt securities which may be issued immediately or in the future under this delegation of authority may not exceed €1.5 billion or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies on the issue date, plus any above-par redemption premium, on the understanding that the amount will be deducted from the nominal ceiling applicable to issues of debt securities provided for in paragraph 2 of the 24th resolution of this General Meeting and from the overall ceiling applicable to issues of debt securities provided for in the 29th resolution of this General Meeting or, if applicable, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;

3. Resolves to cancel shareholders' preemptive right to subscribe to the securities subject to this resolution;
4. Notes that offers referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code and carried out pursuant to this delegation of authority may be associated, as part of the same issue or of several issues of shares and/or securities, with public offerings of shares and/or securities carried out under the delegation of authority given in the 24th resolution of this General Meeting.
5. Notes that if the subscriptions do not absorb the entire issue, the Executive Board may, in such order as it shall determine, exercise one or other of the following powers:
   - Re-allot at its discretion all or a portion of the unsubscribed securities,
   - Limit the amount of the transaction to the amount of the subscriptions received, provided that it equals at least three-quarters of the intended issue amount;
6. Notes that any decision to carry out an issue pursuant to this delegation of authority will automatically result in the waiver by the shareholders, in favor of the holders of securities giving rights to shares of the Company, of their preemptive right to subscribe to the shares to which such securities give right;
7. Notes that any decision to issue the securities referred to in paragraph 1 (iv) above will, if these securities give rights to equity securities to be issued by a company in which the Company directly or indirectly holds or will hold more than half the share capital at the time of issue, require approval by the Extraordinary General Meeting of the company concerned;
8. Notes that, in accordance with paragraph 1 of Article L. 22–10–52 of the French Commercial Code:
   - The issue price of the shares issued directly will be at least equal to the minimum provided for in the regulatory provisions applicable on the issue date (at the date hereof, the weighted average share price on the Euronext Paris regulated market over the three trading days preceding the launch of the public offer less a maximum discount of 10%), after any correction of this average in the event of a difference in the distribution entitlement dates,
   - The issue price of the securities giving rights to shares of the Company and the number of shares to which the conversion, redemption or transformation of each security giving rights to shares of the Company may give right will be the amount immediately received by the Company, plus any sum that it may subsequently receive, i.e., for each share issued as a result of the issue of these securities, an amount at least equal to the minimum subscription price defined in the preceding sub-paragraph;
9. Resolves that the Executive Board will have all necessary powers, which it may delegate under the conditions provided for by law and the Company's bylaws, to implement this delegation of authority, notably in order:
   - To decide on the issue and determine the securities to be issued,
   - In the case of an immediate or future share issue, to decide on the amount of the capital increase, the issue price and the amount of the premium which may be required for the issue,
   - To determine the dates and terms of the issue, and the nature, number and characteristics of the securities to be created; in addition, in the case of bonds or other debt securities (including securities giving rights to debt securities referred to in Article L. 228-91 of the French Commercial Code), to decide whether they will be subordinated or not, to set their coupon, to provide for, where applicable, mandatory or optional provisions governing the suspension or non-payment of interest and to determine the duration thereof (either temporary or indefinite), to provide for the possibility of reducing or increasing the par value of the securities and to determine the other terms and conditions of issue and redemption; if applicable, these securities may be accompanied by warrants giving rights to the allotment, purchase or subscription of bonds or other debt securities, or may grant the Company the power to issue debt securities (whether fungible or non-fungible) as consideration for the interest that was suspended by the Company, or may take the form of hybrid bonds as defined by the financial services authorities; to amend the abovementioned conditions during the term of the securities, in accordance with the applicable law,
   - To determine the payment method for the shares or securities giving rights to shares to be issued immediately or in the future,
   - To set, where applicable, the terms and conditions of exercise of the rights attached to the shares or securities giving rights to the shares to be issued, and, in particular, to determine the date (which may be retrospective) from which the new shares will be entitled to distributions, and any other conditions to complete the capital increase,
   - To set the terms and conditions under which the Company may purchase or trade the securities issued or to be issued immediately or in the future on the stock market, at any time or during fixed periods, with a view to their cancellation or otherwise, in accordance with the law,
   - To provide for the possibility to suspend the exercise of rights over the securities issued in accordance with legal and regulatory provisions,
   - On its own initiative, to charge the expenses of the capital increases to the amount of the corresponding premiums and to deduct the amounts required to fund the legal reserve from this amount,
   - To determine and make any adjustments to take into account the impact of any transactions affecting the Company's share capital and to establish the conditions necessary to preserve the rights of holders of securities giving rights to shares of the Company (including by way of cash adjustments),
   - To record the completion of each capital increase and to make the corresponding amendments to the bylaws,
   - To arrange, where necessary, for the shares or securities to be issued to be admitted to trading on a regulated market,
   - And in general, to enter into any agreement, particularly to ensure the successful completion of the planned issues, take all steps and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto;
10. Resolves that the Executive Board may not use this delegation of authority from the date a public offer for the Company's securities is filed by a third party and until the end of the offer period unless it has obtained prior authorization from the General Meeting;
11. Sets the validity period of the delegation of authority granted in this resolution at 26 months with effect from the date of this Meeting;
12. Notes that, with effect from today's date, this authority cancels the unused part, if applicable, of the authority delegated by the 22nd resolution of the Company's General Meeting of June 17, 2021;

13. Notes that, in the event that the Executive Board uses the delegation of authority granted by this resolution, it will report to the following Ordinary General Meeting on the use made thereof, in accordance with the law and regulations.

Twenty-sixth resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to increase the number of securities to be issued in the event of an issue of ordinary shares and/or securities giving rights to shares of the Company, any subsidiary and/or any other company, with or without preemptive subscription rights)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-135-1 of the French Commercial Code:

1. Delegates to the Executive Board, which may sub-delegate under the conditions provided for by law, the regulations and the Company's bylaws, its authority, subject to prior authorization by the Supervisory Board, to increase the number of securities to be issued in the event of an issue with or without preemptive subscription rights pursuant to the 23rd, 24th and 25th resolutions, at the same price as the original issue, within the periods and limits provided for in the regulations applicable on the issue date (at the date hereof, within 30 calendar days of the close of subscription period and within the limit of 15% of the initial issue), namely with a view to granting a greenshoe option in accordance with market practices;
2. Resolves that in the event of the issue of ordinary shares, whether immediately and/or in the future, the nominal amount of the capital increases which may be carried out pursuant to this resolution will be deducted from the ceiling provided for in the resolution governing the initial issue and from the overall ceiling applicable to capital increases provided for in the 29th resolution of this General Meeting or, where appropriate, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;
3. Resolves that the Executive Board may not use this delegation of authority from the date a public offer for the Company's securities is filed by a third party and until the end of the offer period unless it has obtained prior authorization from the General Meeting;
4. Sets the validity period of the delegation of authority granted in this resolution at 26 months with effect from the date of this Meeting;
5. Notes that, with effect from the date hereof, this delegation of authority supersedes the delegation of authority granted by the 23rd resolution of the Company's General Meeting of June 17, 2021.

Twenty-seventh resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to issue shares and/or securities giving rights to shares of the Company for contributions as consideration in kind in the form of equity securities and/or securities giving rights to shares of the Company, without preemptive subscription rights)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 22-10-49, L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-147 and L. 22-10-53 of said Code:

1. Delegates to the Executive Board, which may sub-delegate under the conditions provided for by law and the Company's bylaws, its authority, subject to prior authorization by the Supervisory Board, to issue, on one or more occasions, in such proportions and at such times as it shall decide, within the limit of 10% of the share capital, this limit being assessed at any time whatsoever by applying this percentage to the share capital as adjusted to take into account the impact of any transactions affecting the share capital after this General Meeting, i.e., for information purposes, based on the number of shares comprising the Company's share capital as of December 31, 2022, a maximum of 28,686,117 shares, as consideration for contributions in kind granted to the Company in the form of equity securities or securities giving rights to shares of the Company, when the provisions of Article L. 22–10-54 of the French Commercial Code are not applicable, (i) ordinary Company shares, and/or (ii) securities governed or not by Articles L. 228-91 *et seq.* of the French Commercial Code, which are equity securities of the Company giving rights to other equity securities of the Company and/or giving rights to debt securities of the Company, and/or (iii) debt securities governed or not by Articles L. 228-91 *et seq.* of the French Commercial Code, which give rights or may give rights to equity securities to be issued by the Company, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, (iv) securities, which are equity securities of the Company, giving rights to existing equity securities of or equity securities to be issued by companies and/or debt securities of companies, in which the Company will directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities of the Company, and/or (v) securities, which are equity securities of the Company, giving rights to existing equity securities and/or debt securities of other companies, in which the Company will not directly or indirectly hold more than half the share capital at the time of the issue, with such securities in some circumstances also giving rights to existing equity securities and/or debt securities;
2. Resolves that the maximum nominal amount of the capital increases which may be carried out immediately or in the future pursuant to this resolution will be deducted from the nominal ceiling applicable to capital increases without preemptive subscription rights provided for in paragraph 2 of the 24th and 25th resolutions of this General Meeting and from the overall ceiling applicable to capital increases provided for in the 29th resolution of this General Meeting or, where appropriate, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;

3. Resolves that, in the event that debt securities are issued under this delegation of authority, the maximum nominal amount of the debt securities which may be issued immediately or in the future under this delegation of authority will be deducted from the nominal ceiling applicable to issues of debt securities provided for in paragraph 2 of the 24th and 25th resolutions of this General Meeting and from the overall ceiling applicable to issues of debt securities provided for in the 29th resolution of this General Meeting or, if applicable, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;
4. Cancels shareholders' preemptive right to subscribe to the securities which may be issued pursuant to this delegation of authority;
5. Notes, where appropriate, that this delegation of authority results in the waiver by the shareholders of their preemptive right to subscribe to the shares of the Company to which the securities that may be issued pursuant to this resolution may give right immediately or in the future;
6. Resolves that the Executive Board will have all necessary powers, which it may delegate under the conditions provided for by law and the Company's bylaws, to implement this resolution, notably in order:
   - To carry out the issue as consideration for contributions and to determine the securities to be issued, as well as their characteristics, the terms of their subscription and the distribution entitlement date,
   - To establish the list of the securities tendered, to approve the valuation of the contributions, to set the terms of the issue of securities as consideration for those contributions, and, where appropriate, the amount of the cash balance to be paid,
   - To establish, where applicable, the conditions necessary to preserve the rights of holders of securities giving rights to shares of the Company,
   - On its own initiative, to charge the expenses of the capital increases to the amount of the corresponding premiums and to deduct the amounts required to fund the legal reserve from this amount,
   - To record the completion of each capital increase and to make the corresponding amendments to the bylaws,
   - To arrange, where necessary, for the shares or securities to be issued to be admitted to trading on a regulated market,
   - And in general, to take all steps and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto;
7. Resolves that the Executive Board may not use this delegation of authority from the date a public offer for the Company's securities is filed by a third party and until the end of the offer period unless it has obtained prior authorization from the General Meeting;
8. Sets the validity period of the delegation of authority granted in this resolution at 26 months with effect from the date of this Meeting;
9. Notes that, with effect from the date hereof, this delegation of authority supersedes the delegation of authority granted by the 24th resolution of the Company's General Meeting of June 17, 2021.

Twenty-eighth resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to increase the Company's share capital by capitalizing premiums, reserves, profits or other items)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report, and subject to the prior authorization of the Supervisory Board, and in accordance with the provisions of Articles L. 22-10-49, L. 225-129 to L. 225-129-6, L. 225-130 and L. 22-10-50 of the French Commercial Code:

1. Delegates to the Executive Board, which may sub-delegate under the conditions provided for by law, the regulations and the Company's bylaws, its authority to increase the Company's share capital, on one or more occasions, in such proportions and at such times as it shall decide, by successive or simultaneous capitalization of all or a portion of the reserves, profits, issue, merger or contribution premiums or any other amounts that may be capitalized in accordance with the law or the Company's bylaws, by creating or allotting shares, or by increasing the nominal value of shares, or a combination of both. The maximum nominal amount of the capital increases which may be carried out in this way may not exceed €100 million or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies, on the understanding that this amount will be deducted from the overall ceiling applicable to capital increases provided for in the 29th resolution of this General Meeting or, where appropriate, from the overall ceiling that may be subsequently provided for in a similar resolution which may supersede said resolution during the validity period of this delegation of authority;
2. In the event that the Executive Board uses this delegation of authority, delegates to the Executive Board all necessary powers, which it may sub-delegate under the conditions provided for by law and by the Company's bylaws, to implement this delegation of authority, notably in order:
   - To set the amount and nature of the sums to be capitalized, to determine the number of new equity securities to be issued and/or the amount by which the nominal value of existing equity securities will be increased, and to set the date (which may be retrospective) from which the new equity securities will be entitled to distributions or the date on which the increase in the nominal value of existing equity securities will take effect,
   - To decide, in the event of the distribution of free shares:
     - That fractional rights will not be negotiable and that the corresponding equity securities will be sold; the proceeds of the sale will be allotted to the rights holders in accordance with the conditions provided for by law and the regulations,
     - That shares allotted pursuant to this delegation of authority in respect of any existing shares with double voting rights will benefit from said rights as soon as they are issued,
   - To make any adjustments to take into account the impact of any transactions affecting the Company's share capital, to establish the conditions necessary to preserve the rights of holders of securities giving rights to shares of the Company and to take all steps and carry out all formalities necessary to complete the capital increases (including by way of cash adjustments),
   - To record the completion of each capital increase and to make the corresponding amendments to the bylaws,
   - On its own initiative, to charge the expenses of the capital increases to the amount of the corresponding premiums and to deduct the amounts required to fund the legal reserve from this amount,

- To arrange, where necessary, for the shares or securities to be issued to be admitted to trading on a regulated market,
- And in general, to enter into any agreement, take all steps and carry out all formalities necessary for the issue, listing and financial servicing of the securities issued pursuant to this delegation of authority and for the exercise of the rights attached thereto;

3. Resolves that the Executive Board may not use this delegation of authority from the date a public offer for the Company's securities is filed by a third party and until the end of the offer period unless it has obtained prior authorization from the General Meeting;
4. Sets the validity period of the delegation of authority granted in this resolution at 26 months with effect from the date of this Meeting;
5. Notes that, with effect from the date hereof, this delegation of authority supersedes the delegation of authority granted by the 25th resolution of the Company's General Meeting of June 17, 2021;
6. Notes that the Executive Board must report to the following Ordinary General Meeting on the use made of the delegation of authority given in the present resolution in accordance with the law and regulations.

Twenty-ninth resolution

(Overall ceiling on authorizations to issue shares and securities giving rights to shares of the Company)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report, resolves to set at €120 million or the equivalent in any other currency or monetary unit benchmarked to a basket of currencies, the overall maximum nominal amount of the share capital increases which may be carried out immediately and/or in the future pursuant to the authorizations granted by the 23rd to 28th resolutions, on the understanding that the nominal amount of the additional shares issued to preserve the rights of holders of securities giving rights to shares of the Company may be added to this nominal amount.

The General Meeting also resolves to set at €1.5 billion or the equivalent in any other currency or monetary unit established by reference to a basket of currencies, the global maximum nominal amount of the issues of negotiable securities representing debt capable of being carried out pursuant to the authorities granted by the 23rd to 28th resolutions.

Resolutions of the Ordinary General Meeting

Thirtieth resolution – Say on climate

In the 30th resolution, the Executive Board wishes to consult the shareholders on its climate strategy presented in the chapter 3, section 3.2.1 of the Company's 2022 Universal Registration Document and in the report of the Executive Board in chapter 4 of the notice of meeting brochure. This shareholder consultation on Klépierre's climate strategy is part of the Group's renewed aim to promote shareholder dialogue.

This vote will necessarily be for advisory purposes only, in order to preserve the specific attributions of each of the corporate bodies:

- The vote will not be binding on shareholders, who are not asked to assume responsibility for Klépierre's climate strategy, which falls to the Executive Board and the Supervisory Board;
- The purpose of the vote is to allow shareholders to express their views on this strategy, if they so wish.

In the event that this resolution is adopted by a majority that the Company deems inadequate, the Company will do everything in its power to consult shareholders on any reasons that led them not to support the proposed resolution, and shall inform shareholders of the outcome of this process and how its findings will be taken into account.

Since 2018 and its first Act for Good® CSR plan, the Group's proactive initiatives in the fight against climate change have been aimed at slashing its direct emissions as well as bringing its entire value chain on board in reducing the emissions resulting from its activities.

In 2020, this strategy was approved by the Science Based Targets initiative (SBTi) based on the most ambitious target (1.5°C), thereby scientifically confirming the Group's contribution to the global efforts targeted by the Paris Agreement.

On the strength of better-than-expected results and the targets set for 2018-2022 (a 42% reduction in the average energy intensity of the portfolio as well as an 82% reduction in carbon intensity), the Klépierre Group is renewing its CSR ambition in 2023, with the goal of building the most sustainable platform for commerce by 2030.

One of the four pillars of this new Act4Good™ strategy (Achieving Net Zero) is devoted to climate issues, reaffirming the Group's strong ambition, enhanced by new objectives:

KLÉPIERRE CLIMATE STRATEGY

	SCOPES 1 & 2[(a)] Slash direct GHG emissions				**SCOPE 3[(b)]** Engage our value chain in reducing emissions generated by our activities	
2030 TARGET	Achieve a net-zero carbon portfolio				20% reduction in tenants' energy consumption (5% of total Scope 3 emissions) 40% reduction in emissions from visitor transport (95% of total Scope 3 emissions)	
ACTION PLAN	**Reduction in energy consumption attributable to our assets** 2030: Reach an average portfolio energy efficiency of 70 kWh/sq.m.	**Renewable energy sourcing** 2030: Maintain an exclusive supply of electricity from renewable sources and increase the share of renewables among other sources	**On-site renewable energy production** 2030: Install renewable energy production units at our Top-40 shopping centers and target up to 30% of self-consumption at those sites	**Offsetting residual emissions** 2030: Carbon offsetting will only be used as a last resort for residual GHG emissions	**Support tenants in reducing the carbon footprint of their stores** 2030: Measure our tenants' private energy consumption in our shopping centers and support them in achieving a 20% reduction in their energy consumption Ensure all our new development/refurbishment projects include low-carbon solutions and support our tenants in creating low-carbon stores (structural works and fit-outs)	**Development soft mobility infrastructure and engage visitors** 2030: Improve soft mobility and low-carbon infrastructure (upgrading pedestrian and cycling paths, stepping up the roll out of electric vehicle charging stations, etc.) Develop incentive programs aimed at encouraging shopping center visitors to use responsible modes of transport

(a) Scope 1 (fossil fuel energy consumption) = 9,113 tCO_2e/Scope 2 (indirect energy consumption, especially electricity) = 5,071 tCO_2e**
(b) Direct leverage (purchases, commuting, waste, etc.) = 68,833 tCO_2 e/Indirect leverage (tenant energy consumption, visitor transport) = 1,204,900 tCO_2e*
** Data for 2022, calculated using the market-based method for Scopes 1 & 2 and one Scope 3 item (emissions linked to tenant consumption); calculated using the location-based method for all other Scope 3 items.*
For more information on the Klépierre Group's strategy and action plan, as well as access to all of the data on the Group's carbon footprint, see section 3.2.1 of the Universal Registration Document available on the corporate website.

Besides its commitments at European level, the Klépierre Group also manages climate issues at the level of each of the assets in its portfolio. Conducted in 2017, the comprehensive climate risk exposure study for its assets was extended and updated in 2022 to include climate hazards that may present a risk for certain shopping centers. Specific action plans have been developed at local level in all countries in which the Group operates.

The climate strategy is supported by an integrated governance structure that serves the Group's ambition and performance: the Executive Board is in charge of strategic planning and of implementing climate commitments, which are themselves reviewed by the Supervisory Board via the Sustainable Development Committee, which meets at least three times a year.

The Klépierre Group also reports annually on its progress in a dedicated chapter of the Universal Registration Document, which is fully audited by an independent third party.

The Executive Board intends to bring this consultation back to shareholders at mid-term in its plan, i.e., at the 2027 General Meeting, it being specified that the progress made on this strategy will be reported annually in the Universal Registration Document

You are invited to approve the thirtieth resolution as presented to you.

Thirtieth resolution

(Advisory opinion on the Company's ambition and objectives in the fight against climate change)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, approves the Company's ambition and objectives in the fight against climate change, as presented in section 3.2.1 "Act for a low-carbon future" in chapter 3 and in the report of the Executive Board in chapter 4 of the notice of meeting.

Thirty-first resolution – Powers for formalities

The Executive Board requests all necessary powers to carry out the publication and filing formalities involved in holding this General Meeting.

You are invited to approve the thirty-first resolution as presented to you.

Thirty-first resolution

(Powers for formalities)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, confers all necessary powers on the bearer of an original, copy or extract of the minutes of this General Meeting to carry out all filing and other formalities required by law.

7.3 DESCRIPTION OF THE TREASURY SHARE BUYBACK PROGRAM

Pursuant to Articles 241-1 *et seq.* of the General Regulation of the AMF, this section provides details of the treasury share buyback program that will be submitted to the Ordinary and Extraordinary General Meeting of May 11, 2023 (the "**2023 Share Buyback Program**").

7.3.1 Date of the General Meeting of Shareholders called to approve the 2023 Share Buyback Program

May 11, 2023.

7.3.2 Shares held by the Company as of January 31, 2023

As of January 31, 2022, Klépierre directly or indirectly held 1,360,321 shares, representing 0.47% of its share capital for an overall amount of €28,701,520.95 (book value).

The above figures and the following information take into account the total number of shares comprising the Company's share capital as of January 31, 2022, i.e., 286,861,172 shares.

7.3.3 Breakdown by objective of the shares held by Klépierre as of January 31, 2023

As of January 31, 2023,

- 1,360,321 shares are allocated to any stock purchase option plans offered by the Company, allotments of free shares or external growth transactions;
- No shares are allocated to maintaining an orderly market in the Klépierre share on Euronext Paris under the liquidity agreement entered into with Kepler Cheuvreux in January 2023[1] that complies with the applicable legal framework, in particular Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16, 2014, Commission Delegated Regulation (EU) 2016/908 of February 26, 2016, Articles L. 22-10-62 *et seq.* of the French Commercial Code, decision 2021-01 of June 22, 2021 and the legislation referred to therein.

7.3.4 Objectives of the 2023 Share Buyback Program

The objectives of the 2023 Share Buyback Program are as follows:

- To maintain the secondary market in or liquidity of the Klépierre SA share through an investment services provider pursuant to a liquidity agreement that complies with decision 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (*Code du travail*); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

(1) *https://www.klepierre.com/en/finance/cessation-du-contrat-de-liquidite-existant-et-mise-en-oeuvre-d-un-nouveau-contrat-de-liquidite*

7.3.5 Maximum portion of the share capital to be acquired and maximum number of shares that may be acquired under the 2023 Share Buyback Program

The number of shares that the Company will be authorized to purchase may not exceed 10% of the shares comprising the Company's share capital at any time, this percentage being applied to the share capital as adjusted to take into account any transactions affecting the share capital after this General Meeting.

For information purposes, based on the share capital as of January 31, 2023, less the 1,360,321 shares held in treasury at this date, the maximum number of shares that may be purchased is 27,325,796.

The number of shares that the Company will be authorized to hold at any given time may not exceed 10% of the shares comprising the Company's share capital at the relevant date. For information purposes, based on the share capital existing at January 31, 2023, the maximum number of shares that can be held totals 28,686,117.

7.3.6 Maximum authorized purchase price per share

The maximum purchase price would be €35 per share, on the understanding that this price may be adjusted in the event of any transactions affecting the share capital or shareholders' equity, in order to take into account the impact of such transactions on the share value.

The maximum amount of funds that can be used to finance the 2022 Share Buyback Program is estimated at €1,004,014,095, calculated on the basis of a maximum purchase price of €35 per share and the share capital of Klépierre on January 31, 2022.

7.3.7 Duration of the 2023 Share Buyback Program

In accordance with the twenty-first resolution of the General Meeting, the 2023 Share Buyback Program may be carried out over an 18–month period following that date, i.e., until November 11, 2023.

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8.1 GENERAL INFORMATION

8.1.1 Legal information

Company name	Klépierre
Registered office	26, boulevard des Capucines, 75009 Paris (France)
Legal form	French joint-stock corporation (*société anonyme*) with an Executive Board and a Supervisory Board subject to the legal provisions applicable to French joint-stock corporations, in particular Articles L. 225-57 to L. 225-93 of the French Commercial Code (*Code de commerce*) and all subsequent amendments.
Applicable law	French law
Term of the Company	99 years, expiring on October 3, 2067
Trade and Companies Registry	Paris, 780 152 914
Registration number	SIRET number: 780 152 914 00237
NAF/APE code	6820B
Legal entity identifier	969500PB4U31KEFHZ621
Fiscal year	The fiscal year runs for a period of 12 months beginning on January 1 and ending on December 31.
Website	www.klepierre.com(1)

8.1.2 Corporate purpose

Klépierre's corporate purpose is set out in Article 2 of the bylaws, as follows:

- To acquire, sell or exchange, whether directly or indirectly, any land, real-estate rights and buildings, located in France or abroad, as well as all goods and rights that might constitute an addition or annex to said buildings;
- Through its subsidiaries, to construct buildings on its own account or on behalf of Group companies and engage in all operations directly or indirectly related to the construction of these buildings;
- To operate and enhance property value by leasing such properties or otherwise;
- To enter into any lease agreement as a tenant, in France or abroad;
- To acquire direct or indirect equity interests in the persons indicated in Article 8 and in paragraphs 1, 2 and 3 of Article 206 of the French Tax Code (*Code général des impôts*) and, more generally, to acquire equity interests in any company whose purpose is to operate rental properties;
- As a subsidiary matter, to acquire or dispose of equity interests in any company or enterprise exercising any type of activity in the real estate sector; and
- More generally, to engage in all types of civil, commercial, financial, investment and real estate transactions directly related to the aforementioned purpose or in the furtherance thereof, in particular, borrowing and the constitution of any guarantees or pledges required in relation thereto.

8.1.3 Tax regime

The Company has elected to be taxed under the French real estate investment company (*Sociétés d'investissement immobilier cotées* – SIIC) tax regime in accordance with the terms of Article 208 C of the French Tax Code.

As such, it is exempt from corporate income tax on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a corporate purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated;
- Dividends received from subsidiaries having elected for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, provided that they are distributed during the fiscal year following the year in which they are generated.

8.1.4 Other disclosures

The Company's bylaws are available in full on its website and are incorporated by reference in this Universal Registration Document.

(1) *The information on the corporate website does not form part of this document, unless incorporated by reference.*

8.2 DOCUMENTS AVAILABLE

The updated bylaws, as well as appraisals and statements made by experts at the Company's request, and all other documents that must be kept at the disposal of shareholders in accordance with the law, may be consulted at the Company's registered office:

26, boulevard des Capucines, 75009 Paris. (tel.: +33 (0)1 40 67 54 00).

Copies of this Universal Registration Document are available free of charge from the Company's registered office and on its website (www.klepierre.com), as well as on the website of the French financial markets authority (*Autorité des marchés financiers* – AMF) (www.amf-france.org).

8.3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT, WHICH SERVES AS THE ANNUAL FINANCIAL REPORT(1)

I hereby declare that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omissions likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and of all the entities included in the scope of consolidation, and that the management report (for which a cross-reference table is set out below on pages 376 and 377) presents fairly the changes in business, results of operations and financial position of the Company and of all the entities included in the scope of consolidation and describes the main risks and uncertainties facing them.

Paris, April 5, 2023

Jean-Marc Jestin

Chairman of the Executive Board

8.4 PERSONS RESPONSIBLE FOR THE STATUTORY AUDIT AND THE FINANCIAL INFORMATION

8.4.1 Persons responsible for the statutory audit

Statutory Auditors

Deloitte & Associés

6, place de la Pyramide
92908 Paris-La Défense Cedex, France
572 028 041 RCS Nanterre

Damien Leurent/Jean-Vincent Coustel

First appointed: General Meeting of Shareholders of June 28, 2006

Last renewed: General Meeting of Shareholders of April 26, 2022

Term expires: General Meeting of Shareholders of 2028 to be called to approve the financial statements for fiscal year 2027

Ernst & Young Audit

Tour First
1-2, place des Saisons
92400 Courbevoie-Paris-La Défense 1, France
344 366 315 RCS Nanterre

Gilles Cohen

First appointed: General Meeting of Shareholders of April 19, 2016

Last renewed: General Meeting of Shareholders of April 26, 2022

Term expires: General Meeting of Shareholders of 2028 to be called to approve the financial statements for fiscal year 2027

8.4.2 Person responsible for financial information

Stéphane Tortajada

Chief Financial Officer, member of the Executive Board

(1) *In accordance with the template of annex 1 of AMF Instruction DOC-2019-21 –* Modalités de dépôt et de publication des prospectus *(in French only, Procedures for submitting and publishing prospectuses).*

8.5 PROPERTY PORTFOLIO AS OF DECEMBER 31, 2022

8.5.1 Shopping centers

France

Property valuation of €7,902 million (total share basis, including transfer taxes)[(a)]

Center	Country	Region	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[(b)]	Rentable floor area[(c)]	Klépierre equity interest
Marne-la-Vallée – Serris, Val d'Europe	France	Île-de-France	2000	R/E 2017	2000	133,306	87,158	55.0%
Créteil, Créteil Soleil	France	Île-de-France	1974	2019-20	1991	135,130	102,286	80.0%
Thiais, Belle Épine	France	Île-de-France	1971	R 2015	2019	148,263	148,263	10.0%
Toulouse, Blagnac	France	Occitanie	1993	R/E 2009	2004	96,140	96,140	54.0%
Montpellier, Odysseum	France	Occitanie	2009		2009	73,386	53,434	100.0%
Louvain-la-Neuve, L'Esplanade	Belgium	Walloon Brabant	2005		2005	55,659	55,659	100.0%
Boulogne-Billancourt, Les Passages de l'Hôtel de Ville	France	Île-de-France	2001	R 2013	2001	23,738	23,738	50.0%
Clermont-Ferrand, Jaude	France	Auvergne-Rhône-Alpes	1980	R/E 2015	1990	43,208	43,208	100.0%
Bègles, Rives d'Arcins	France	Nouvelle Aquitaine	1995	R/E 2013	1996	54,057	31,858	52.0%
Noisy-le-Grand, Arcades	France	Île-de-France	1978	R/E 2009	1995	57,553	41,466	54.0%
Grenoble, Grand Place	France	Auvergne-Rhône-Alpes	1976	R/E 2002	2015	58,285	32,605	100.0%
Paris, Saint-Lazare	France	Île-de-France	2012		2012	18,813	12,357	100.0%
Écully, Grand Ouest	France	Auvergne-Rhône-Alpes	1972	R (car park) 2009	2001	47,505	16,975	83.0%
Caen, Mondeville 2	France	Normandy	1995		2015	46,666	19,454	100.0%
Claye-Souilly, Les Sentiers de Claye-Souilly	France	Île-de-France	1972	E 2012	2001	66,122	35,173	55.0%
Portet-sur-Garonne, Grand Portet	France	Occitanie	1972	2018	2001	51,030	23,653	83.0%
Marseille, Grand Littoral	France	Provence-Alpes-Côte d'Azur	1996	R/E 2013	2015	107,376	58,074	100.0%
Villiers-en-Bière	France	Île-de-France	1971	2016	2001	66,203	24,922	83.0%
Marseille, Prado	France	Provence-Alpes-Côte d'Azur	2018		2018	23,147	23,147	60.0%
Lattes, Grand Sud	France	Occitanie	1986	R/E 1993	2002	40,467	16,515	83.0%
Nice, Nice TNL	France	Provence-Alpes-Côte d'Azur	1981	R 2005	2015	27,345	12,369	100.0%
Annecy, Courier	France	Auvergne-Rhône-Alpes	2001	R 2016	2001	21,502	21,120	58.0%
Tourville, Tourville-la-Rivière	France	Normandy	1990	R 2011	2007	28,210	10,547	85.0%
Pontault-Combault	France	Île-de-France	1978	R/E 1993	2001	58,984	13,892	83.0%
Le Havre, Espace Coty	France	Normandy	1999		2000	26,799	26,799	50.0%
Rennes, Colombia	France	Brittany	1986	R 2016	2005	26,243	18,323	100.0%
Roques-sur-Garonne	France	Occitanie	1995	R/E 2009	2011	40,871	26,871	100.0%
Toulon, Centre Mayol	France	Provence-Alpes-Côte d'Azur	1990		2015	46,296	20,517	40.0%
Saint-Étienne, Centre 2	France	Auvergne-Rhône-Alpes	1979		2015	38,103	27,929	100.0%
Toulouse, Saint-Orens	France	Occitanie	1991	R/E 1998	2004	66,472	66,472	54.0%
Givors, 2 Vallées	France	Auvergne-Rhône-Alpes	1976	R 2016	2001	34,899	16,702	83.0%
Valenciennes, Place d'Armes	France	Hauts-de-France	2006	R 2016	2006	15,890	15,890	100.0%
Aubervilliers, Le Millénaire	France	Île-de-France	2011		2011	59,551	59,551	50.0%

(a) Excluding €192 million reclassified to "Convenience shopping centers and other retail properties".
(b) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(c) Area owned by Klépierre or its joint-ventures on which it collects rents.

Nine other assets, accounting for 4.0% of the property valuation of France, are not included in the above table: Creil, Saint-Maximin – Toulouse, Nailloux Outlet Village – Valence, Victor Hugo – Dieppe, Belvédère – Sevran, Beau Sevran – Riom, Riom Sud – Marseille, Bourse – Drancy, Avenir – Sète Balaruc.

Italy

Property valuation of €3,970 million (total share basis, including transfer taxes)[(a)]

Center	Region	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[(b)]	Rentable floor area[(c)]	Klépierre equity interest
Roma, Porta di Roma	Lazio	2007	R 2016	2015	96,750	73,078	50.0%
Naples, Campania	Campania	2007	E 2014	2015	92,552	87,142	100.0%
Turin, Shopville Le Gru	Piedmont	1994	R 2013/2022	2015	84,977	84,977	100.0%
Bologna, Shopville Gran Reno	Emilia-Romagna	1993	R/E 2022	2015	53,362	38,288	100.0%
Venice, Nave de Vero	Veneto	2014		2015	39,032	39,032	100.0%
Assago (Milan), Milanofiori	Lombardy	1988	E 2018	2005	49,478	30,705	100.0%
Lonato, Il Leone di Lonato	Lombardy	2007		2008	46,709	30,224	50.0%
Modena, Grandemilia	Emilia-Romagna	1996		2015	39,688	19,779	100.0%
Milan, Globo I-II-III	Lombardy	1993/2001/2004	E 2006	2015	94,290	30,430	100.0%
Savignano s. Rubicone (Rimini), Romagna Center	Emilia-Romagna	1992	R/E 2014	2002	72,568	51,391	100.0%
Cagliari, Le Vele & Millennium	Sardinia	1998	R 2013	2015	43,539	32,309	100.0%
Udine, Città Fiera	Friuli Venezia Giulia	1992	E 2015	2015	117,148	47,995	49.0%
Varese, Belforte	Lombardy	1988	E 2012	2002	28,904	10,029	100.0%
Pavia, Montebello della Battaglia, Montebello	Lombardy	1974	E 2005	2002	62,789	43,994	50.0%
Vittuone, Il Destriero	Lombardy	2009		2009	27,240	16,043	100.0%
Bergamo, Seriate, Alle Valli	Lombardy	1990	R/E 2008	2002	34,347	10,984	100.0%
Citta S. Angelo, Pescara Nord	Abruzzo	1995	R/E 2010	2002	33,851	19,453	83.0%

(a) Excluding €108 million reclassified to "Convenience shopping centers and other retail properties".
(b) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(c) Area owned by Klépierre or its joint-ventures on which it collects rents.

Seven other assets, accounting for 5.8% of the property valuation of Italy, are not included in the table above: Verona, Le Corti Venete – Colonnella, Val Vibrata – Vignate, Acquario Center – Rome, La Romanina – Lecce, Cavallino – Rome, Tor Vergata – Pesaro, Rossini Center.

Scandinavia

Property valuation of €2,566 million (total share basis, including transfer taxes)[(a)]

Center	Country	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[(b)]	Rentable floor area[(c)]	Klépierre equity interest
Copenhagen, Field's	Denmark	2004	E 2015	2009	93,732	93,732	56.1%
Malmö, Emporia	Sweden	2012		2008	68,920	68,920	56.1%
Oslo, Oslo City	Norway	1988		2015	23,112	23,112	56.1%
Ahrus, Bruun's Galleri	Denmark	2003		2008	34,873	34,873	56.1%
Partille, Allum	Sweden	2006		2008	49,991	49,991	56.1%
Lørenskog, Metro Senter	Norway	1988	2009	2008	53,777	53,277	28.1%
Örebro, Marieberg	Sweden	1988	2009	2008	33,561	33,561	56.1%
Borlänge, Kupolen	Sweden	1989	2005	2008	38,465	38,465	56.1%

(a) Excluding €77 million reclassified to "Convenience shopping centers and other retail properties".
(b) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(c) Area owned by Klépierre or its joint-ventures on which it collects rents.

Two other assets, accounting for 2.3% of the property valuation of Scandinavia, are not included in the above table: Viejle, Bryggen (Denmark) – Kristiandstad, Galleria Boulevard (Sweden).

Iberia

Property valuation of €2,170 million (total share basis, including transfer taxes)[(a)]

Center	Country	Region	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[(b)]	Rentable floor area[(c)]	Klépierre equity interest
Madrid, Plenilunio	Spain	Madrid	2006	R 2018	2015	70,517	70,517	100.0%
Madrid Vallecas, La Gavia	Spain	Madrid	2008	R/E 2013	2008	85,423	50,143	100.0%
Murcia, Nueva Condomina	Spain	Murcia	2006	R 2014	2017	110,371	110,371	100.0%
Santa Cruz de Tenerife, Meridiano	Spain	Canary Islands	2003	R 2015	2003	42,950	27,363	100.0%
Gondomar (Porto), Parque Nascente	Portugal	North	2003		2003	66,249	49,875	100.0%
Madrid, Principe Pio	Spain	Madrid	2004		2015	28,981	28,981	100.0%
Barcelona, Maremagnum	Spain	Catalonia	1995	R 2012	2015	19,498	19,498	100.0%
Portimão, Aqua Portimão	Portugal	South	2011		2011	35,713	23,999	50.0%
Guimarães, Espaço Guimarães	Portugal	North	2009		2015	49,391	33,122	100.0%

(a) Excluding €48 million reclassified to "Convenience shopping centers and other retail properties".
(b) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(c) Area owned by Klépierre or its joint-ventures on which it collects rents.

Netherlands and Germany

Property valuation of €1,679 million (total share basis, including transfer taxes)

Center	Country	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[(a)]	Rentable floor area[(b)]	Klépierre equity interest
Utrecht, Hoog Catharijne	Netherlands	1973	R/E 2015	2015	196,525	165,693	100.0%
Dresden, Centrum Galerie Dresden	Germany	2009	R/E 2014	2015	68,414	68,414	100.0%
Rotterdam, Alexandrium	Netherlands	1984	R 2001	2015	49,988	47,509	100.0%
Duisburg, Forum Duisburg	Germany	2008	R/E 2008	2015	59,247	59,247	100.0%
Hildesheim, Arneken Galerie Hildesheim	Germany	2012	R/E 2012	2015	27,969	27,969	95.0%
Rotterdam, Markthal	Netherlands	2014		2015	11,802	11,802	95.0%

(a) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(b) Area owned by Klépierre or its joint-ventures on which it collects rents.

Two other assets, accounting for 3.4% of the property valuation of the Netherlands and Germany, are not included in the table above: Amsterdam, Villa Arena (Netherlands) – Duisburg, Königsgalerie (Germany).

Central Europe and Other

Property valuation of €1,043 million (total share basis, including transfer taxes)[(a)]

Center	Country	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[(b)]	Rentable floor area[(c)]	Klépierre equity interest
Prague, Nový Smíchov	Czech Republic	2001	R 2011	2001	57,575	44,915	100.0%
Istanbul, Akmerkez	Turkey	1993	2010	2015	33,077	33,077	45.0%
Poznan, Poznan Plaza	Poland	2005	R 2019	2005	29,368	29,368	100.0%
Warsaw, Sadyba Best Mall	Poland	2000		2005	26,244	26,244	100.0%
Lublin, Lublin Plaza	Poland	2007	R 2018	2007	25,734	25,734	100.0%
Plzeň, Plzeň Plaza	Czech Republic	2007		2008	19,704	19,704	100.0%

(a) Excluding €77 million reclassified to "Convenience shopping centers and other retail properties".
(b) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.
(c) Area owned by Klépierre or its joint-ventures on which it collects rents.

Two other assets, accounting for 6.1% of the property valuation of Central Europe and Other, are not included in the table above: Bursa, Anatolium (Turkey) – Tekirdağ, Tekira (Turkey).

8.5.2 Convenience shopping centers and other retail properties

Property valuation of €502 million (total share basis, including transfer taxes)

Country	City, center
France	• Chartres, La Madeleine – Angoulême, Champ de Mars – Marseille, Le Merlan – Besançon, Les Passages Pasteur – Cholet La Séguinière Outlet – Carcassonne, Salvaza – Mérignac, Mérignac Soleil PAC – Metz, St-Jacques – Marzy (Nevers) • Other retail properties (formerly Klémurs, 78 retail units)
Other countries	• Italy: Senigallia, Il Maestrale – Solbiate Olona, Le Betulle – Serravalle Scrivia, Serravalle – Moncalieri (Turin) – Cremona (Gadesco), Cremona Due – Bergame, Brembate – Como, Grandate – Collegno (Turin), La Certosa – Matera • Scandinavia: Oslo, Økernsenteret (Norway) – Odense, Viva (Denmark) • Iberia: Parla, El Ferial (Spain) – Jaén, La Loma (Spain) – Vinaroz, Portal Mediterráneo (Spain) – Oviedo, Los Prados (Spain) • Central Europe and Other: Rybnik, Rybnik Plaza (Poland) – Denizli, Teras Park (Turkey) – Tarsus, Tarsu (Turkey) – Sosnowiec, Sosnowiec Plaza (Poland) – Ruda Slaska, Ruda Slaska Plaza (Poland) – Thessaloniki, Makedonia (Greece) – Patras, Patra Mall (Greece) – Thessaloniki, Efkarpia (Greece)

8.5.3 Overview of valuation reports prepared by Klépierre's independent external appraisers

General context of the valuation

Context and terms of the engagement

This is a free translation into English of the valuation report issued in French and is provided solely for the convenience of English-speaking readers. Context and terms of the engagement In accordance with the instructions of Klépierre ("the Company") as detailed in the signed valuation agreements between Klépierre and the appraisers, we have valued the assets held by the Company taking account of the nature of their ownership (freehold, ground lease, etc.).

This Summary Report, which outlines the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document. The valuations were undertaken by our valuation teams in each of the various countries and were reviewed by the pan-European valuation teams. In order to estimate the market value for each asset, we have taken into consideration domestic real estate transactions as well as the other valuations undertaken in Europe, in order to maintain a consistent approach and to take account of all available market transactions and information.

The valuations were performed using the discounted cash flow and capitalization methods, which are regularly used for these types of assets.

Our valuations were performed as of December 31, 2022.

Standards and general principles applied

We confirm that our valuations were performed in accordance with the appropriate sections of the January 2022 Edition of the RICS Valuation – Global Standards 2022 ("Red Book"), effective January 31, 2022. This is an internationally-accepted valuation basis. Our valuations are compliant with IFRS and IVSC guidance. The valuations were prepared on the basis of the recommendation of the French financial markets authority (*Autorité des marchés financiers* – AMF) on valuation data pertaining to the real estate assets of listed companies, as published on February 8, 2010. They also take into account the recommendations of the Barthès de Ruyter report on the valuation of real estate of listed companies, as published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers, as defined by the RICS Red Book. We also confirm that the appraisals were performed in accordance with the principles of IFRS 13, i.e., on the basis of the "highest and best use" of each asset.

The market value set out hereafter generally approximates fair value within the meaning of IFRS, and particularly IFRS 13.

Basis of valuation

Our valuations correspond to market values and are reported to the Company on both a net basis (after deduction of transfer duties and costs) and gross basis (before deduction of transfer duties and costs).

Valuation considerations and assumptions

Information

The Company's management was asked to confirm that the information provided relating to the assets and tenants was complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by Company employees that could have an impact on values was made available to us and that this information was up to date in all material respects. This includes running costs, work undertaken, financial information (including doubtful debts), turnover rents, lettings signed or in the process of being signed and lease incentives, in addition to the list of leases in force and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are free from historic ground contamination or potential contamination, and that the condition of the land will not affect its current or future usage.

Planning regulations

We have not reviewed the relevant planning permissions and have assumed that the assets have been built, and are occupied and used, in conformity with all necessary authorizations and that the land is free of legal restrictions. We have assumed that the layout of the assets conforms to legal requirements and planning regulations, including as regards structures, fire protection, health and safety, and security. We have also assumed that any extensions in progress are being undertaken in line with planning regulations and that all necessary authorizations have been obtained.

Title deeds and tenancy schedules

Our work was based on the tenancy schedules, summaries of additional revenues, non-recoverable charges, capital projects and business plans provided to us. We have assumed, beyond that which is set out in our individual asset reports, that the assets are not subject to any constraints that could impede a sale, and that they are free from any restrictions or charges. We have not reviewed the title deeds and have taken as correct the rental, occupational and all other pertinent information provided to us by the Company.

Condition of the assets

We observed the general condition of each asset during our inspection. While our engagement does not include a building or structural survey, we have indicated in our report any disrepair that was visible during our inspection. The assets were valued based on the information provided by the Company, which states that no deleterious or harmful materials were used in their construction.

Taxation

Our valuations were performed without taking into account any fees or taxes that may be applicable in the event of a transfer. Rental and market values are stated net of value-added taxes.

Confidentiality and disclosure

In accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to the Company. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this Summary Report, the individual valuation firms accept no liability for the valuations carried out by the other firms.

Jean-Philippe Carmarans
Head of Valuation France
Cushman & Wakefield

Jean-Claude Dubois
Chairman
BNP Paribas Real Estate Valuation France

Gwenola Donet
Head of valuation
JLL France
JLL Expertises

Christian Robinet
Senior Director
CBRE Valuation

8.6 SIMPLIFIED ORGANIZATION CHART AS OF DECEMBER 31, 2022

Shopping centers

France	Real estate companies 100	Progest 100	Klécar France 83		
	Klépierre Management 100	Klépierre Brand Ventures 100	Klé Start 100	Klépierre Procurement International 100	Klépierre Finance 100
Belgium	Real estate companies 100				
	Klépierre Management Belgique 100	KFI Belgique 100			
Spain	Real estate companies 100				
	Klépierre Management España 100				
Italy	Real estate companies 100	Klécar Italia 83	Clivia 50	Italian Shopping Centre Investment 50	Acquario 95.06
	Klépierre Management Italia 100	Klépierre Finance Italia 100			
Portugal	Real estate companies 100	Klege Portugal 100			
	Klépierre Management Portugal 100				
Luxembourg	Holding Klégé 50				
	Reluxco 100				
Greece	Real estate companies 100				
	Klépierre Management Hellas 100				
Netherlands	Real estate companies 100				
	Klépierre Management Nederland BV 100				
Turkey	Real estate companies 100	Akmerkez (listed real estate company) 45.49	Tan Gayrimenkul 51		
Germany	Real estate companies 100	Klépierre Duisburg Klépierre Duisburg II Klépierre Dresden 94.99			
	Klépierre Management Deutschland 100				
Poland	Real estate companies 100				
	Klépierre Management Polska 100				
Czech Republic	Real estate companies 100				
	Klépierre Management Ceska Republika 100				
* Norway Sweden Denmark	Steen & Strøm AS 56.1	Real estate companies			
	Management companies				

Legend

- % Direct or indirect percentage control of Klépierre SA at December 31, 2022
- Real estate business
- Service business
- Company management and/or administration
- * Subsidiary (Steen & Strøm) covering the Scandinavian countries, 56.1%-owned with Storm ABP

Other activities

France	Klémurs 100	Klé Dir 100
	Klépierre Conseil 100	

8.7 INFORMATION ABOUT THE SHARES

Klépierre shares are traded on Euronext Paris (compartment A).

ISIN code	FR0000121964
Ticker symbol	LI
Trading market	Euronext Paris – Compartment A
Number of shares	286,861,172
Core indices	Euronext CAC Next 20, Euronext SBF 120, Euro STOXX Index, MSCI World, MSCI Europe, S&P Developed ex-US, S&P Europe, STOXX Europe 600
Real Estate Sector indices	DJ Global Select Real Estate Securities, Euronext IEIF REIT Europe, Euro Stoxx Real Estate, S&P Eurozone REIT, S&P Global Ex-US Property, Stoxx Europe 600 Real Estate, FTSE EPRA/NAREIT Developed , FTSE EPRA/NAREIT Global
ESG indices	Euronext Eurozone ESG Large 80, Euronext Vigeo Euro 120, Euronext Vigeo Europe 120, MSCI Europe ESG Leaders, MSCI Global Green Building, Stoxx Europe 600 ESG, Stoxx Europe Climate Impact, Stoxx Sustainability, MSCI World Custom ESG Climate Series, FTSE4Good Europe, FTSE4Good Global, CAC SBT 1.5

For more information, please see chapter 7 of this Universal Registration Document, "Share capital and shareholding, general meeting and share buyback program".

8.8 CROSS-REFERENCE TABLES

Cross-reference table for the headings in Annex 1 of Commission Delegated Regulation (EU) 2019/980

The cross-reference table below helps to identify, within this Universal Registration Document, the information referred to in the headings of Annex 1 of Commission Delegated Regulation (EU) 2019/980.

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Information incorporated by reference

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- For fiscal year 2021: the consolidated financial statements and the Statutory Auditors' report on the consolidated statements for the year ended December 31, 2021, and the Company financial statements, the Statutory Auditors' report on the Company financial statements for the year ended December 31, 2021, as well as the financial information included in the management report, as presented in the Universal Registration Document filed with the AMF on March 30, 2022, under number D.22-0203;
- For fiscal year 2020: the consolidated financial statements and the Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2020, and the Company financial statements, the Statutory Auditors' report on the Company financial statements for the year ended December 31, 2020, as well as the financial information included in the management report, as presented in the Universal Registration Document filed with the AMF on March 31, 2021, under number D.21-0236.

The portions of these documents that are not referred to above are either not relevant for the investor, or are included elsewhere in this Universal Registration Document.

Annual financial report cross-reference table

In order to facilitate navigating this Universal Registration Document, the cross-reference table below helps to identify, within this Universal Registration Document, the information that makes up the annual financial report to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-3 of the General Regulation of the AMF.

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TRATTORIA
IT
BURGER KING
100 MONTADITOS
LOUISE

9 GLOSSARY

ACT4GOOD™

Launched in 2023, Act4Good™ is Klépierre's new CSR strategy. With Act4Good™, Klépierre is raising the bar of its three historical commitments in order to:

- achieve zero net emissions by 2030;
- serve those who make Klépierre what it is (employees, clients, brands, partners); and
- step up commitment to communities and territories.

The new fourth pillar – promoting more sustainable lifestyles among visitors, brands and partners – marks a major turning point in Klépierre's CSR strategy.

This plan reaffirms the Group's ambition to build the most sustainable platform for commerce by 2030.

More information on this strategy is available in chapter 3 "Sustainable development" of this Universal Registration Document.

ACT FOR GOOD®

Act for Good® was Klépierre's CSR plan until the completion of the program in 2022. Through Act for Good®, Klépierre aimed to reconcile the requirements of operational excellence with environmental, societal and social performance.

Act for Good® with Klépierre was based on three pillars:

- "Act for the Planet", which sums up the Group's ambition to make a positive contribution to the environment;
- "Act for Territories", which illustrates the importance of the Group's local involvement in the regions in which it operates;
- "Act for People," which is devoted to the well-being of Klépierre's visitors, employees and clients.

Each of the three pillars was broken down into specific quantified commitments, with a five-year timeframe (2022) supplemented by medium-term goals (2030).

More information on this strategy is available in chapter 3 "Sustainable development" of this Universal Registration Document.

ANCHOR TENANT

A retailer whose broad appeal as a consumer magnet plays a leading role in attracting and driving footfall within a specific retail or commercial zone, or shopping center.

BOX

A stand-alone retail space that is generally situated near or in the parking lot of a shopping mall or retail park, designed to enhance its appeal.

BUILDING RESEARCH ESTABLISHMENT ENVIRONMENTAL ASSESSMENT METHOD (BREEAM)

Environmental assessment scale for buildings, developed by UK-based Building Research Establishment.

CAPITALIZATION RATE (CAP RATE, EXIT RATE)

The average capitalization rate corresponds to the ratio of total expected net rents for occupied and vacant properties to the value, excluding transfer taxes, of these same properties. Transfer taxes are paid upon change in ownership when the asset or its owning company is sold (notary fees, deed and title, registration, etc.).

CATCHMENT AREA

A habitual or theoretical area from which a point of sale or shopping center draws its potential customers. The scope of this area is influenced by the distance and time it takes to gain access.

CLUBSTORE®

All the actions taken to enhance the customer journey and experience in the Group's shopping centers. Clubstore® is one of Klépierre's strategic pillars. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

COLLECTION RATE

The collection rate is calculated as the ratio of rents and charges collected to the amount of rents and charges billed to tenants.

CORPORATE GOVERNANCE

The system of rules, practices and processes through which the executive officers and Board of Directors or Supervisory Board direct and control a company in the interest of its shareholders and other stakeholders. Corporate governance also provides the framework within which corporate objectives are set, the resources needed to achieve them are defined, and performance assessment standards are agreed.

DESTINATION FOOD®

Destination Food® is an overarching plan aimed at developing and enhancing the food and beverage offer in Klépierre's shopping centers. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

DEVELOPMENT PIPELINE

Collective name given to the investments the Group plans to undertake over a given period of time, concerning the creation, extension or renovation of portfolio assets or the acquisition of assets or companies.

The Klépierre development pipeline is generally broken down into two categories:

- Committed projects: projects that are in the process of completion or for which the Klépierre Executive Board has decided to commence work; and
- Controlled projects: projects that are in the process of advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative clearance and permits).

ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

A management tool that allows businesses to roll out processes that help mitigate adverse environmental impacts. These systems are designed to help organizations achieve lasting improvements and make continuous progress in environmental matters. The ISO 14001 family of standards, for example, sets out specifications and guidelines for the implementation of EMS, as well as defining the principles, procedures and criteria governing environmental audits.

EUROPEAN PUBLIC REAL ESTATE ASSOCIATION (EPRA)

The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 270 members, EPRA's mission is to promote, develop and represent the European public real estate sector. It achieves this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices (financial and non-financial) and the cohesion and strengthening of the industry. Financial and non-financial best practice recommendations contribute to improving the transparency, comparability and relevance of reporting in the whole industry.

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.

EPRA NDV (NET DISPOSAL VALUE)

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

EPRA NET INITIAL YIELD (NIY)

EPRA NIY is calculated as the annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property.

EPRA NRV (NET REINVESTMENT VALUE)

The EPRA Net Reinstatement Value (NRV) scenario 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.

EPRA NET TANGIBLE ASSETS (NTA)

The EPRA Net Tangible Assets value (NTA) reflects only the Company's tangible assets and assumes that companies buy and sell some of their assets, thereby crystallizing certain levels of unavoidable deferred tax liability and RETT. 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 indicators EPRA NAV and NNNAV).

EPRA VACANCY RATE

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. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

ESTIMATED RENTAL VALUE (ERV)

Estimated rental value is the value at which space would be let in market conditions prevailing at the valuation date assuming that the space would be re-let to a tenant operating in the same business sector.

FLAGSHIP

A large, iconic shop in a strategic location within Klépierre's shopping centers.

FRENCH COMMERCIAL RENT INDEX (*INDICE DES LOYERS COMMERCIAUX* – ILC)

The ILC is published quarterly by the French National Institute of Statistics and Economic Studies (INSEE) and comprises the ICC (25%), ICAV (retail trade sales index, expressed in value, 25%), and IPC (consumer price index, 50%) indices. The ICAV index, published monthly by INSEE, is calculated using a sample of revenue reports filed by 31,000 businesses. The IPC index is published monthly in the French legal gazette and is commonly used to measure inflation. Further to the August 4, 2008 law on economic modernization and its application decree dated November 4, 2008, the ILC index can be used for retail rental price adjustments.

FRENCH COST OF CONSTRUCTION INDEX (*INDICE DU COÛT DE LA CONSTRUCTION* – ICC)

This is one of two benchmark indices used to adjust rents on retail properties. It is published quarterly by the French National Institute of Statistics and Economic Studies (INSEE), and is calculated using data from the quarterly survey on trends in the cost of new housing (PRLN). Using a representative sample of building permits, it provides information on market trends, construction characteristics and factors that can be used to derive the cost of land (price of land, demolitions, taxes, etc.). It is also currently the benchmark index used to adjust office rents.

FRENCH COUNCIL OF SHOPPING CENTERS (*CONSEIL NATIONAL DES CENTRES COMMERCIAUX* – CNCC)

Trade organization bringing together a range of stakeholders in the promotion and development of shopping centers: developers, owners, managers, retailers, service providers and merchant organizations.

FRENCH REIT (*SOCIÉTÉ D'INVESTISSEMENT IMMOBILIER COTÉE* – SIIC)

Tax regime allowed under Article 208-C of the French General Tax Code that allows joint stock companies that are publicly listed and whose stated share capital exceeds €15 million, optionally, as part of their primary business activity of acquiring and/or constructing buildings for the purpose of leasing them and direct or indirect ownership of equity in corporations whose business purpose is identical, to qualify for corporate tax exemption on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated; and

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK (GRESB)

Non-profit organization whose primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector. Created in 2009, the GRESB brings together the leading pension fund managers and key property sector bodies, including EPRA (European Public Real Estate Association) and ECCE (European Centre for Corporate Engagement – an international research association based at the University of Maastricht).

GLOBAL REPORTING INITIATIVE (GRI)

Originally established in 1997, this initiative seeks to develop directives that are applicable internationally in the area of sustainable development and report on the economic, environmental and social performances of companies. It proposes a range of benchmarks and indicators used to measure progress made in corporate sustainability programs.

GROSS LEASABLE AREA (GLA)

Total sales area of a shopping center (including the hypermarket, where applicable), plus storage area and excluding aisles and shared tenant space.

GROSS RENT

Contractual rent calculated as the minimum guaranteed rent plus any additional variable rent based on retailer sales.

HYPERMARKET

A large self-service retail store selling a broad assortment of food and non-food products over a sales space that exceeds 2,500 sq.m.

INTEREST COVERAGE RATIO (ICR)

This ratio measures the company's ability to cover the cost of its debt. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

ISO 14001

International environmental certification used for the implementation of Environmental Management Systems (EMS).

KLÉPIERRE UNIVERSITY

The Group's corporate university, which aims to share know-how inside the Company and promote the emergence of a common culture.

LATE PAYMENT

Late payment (rent, utilities and taxes, including VAT) corresponds to any payment that has not been received by the due date. Payments are classified as "late payments" as of the first day following the due date.

LET'S PLAY®

Name given to the Group's marketing strategy aiming at making visiting its shopping centers an entertaining retail experience. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

LIKE-FOR-LIKE/REPORTED PORTFOLIO BASIS

The Group analyzes changes in certain indicators either based on all holdings actually owned during the comparative periods (reported portfolio), or by separating out the impact of any acquisitions, extensions or disposals during the period under review, in order to obtain a stable underlying comparison basis with the prior period (like-for-like portfolio).

LIQUIDITY POSITION

Liquidity position is the total financial resources available to a company. This indicator is therefore equal to the sum of the cash at hand at the end of the year, confirmed and unused revolving credit facilities (net of commercial paper) and uncommitted credit facilities.

LOAN-TO-VALUE RATIO (LTV)

Calculated by dividing consolidated net debt by the total value of the Group's property portfolio as determined by independent appraisers (total share, including transfer taxes).

MID-SIZE UNIT

A retail outlet with a sales area of more than 750 sq.m.

MINIMUM GUARANTEED RENT (MGR)

The minimum guaranteed rent payable under the terms of the lease. Also known as base rent.

NET ASSET VALUE (NAV)

NAV is an indicator that measures the break-up value of a real estate company. It essentially represents the difference between the value of the Company's assets (as estimated by independent appraisers) and the total sum of its liabilities. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

NET CURRENT CASH FLOW

This indicator corresponds to cash flow generated by the recurring operations and business of the Company, after interest and tax. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

NET RENT

Gross rent less fees, non-recovered rental charges (in particular due to vacancies), expenses chargeable to the owner and, where applicable, expenses related to the land on which the rental unit is situated.

NON-FINANCIAL RATING AGENCIES

Agencies that rate businesses on their performances in the three key sustainability areas: quality of environment, governance and social performance. They provide investors with guidelines for assessing businesses from a non-financial perspective.

OCCUPANCY COST RATIO

The occupancy cost ratio represents the ratio of rent and tenant charges (excluding taxes) to revenues (excluding taxes).

RENTABLE FLOOR AREA

Gross leasable area owned by Klépierre and in respect of which Klépierre collects rents.

REVERSION

Additional minimum guaranteed rent (MGR) obtained as a result of re-letting or when a lease is renewed with the same tenant (excluding additional MGR obtained when a property is leased for the first time). Therefore, the rate is calculated by comparing the resulting additional rent obtained (excluding inflation) with the former minimum guaranteed rent (MGR). Reversion is negative if the new rent is lower than the previous one.

RIGHT-SIZING

A Klépierre initiative consisting of ensuring that retailers are able to offer the right format for the right location. In many cases, this implies expanding or reducing the size of stores, and/or relocating them to more appropriate sites within a given shopping center.

SALE AND PURCHASE PROMISSORY AGREEMENT

A contractual instrument signed between seller and buyer, under which both parties undertake to proceed with the sale of an asset at an agreed price and before a specified date.

SENIOR WORKERS

Pursuant to applicable law in France, any employee who is aged 55 or over is considered to be a senior worker with respect to career management. For new hires, the threshold is set at 50. The Group entered into an agreement pertaining to the employment of senior workers in October 2009.

- Dividends received from subsidiaries having elected for SIIC status (or SIIC equivalent) where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, provided that they are distributed in full during the fiscal year following the year in which they are generated.

Klépierre elected for SIIC status in 2003. No shareholder, acting alone or in concert with others, may control more than 60% of the equity capital of a company that has opted for SIIC status. Failing to comply with this threshold would lead to the Company losing SIIC status.

SHOPPING CENTER

A group of at least 20 stores and services that form a gross leasable area (GLA) of at least 5,000 sq.m., designed, built and managed as a single entity.

SPECIALTY LEASING

Package of services offering a wide range of communication media to retail chains in order to promote their products (in- and out-of-store poster campaigns for shopping centers, plasma screens, event organization, temporary lets for promotional purposes, etc.). Klépierre Brand Ventures is the Group's entity dedicated to this activity.

STAKEHOLDERS

Any individual or group that may affect or be affected by the accomplishment of the objectives of the organization. Stakeholders may be part of the Group (employees) or be external parties (clients, suppliers, shareholders, lenders, etc.).

UNIVERSAL REGISTRATION DOCUMENT (URD)

Following the entry into force of the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation 3" or "PD 3"), the new Universal Registration Document (also known as the URD) replaced the Registration Document as of July 20, 2019. The document presents the Company's organization, business, financial position, earnings and prospects. In addition to the information already presented in the Registration Document, more information is provided and/or presented differently on: strategy, non-financial information and risk factors.

YIELD

Unlike the cap rate, the yield is based on property values excluding transfer taxes, and is used by independent appraisers to estimate the value of the Group's property portfolio. It is determined using analyses of comparable recent transactions and criteria specific to the type of asset under consideration (location, sales area, rental reversion potential, possibility of extensions, percentage of ownership, etc.).

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Tel.: +33 1 55 32 29 74

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Klépierre
26, boulevard des Capucines
75009 Paris – France
www.klepierre.com