

SUPPLEMENTAL
INFORMATION TO THE
EARNINGS RELEASE
FIRST-HALF 2023



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Limited review procedures on the interim condensed consolidated financial statements have been completed.
The auditors are in the process of issuing their report.

1

TRADING UPDATE

1.1 Retailer sales and footfall

Klépierre's operating performance continued to improve in the first half of 2023, as illustrated by solid like-for-like growth in **retailer sales**, up 8.0% compared to the same period last year.

Footfall also jumped by 10% during the period compared to 2022.

By **geographic area**, all countries contributed to the growth momentum and exceeded 2022 retailer sales levels. Southern regions were dynamic over the period with Iberia posting growth of 11.2% and Italy experiencing an 8.7% increase. Momentum was also very positive in the Netherlands & Germany (up 17.4%) and Central Europe (up 9.9%), while France was up 5.7% and retailer sales in Scandinavia expanded by 6.4%.

Retailer sales growth was strong across most **segments**, with increases ranging from 6.4% for fashion to 16.5% for food & beverage. Health & beauty outperformed the Group average with growth of 10.8% while household equipment was down slightly (-1.6%) due to solid 2022 figures as this segment was the best performer during the pandemic.

Exhibit 1 Retailer sales by geography compared to 2022^(a)

Geography	Like-for-like change ^(a)	Share (in total reported retailer sales)
France	+5.7%	40%
Italy	+8.7%	25%
Scandinavia	+6.4%	12%
Iberia	+11.2%	10%
Netherlands & Germany	+17.4%	7%
Central Europe	+9.9%	6%
TOTAL	+8.0%	100%

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

Exhibit 2 Retailer sales by segment compared to 2022^(a)

Segment	Like-for-like change ^(a)	Share (in total reported retailer sales)
Fashion	+6.4%	34%
Culture, Gifts & Leisure	+7.4%	21%
Health & Beauty	+10.8%	15%
Food & Beverage	+16.5%	13%
Household Equipment	-1.6%	11%
Other	+14.6%	6%
TOTAL	+8.0%	100%

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

1.2 Rent collection

The Group collection rate is 96.5% for the first half of 2023, compared to 96.4% as of December 31, 2022.

1.3 Gross rental income and net rental income

Exhibit 3 Gross rental income (on a total share basis)

<i>In millions of euros</i>	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
France	226.8	210.7	210.6
Italy	107.2	102.1	116.9
Scandinavia	75.9	67.1	66.4
Iberia	63.0	63.0	69.9
Netherlands & Germany	53.8	49.6	55.4
Central Europe	32.2	32.2	36.6
Other countries	7.5	7.2	8.1
TOTAL SHOPPING CENTERS	566.4	532.0	563.9
Other retail properties	10.9	2.8	2.6
TOTAL	577.3	534.7	566.5

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€19.7m) and the gross rental income generated by disposed assets (€22.9m).

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

Exhibit 4 Net rental income (on a total share basis)

<i>In millions of euros</i>	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
France	198.1	172.4	181.4	+5.3%
Italy	98.6	88.3	103.5	+7.8%
Scandinavia	65.1	56.3	59.1	+5.0%
Iberia	57.2	54.9	63.4	+12.1%
Netherlands & Germany	36.9	32.6	36.5	+11.9%
Central Europe	30.1	29.8	31.9	+7.1%
Other countries	4.3	4.2	6.0	+41.5%
TOTAL SHOPPING CENTERS	490.3	438.6	481.8	+7.6%
Other retail properties	11.0	3.2	2.3	
TOTAL	501.3	441.7	484.1	+7.3%

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€38.6m) and the net rental income generated by disposed assets (€21.0m).

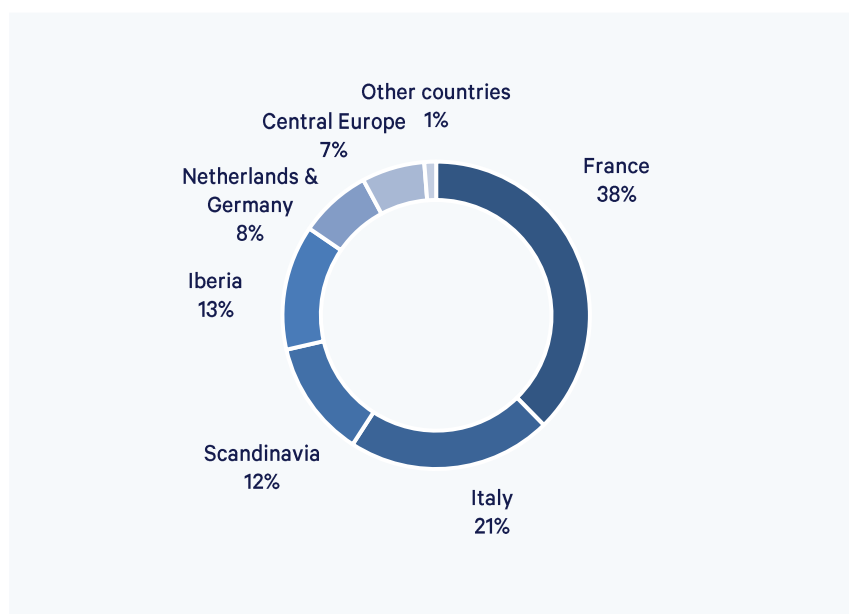
(b) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.

Net **rental income** amounted to €484.1 million in the first half of 2023, a record 7.3% like-for-like⁽¹⁾ year-on-year.

The rebound in retailer sales as well as the sustainable occupancy cost ratio for tenants have allowed the Group to capture reversion through a weighted 6.1% positive indexation effect, and to deliver a remarkable 28% like-for-like increase in ancillary income (turnover rents up 36%, parking lot revenues up 32% and specialty leasing revenues up 13%). Growth was also supported by disciplined management of property charges which translated into an improvement in the ratio of gross to net rental income.

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

Chart 1 Breakdown of shopping center NRI by region as of June 30, 2023
(on a total share basis)



1.4 Leasing update

Klépierre registered a dynamic leasing performance over the first half of the year, highlighted by the signing of 809 leases (up 16% compared to the first half of 2022), which confirmed the appeal of the Group's offering among retailers. Dealflow included 634 renewals and re-lettings, with a 5.3% positive reversion rate. Klépierre continued to create value by leveraging its key competitive advantages: (i) the high-quality portfolio in key locations, (ii) the strength of the leasing platform and (iii) the inherent agility of the Group's shopping malls, which are ideally adapted to dynamic banners that meet constantly-evolving customer expectations. In this context, the flight-to-quality strategy pursued by retailers over recent years is supporting demand for space in the Group's assets. Overall, this translated into a 100-basis point year-on-year increase in occupancy to 95.7% as of June 30, 2023 (vs. 95.8% as of December 31, 2022), while the occupancy cost ratio remained at the sustainable level of 12.8% versus 12.9% as of December 31, 2022.

Dealflow remained dense through the first half of the year with **omnichannel and international retailers**, materialized by the opening of two new Primark stores at Centre Deux and Nave de Vero in March, and the signing of the extension of Zara's flagship store at Odysseum to 3,000 sq.m. Calzedonia Group continued to expand in Italy and abroad, scaling up flagship banners Intimissimi, Intimissimi Uomo and Falconeri by opening four new stores at La Gavia (Madrid, Spain), Plzeň Plaza (Czech Republic) and Nave de Vero (Venice, Italy). The Italian group also inaugurated two new stores in France, further entrenching its footprint in the country. In addition, Klépierre accompanied Normal's expansion in Portugal (three deals) and Spain, where the brand is expected to make its market entry by the end of 2023. The first half of 2023 also illustrated the rapid rollout of **on-trend fashion brands** across Klépierre's portfolio. Denim brand Jack & Jones strengthened its positioning in France (seven deals signed) and in Italy (four deals signed), while fast-growing down jacket brand Jott, which already has six stores in France, is planning to expand its business internationally by opening its first Dutch store at Hoog Catharijne (Utrecht, Netherlands).

On top of this, the Group also supported the ramp-up of the **services segment**, notably through its collaboration with We Audition, which is expanding in France and unveiled five stores. Meanwhile, three renewals were signed with Medi Market pharmacies in Italy, bringing their total to five stores, four of which have opened this year.

Over the last six months, Klépierre has also capitalized on its strong partnerships in the very **dynamic sneakers and sports vertical**, strengthening its ties with JD Sports by signing three deals in Italy (Globo and Le Vele

Millenium in January and Grandemilia in February) and the 500 sq.m. store extension in Val d'Europe (Paris region). Klépierre also supported Deichmann's geographical expansion, signing three deals for space at Emporia (Malmö, Sweden), Kupolen (Borlänge, Sweden) and Nueva Condomina (Murcia, Spain) and penning a deal to roll-out two new stores in Italy. At the same time, French company Courir opened a flagship store in Hoog Catharijne (Utrecht, Netherlands) in February while Foot Locker, which recently opened its biggest store in continental Europe at Val d'Europe, continued to rightsize across the portfolio.

Exhibit 5 Occupancy cost ratio by geography

Geography	OCR ^(a)
France	13.3%
Italy	12.4%
Scandinavia	11.9%
Iberia	13.6%
Netherlands & Germany	12.7%
Central Europe	14.7%
Other countries	7.7%
TOTAL	12.8%

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.

2

BUSINESS ACTIVITY BY REGION

2.1 France (38% of net rental income)

Exhibit 6 Net rental income in France

In millions of euros	Portfolio NRI			
	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
FRANCE	198.1	172.4	181.4	+5.3%

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

Like-for-like **retailer sales**⁽²⁾ growth at Klépierre malls came out at 5.7% year on year, despite social protests against pensions reform and riots. Segment wise, food & beverage and health & beauty experienced the strongest growth with sales up 10.3% and 7.5% respectively. Fashion (up 4.2%) was notably impacted by the cold weather, while cultural products (+29.8%) and restaurants (+10.6%) performed well.

Net rental income was up 5.3% on a like-for-like basis, mainly driven by indexation and a rebound in ancillary income (up 31% on a like-for-like basis).

On the **leasing** front, Inditex continued to enlarge its stores in our malls with the successful opening of a 3,000 sq.m. Zara store at Blagnac (Toulouse), followed by the handover of two additional Zara flagships at Odysseum (Montpellier) and Arcades (Noisy-le-Grand).

While Val d'Europe is expected to consolidate its dominant position as one of France's top destinations by welcoming a unique leisure concept over 13,000 sq.m., the regional mall also saw its fashion and lifestyle offering enriched with expanded flagships for Foot Locker, JD Sports and Calzedonia, with the latter also choosing the mall to open its first Falconeri banner in France. In the men's fashion segment, Jack & Jones continued to execute its expansion strategy in France with seven new stores signed, while Devred put pen to paper on four additional stores.

The period also marked the completion and full leasing of the Grenoble Grand Place extension for an opening planned next November, with a new dining area hosting 12 restaurants and an upgraded offering involving brands such as Jott, Snipes, Palais des Thés, Chaussea and Primark. At the same time, in Saint-Etienne, the repositioning of Centre Deux was completed by rounding out the mall's offering with new tenants including Primark, JD Sports, Normal, Cleor, Foot Locker, Optical Center and Action. In Paris, the renewal and releasing campaign at Saint-Lazare got off a good start with 12 deals signed in the first half of the year. Moreover, the Group bolstered the health & beauty segment in its French portfolio, with three new NYX stores at Arcades (Noisy-le-Grand), Centre Deux (Saint-Etienne) and Grand Place (Grenoble), while fragrance brand Adopt' opened two new stores in Montpellier and Clermont-Ferrand. Similarly, Rituals opted to join Rives d'Arcins (Bordeaux), while Aroma Zone chose Créteil Soleil for its inaugural store in the Paris region. Lastly, the services vertical which acts as an additional footfall driver continued to thrive, supported by strong momentum in the pharmacy market and the fast-paced expansion of audiologists. A new pharmacy will open at Portet Sur Garonne (Toulouse) and four enlargements were completed at Blagnac (Toulouse), Créteil Soleil (Paris region) and Grand Place (Grenoble), while We Audition unveiled five new locations across the portfolio.

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

2.2 Italy (21% of net rental income)

Exhibit 7 Net rental income in Italy

In millions of euros	Portfolio NRI			
	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
ITALY	98.6	88.3	103.5	+7.8%

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

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

Retailer sales⁽³⁾ in Italy (up 8.7%), outpaced the Group average by 70 basis points, benefiting from Klépierre's very high quality portfolio. All retail segments contributed to the growth effort, with the exception of household equipment (down 2.1%). Food & beverage (up 29.9%) and health & beauty (up 15.2%) rebounded strongly on the back of the lifting of health restrictions, while culture, gifts & leisure (up 10.6%) was driven by the solid increase in the sports subsegment (up 13.1%).

In this context, **net rental income** in Italy increased by 7.8% on a like-for-like basis.

On the **leasing front**, the Italian portfolio remained a key performance driver at Group level and showcased the attractiveness of Klépierre's platform. The Group continued to consolidate its long-standing partnerships with key accounts in the sports subsegment, notably through a dynamic leasing flow with JD Sports which signed three deals (Globo and Le Vele Millenium in January and Grandemilia in February, all of them open as of June 2023). Meanwhile, its peer Deichmann signed up various new stores. In the wider footwear segment, the third Dr. Martens store in Klépierre's portfolio will open at Le Gru (Turin) while the Italian brand Geox signed up in June for the renewal of the leases on four stores at Globo (Milan), Grandemilia (Modena), Gran Reno (Bologna) and Le Gru (Turin). A host of international retail fashion banners chose to pursue their expansion at prime Italian malls such as Nave de Vero (Venice), which unveiled new Primark and Falconeri stores in March. The value segment also contributed significantly to the solid leasing performance in the region, supported by the opening of the first Action store in the Group's Italian portfolio. At the same time, the cosmetics chain Primor chose Milanofiori (Assago) for the inauguration of its first store in the country, followed by the opening in June of a store at Campania (Naples). Lastly, the Group also prioritized the development of the service vertical with leases signed in May with Medi Market pharmacies at Alle Valli (Seriante) and Il Leone (Lonato), bringing their total presence to five stores.

2.3 Scandinavia (12% of net rental income)

Exhibit 8 Net rental income in Scandinavia

In millions of euros	Portfolio NRI			
	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
SCANDINAVIA	65.1	56.3	59.1	+5.0%

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

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

On a like-for-like basis, **retailer sales⁽³⁾** in Scandinavia were up 6.4% over the first half of 2023. Sweden (up 9.8%) posted the strongest growth, driven by an influx of Danish visitors on the back of favorable foreign exchange rate. Denmark registered growth of 1.6% while Norway was up 6.1%. By segment, health & beauty was up 12.4% and food & beverage was up 8.1%. Despite strong post-pandemic rebounds, other segments were less dynamic during the first half.

On a like-for-like basis, **net rental income** was up 5.0%, driven by indexation and higher ancillary income (up 19% on a like-for-like basis).

Leasing dealflow was mostly characterized by the strong dynamic of international and local omnichannel fashion retailers, including Mango's new boutique at Field's (Copenhagen, Denmark) as well as New Yorker extensions at Emporia (Malmö, Sweden) and Kupolen (Borlänge, Sweden). Klépierre's leasing teams in the region also supported the expansion of Deichmann, which signed up to open a new boutique at Kupolen

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

(Borlänge, Sweden). In May, the Group focused on further enriching the retail mix, with Danish value retailer Normal opening a new store at Bryggen (Vejle, Denmark), meaning that Normal now has stores at all ten Klépierre assets in Scandinavia. The first half of the year was also marked by the relocation and extension of lifestyle cosmetics brand Rituals at Kupolen (Borlänge, Sweden). Lastly at Emporia, the preferred destination for banners in Sweden welcomed in May two new famous local concept stores on the home design thematic: Granit and Designorget, that will round out the lifestyle offer of the mall.

2.4 Iberia (13% of net rental income)

Exhibit 9 Net rental income in Iberia

In millions of euros	Portfolio NRI			
	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
IBERIA	57.2	54.9	63.4	+12.1%

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

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

Klépierre's high-quality Iberian malls recorded strong **retailer sales**⁽⁴⁾ growth of 11.2% year on year. Portugal led the way with retailer sales up 13.0%, while growth in Spain was 250 basis points higher than the Group average. The high level of household savings and the return of tourists fueled domestic demand against a backdrop of ebbing inflation and a labor market that remained supportive over the period. All retail segments performed well, especially food & beverage (up 17.5%) and health & beauty (up 12.0%). The household equipment segment - the best performer during the pandemic - posted retailer sales in line with first-half 2022.

Net rental income was up 12.1% on a like-for-like basis, supported by indexation, higher ancillary income (up 16% on a like-for-like basis).

Leasing activity was dynamic over the period as demonstrated by the arrival of Italian retailer Calzedonia at La Gavia (Madrid) in January as well as twin brands Intimissimi and Intimissimi Uomo which unveiled new stores in February. During the period, Klépierre completed the major rightsizing and refurbishment of Lefties (Inditex) at Maremagnum (Barcelona), completing the already exhaustive offering from the leading Spanish group at that mall (Pull&Bear, Bershka and Stradivarius). As part of the rollout of its Destination Food® concept at Maremagnum, the Group also broadened the food & beverage offering by signing up Time Out Market, an on-trend concept bringing the best of the city together under one roof – including top chefs, beverages and cultural experiences - that is set to open during the first half of 2024, in time for the America's Cup. The Group's Iberian mall portfolio also strengthened its ties with fast-growing lifestyle brands such as Normal which signed three deals in Portugal at Guimarães, Aqua Portimão (Portimão) and Parque Nascente (Porto). The Danish brand has high ambitions in the Iberian region and has slated its market entry in Spain before the end of 2023 (three leases signed). In the health & beauty segment, Druni rightsized two of its stores at Maremagnum (Barcelona) in May and at La Gavia (Madrid) in June, increasing their surface area while affordable jeweller Claire's penned a deal for the opening of two new stores at Nueva Condomina (Murcia) and Plenilunio (Madrid). Several deals were signed in the sports subsegment with JD Sports (Porto), while Deichmann reopened at Nueva Condomina in March after refurbishment. Foot Locker also opted to transfer and rightsize its boutique at Murcia's leading mall.

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

Exhibit 10 Net rental income the Netherlands & Germany

In millions of euros	Portfolio NRI			
	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
NETHERLANDS & GERMANY	36.9	32.6	36.5	+11.9%

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

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

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

Netherlands & Germany enjoyed the strongest growth in terms of **retailer sales⁽⁵⁾** which increased by 17.4% over the period, notably reflecting the favorable comparison basis with the first quarter of 2022 when health restrictions remained in place. Retailer sales growth tailed off in the second quarter, on the back of challenging economic conditions in Germany which was among Europe's stragglers during the period in terms of GDP growth. By segment, food & beverage, health & beauty and culture, gifts & leisure led the pack while fashion proved its resilience, performing in line with the Group average.

Net rental income increased by 11.9% like-for-like, mainly benefiting from high indexation and a sharp jump in ancillary income (up 45% on a like-for-like basis).

On the leasing front, the Group's asset management initiatives in the region helped reinforce the presence of apparel retailers including Inditex whose Stradivarius banners signed up in April to open its first boutique in Germany, at Centrum Galerie. The Dresden-based mall now boasts the full Inditex offering, following the relocation of Bershka within the mall last year, with its previous unit remodeled to welcome the leading online eyewear retailer Mr. Spex. In March 2023, Aldi opened its first inner-city supermarket in Germany, strengthening the line-up of the mall's basement with a surface of 1,500 sq.m. Aerie, American Eagle's lingerie line opened its first store at Alexandrium (Rotterdam) in February. Meanwhile, fast-growing down jacket brand Jott and sports fashion footwear brands Courir and Xenos opened flagship stores at Hoog Catharijne (Utrecht), enriching the retail mix and showcasing the appeal among retailers for the leading mall in the Netherlands.

2.6 Central Europe (7% of net rental income)

Exhibit 11 Net rental income in Central Europe

In millions of euros	Portfolio NRI			
	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)	Like-for-like change
CENTRAL EUROPE	30.1	29.8	31.9	+7.1%

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

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

Retailer sales⁽⁵⁾ in Central Europe exceeded first-half 2022 levels by 9.9%, benefiting from Klépierre's proactive leasing initiatives in the region over recent years, higher inflation than other geographies and growing real wages in a tight labor market that supported consumption. The Czech Republic (up 10.2%) was the main contributor to growth, powered by good performances from Nový Smíchov (Prague) that posted a 12.1% increase in retailer sales.

Net rental income in Central Europe was up 7.1% on a like-for-like basis, on the back of indexation and higher ancillary income (up 36% on a like-for-like basis).

Dealfloor was dense in Central Europe, especially at Nový Smíchov, the leading mall in Prague (Czech Republic), which attracted several flagship banners including Nike which unveiled a new store in January. Deals were also signed with innovative American sportswear brand Under Armour and French fashion retailer Celio. Klépierre also signed 5 deals with the famous Polish clothing retailer CCC group including its extension and new concept introduction at Nový Smíchov and 4 additional deals with its sub-brands E-obuwie and HalfPrice in Poznań Plaza, Rybnik Plaza and Lublin Plaza. Leasing activity was dynamic in the food & beverage segment where Klépierre continued to broaden its offering by signing up Starbucks at Plzeň Plaza (Plzeň, Czech Republic). This is the American coffee shop's first point of sale in the Plzeň region and is set to open within the year. The value and lifestyle verticals also experienced good momentum, with Lublin Plaza (Poland) proving particularly attractive during the period, as illustrated by deals signed with Pepco in February for a new store and with Danish banner Flying Tiger.

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

3

NET CURRENT CASH FLOW

3.1 Net current cash flow

Exhibit 12 Net current cash flow

Total share (in millions of euros)	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
Gross rental income	577.3	534.7	566.5
Rental and building expenses	(76.0)	(93.0)	(82.4)
Net rental income	501.3	441.7	484.1
Management and other income	42.0	42.0	36.3
Payroll and general and administrative expenses	(76.7)	(76.7)	(68.5)
EBITDA	466.6	407.0	451.9
Depreciation charge for right-of-use assets ^(c)	(4.0)	(4.0)	(4.4)
Employee benefits, stock option expense and non-current operating expenses/income	(1.9)	(1.9)	(6.5)
IFRIC 21 impact	7.7	7.7	8.6
Cost of net debt	(51.7)	(51.7)	(59.4)
Share in earnings of equity-accounted companies	28.5	26.0	27.5
Current tax expense	(17.6)	(17.6)	(23.7)
Net current cash flow	427.7	365.6	394.1
Group share			
Net current cash flow	376.5	322.8	348.3
Average number of shares ^(d)	286,037,065	286,037,065	286,363,431
Per share (in euros)			
NET CURRENT CASH FLOW	1.32	1.13	1.21

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€41.1m in Total share or €36.0m in Group share) and the net rental income generated by disposed assets (€21.0m in Total share or €17.7m in Group share).

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

(c) Right of use assets and lease liabilities related to head office and vehicle leases as per IFRS 16.

(d) Excluding treasury shares.

Over the first half of 2023, net current cash flow per share increased by 7.4% year on year to €1.21⁽⁶⁾. This recurring performance reflects the combined impact of the following indicators:

- > **Net rental income** increased by 7.3% on a like-for-like⁽⁷⁾ basis, mainly on the back of the 6.1% positive impact of indexation as well as higher ancillary income and further improvement of property charge management;
- > **EBITDA** amounted to €451.9 million up 11.1% year on year, notably thanks to tight control of payroll and general and administrative expenses that offset the decrease in management and other income induced by lower development fees (Gran Reno extension delivered in July 2022 and several Primark stores delivered in the second half of 2022);
- > **The cost of net debt** was up slightly to €59.4 million on a total share basis, mainly impacted by higher spreads. Overall, the average cost of debt remained contained at 1.4% (see section 6.3 "Cost of debt");
- > **Current tax expense** amounted to €23.7 million on a total share basis, up €6.1 million year on year, notably reflecting higher net rental income in taxable countries (mainly Italy, Portugal and Central Europe);

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

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

3.2 Contribution of equity-accounted companies

The contribution of equity-accounted companies⁽⁸⁾ to net current cash flow amounted to €27.5 million over the first half of 2023.

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

Exhibit 13 Contribution of equity-accounted companies

GROSS RENTAL INCOME

In millions of euros	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
France	12.2	11.7	12.1
Italy	21.4	20.8	22.1
Norway ^(c)	3.2	3.1	3.1
Portugal	1.8	1.8	2.1
Turkey	2.7	2.7	2.7
TOTAL	41.3	40.2	42.1

NET RENTAL INCOME

In millions of euros	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
France	9.1	8.2	8.6
Italy	19.3	17.8	19.6
Norway ^(c)	2.4	2.4	2.4
Portugal	1.5	1.4	2.1
Turkey	2.1	2.1	2.0
TOTAL	34.5	32.0	34.5

EBITDA

In millions of euros	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
France	9.0	8.1	8.5
Italy	19.2	17.6	19.5
Norway ^(c)	2.4	2.4	2.4
Portugal	1.5	1.5	2.1
Turkey	2.0	1.9	1.8
TOTAL	34.1	31.6	34.2

NET CURRENT CASH FLOW

In millions of euros	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
France	7.5	6.7	6.7
Italy	15.9	14.4	15.9
Norway ^(c)	2.4	2.4	2.4
Portugal	0.3	0.2	0.7
Turkey	2.3	2.3	2.0
TOTAL	28.5	26.0	27.5

NET INCOME^(d)

In millions of euros	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
France	3.1	2.2	(10.3)
Italy	20.1	18.6	12.8
Norway ^(c)	5.3	5.2	1.6
Portugal	0.0	(0.0)	1.7
Turkey	7.3	7.3	8.6
TOTAL	35.8	33.3	14.1

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

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

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

(d) Net income includes non-cash and non-recurring items, including changes in the fair value of investment properties.

(8) Equity-accounted companies include investments in jointly controlled companies and companies in which the Group exercises significant influence. Refer to the list in the chapter 2 of the Universal Registration Document.

4

INVESTMENTS, DEVELOPMENTS AND DISPOSALS

4.1 Development pipeline

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

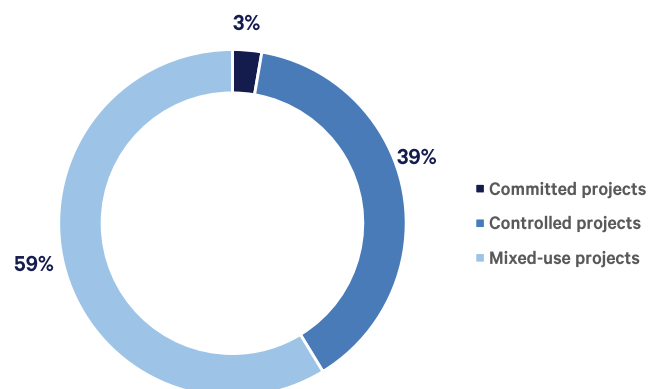
In addition, to capture the benefits of the urbanization trend and maximize value, a selection of mixed-use development projects are under consideration including roughly 57% residential, 25% office space and 10% hotels, with the remaining space given over to logistics and other uses⁽⁹⁾. These plans aim to transform the potential of building rights at Økernsenteret (Oslo, Norway), Viva (Odense, Denmark), Blagnac (Toulouse region, France), L'Esplanade (Louvain-La-Neuve, Belgium), Nancy (France) and Field's (Copenhagen, Denmark).

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

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).

Chart 2 Breakdown of the development pipeline *(in % of cash to spend)*



⁽⁹⁾ As a percentage of floor area.

As of June 30, 2023, on a total share basis, the total pipeline represented €2.2 billion of potential investments. Committed retail projects remained limited, representing €50 million to cash out by delivery. Meanwhile, in case of approval, potential future capex spending on controlled retail would amount to €718 million. Over the first-half of 2023, €40.4 million was spent on the pipeline, mainly in France, Spain and the Netherlands.

Extension of Grand Place (Grenoble, France)

The 16,200 sq.m. extension of Grand Place (Grenoble, France) which started in May 2022 is expected to be delivered by the end of 2023 and will bring the total leasable area of the mall to 75,000 sq.m. All the projected net rental income is already let or under advanced negotiations, with leading brands such as Primark – which is set to open its first store in the region – Snipes, JOTT and NYX, and a food area upgraded to the latest standards of Klépierre's Destination Food® strategy. Yield on cost for this project is projected at around 8%. In line with its energy sobriety strategy, Klépierre is also finalizing the installation of a solar plant on the roof of the mall, with a targeted annual production capacity of 370 MWh.

Maremagnum (Barcelona, Spain)

In early 2024, Time Out Market will inaugurate its first location in Spain and second in Europe, just in time for the America's Cup. The exclusive food and cultural concept brings together a host of different activities from cooking classes with top chefs to art from local talent and live entertainment, turning the newly refurbished Maremagnum's 5,200 sq.m. rooftop into Barcelona's leisure, food & beverage hotspot and boasting breathtaking views of the Mediterranean Sea, a key footfall anchor for the mall. Maremagnum is just a stone's throw from the port, Las Ramblas and the Barcelona Aquarium and is set to tap into the major tourist and local flows in the area, entrenching Klépierre's footprint in the region. Yield on cost for this project is projected at 13.5%.

4.2 Disposals

Since January 1, 2023, the Group has completed disposals totaling €31.3 million⁽¹⁰⁾ comprising several retail assets in France and Sweden.

Taking into account €50.2 million in sales under promissory agreement (mainly signed after June 30, 2023), total Group disposals closed or signed amounted to €81.5 million (excluding transfer taxes). These transactions were made in line with the latest appraised values (-0.2%).

⁽¹⁰⁾ Total share, excluding transfer taxes.

5

PORTFOLIO VALUATION

5.1 Property portfolio valuation

5.1.1 Property portfolio valuation methodology

5.1.1.1 Scope of the portfolio as appraised by external appraisers

As of June 30, 2023, 99% of the value of Klépierre's property portfolio, or €19,285 million (including transfer taxes, on a total share basis)⁽¹¹⁾, was estimated by external appraisers in accordance with the methodology described below. The remainder of the portfolio was valued as follows:

- > Projects under development are carried at cost⁽¹²⁾; and
- > Other non-appraised assets, consisting mainly of assets held for sale, are valued at the agreed transaction price, land is valued at cost (when below €5 million), and other development projects are measured internally at fair value.

Exhibit 14 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	19,285
Acquisitions	0
Investment property at cost	133
Other internally-appraised assets (land, assets held for sale, etc.)	2
TOTAL PORTFOLIO	19,420

5.1.1.2 Methodology used by external appraisers

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

As at June 30, 2023, the main appraisers were Cushman & Wakefield, Jones Lang LaSalle, who each valued 35% of the Group portfolio, with the remaining asset valuations being 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.

Exhibit 15 Breakdown by appraiser of the appraised property portfolio as of June 30, 2023

Appraiser	Countries covered	Share of total portfolio (in %)
Cushman & Wakefield	> France, Norway, Sweden, Denmark, Belgium and Poland	35%
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%

⁽¹¹⁾ Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group.

⁽¹²⁾ Other projects (Viva, Økern and Louvain) are carried at cost.

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

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

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

5.1.1.3 Valuation

5.1.1.4 Change in appraisers' assumptions over the first half of the year

The change in the like-for-like valuation⁽¹³⁾ during the first half of 2023 was attributable to the following changes in appraisers' assumptions:

- > A 20-basis-point increase in discount rates to 7.4% and a 10-basis-point increase in exit rates to 5.7%;
- > New indexation and ERV projections translating into a compound annual growth rate of 2.4% for the next 10 years, versus 2.8% as of December 31, 2022.

From a geographical perspective, Iberia (up 1.0% over six months) and Italy (up 1.7% over six months) continued to be the most dynamic regions, reflecting the solid operating fundamentals and the dynamism of the economies.

Overall the shopping centers portfolio valuation was down by 1.4% over six months, on a like-for-like basis.

Exhibit 16 Assumptions used by appraisers for determining the shopping center portfolio valuation as of June 30, 2023^(a)

Geography	Discount rate ^(b)	Exit rate ^(c)	NRI CAGR ^(d)
France	7.0%	5.4%	3.1%
Italy	8.1%	6.4%	1.5%
Scandinavia	7.6%	5.3%	3.0%
Iberia	7.7%	6.1%	2.2%
Netherlands & Germany	6.6%	5.7%	2.5%
Central Europe	7.3%	6.2%	1.5%
TOTAL SHOPPING CENTERS (EXCL. OTHERS)	7.4%	5.7%	2.4%
Other countries	21.0%	9.3%	10.0%
TOTAL	7.5%	5.8%	2.5%

(a) Discount and exit rates weighted by shopping center appraised value (including transfer taxes, on a 100% share basis).

(b) Rate used to calculate the net present value of future cash flows to be generated by the asset.

(c) Rate used to capitalize net rental income at the end of the discounted cash flow period and calculate the terminal value of the asset.

(d) Compound annual growth rate (CAGR) of net rental income as estimated by the appraiser over a ten-year period.

As of June 30, 2023, the average EPRA NIY⁽¹⁴⁾ for the shopping center portfolio⁽¹⁵⁾ stood at 5.7%, versus 5.4% as of December 31, 2022.

(13) Only shopping centers, excluding Turkey. As of June 30, 2023 the value of the overall portfolio, including transfer taxes, amounts to €19,420 million on a total share basis.

(14) 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).

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

Exhibit 17 Change in EPRA Net Initial Yield of the shopping center portfolio⁽¹⁶⁾
(on a Group share basis, including transfer taxes)

Country	06/30/2023	12/31/2022	06/30/2022
France	5.2%	4.9%	4.8%
Italy	6.4%	6.0%	5.7%
Scandinavia	4.9%	4.6%	4.5%
Iberia	5.8%	5.8%	5.7%
Netherlands & Germany	5.8%	5.2%	4.8%
Central Europe	6.6%	6.8%	6.6%
Other countries	10.9%	11.6%	9.9%
TOTAL SHOPPING CENTERS	5.7%	5.4%	5.2%

5.1.1.5 Property portfolio valuation

Exhibit 18 Six-month portfolio valuation reconciliation
(on a total share basis, including transfer taxes)

Portfolio at 12/31/2022	19,832
Disposals	(31)
Acquisitions/developments	21
Like-for-like change	(240)
Forex	(163)
PORTFOLIO AT 06/30/2023	19,420

Including transfer taxes, the value of the portfolio stood at €19,420 million on a total share basis as of June 30, 2023, down 2.1% or €412 million on a reported basis compared to December 31, 2022. This decrease reflects:

- > A €31 million negative impact from disposals;
- > A €21 million positive impact from developments;
- > A €240 million like-for-like valuation decrease (down by 1.2%); and
- > A €163 million negative foreign exchange impact in Scandinavia and Turkey.

Exhibit 19 Valuation of the property portfolio^(a)
(on a total share basis, including transfer taxes)

In millions of euros	06/30/2023	% of total portfolio	Change over 6 months			Change over 12 months		
			12/31/2022	Reported	LfL ^(b)	06/30/2022	Reported	LfL ^(b)
France	7,784	40.1%	8,031	-3.1%	-3.0%	8,177	-4.8%	-4.6%
Italy	4,156	21.4%	4,078	+1.9%	+1.7%	4,064	+2.3%	+2.1%
Scandinavia	2,448	12.6%	2,643	-7.4%	-3.2%	3,053	-19.8%	-6.3%
Iberia	2,233	11.5%	2,218	+0.7%	+1.0%	2,214	+0.8%	+1.0%
Netherlands & Germany	1,613	8.3%	1,679	-3.9%	-3.9%	1,884	-14.4%	-7.0%
Central Europe	967	5.0%	946	+2.2%	+2.2%	964	+0.3%	+0.3%
Shopping centers excl. other countries	19,200	98.9%	19,595	-2.0%	-1.4%	20,355	-5.7%	-2.8%
Other countries	168	0.9%	174	-3.8%	+25.4%	147	+14.1%	+63.7%
TOTAL SHOPPING CENTERS	19,368	99.7%	19,770	-2.0%	-1.2%	20,502	-5.5%	-2.4%
TOTAL OTHER RETAIL PROPERTIES	52	0.3%	63	-17.6%	-1.3%	75	-30.8%	+0.5%
TOTAL PORTFOLIO	19,420	100.0%	19,832	-2.1%	-1.2%	20,577	-5.6%	-2.4%

(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 (€1,278 million as of June 30, 2023 total share, including transfer taxes). The corresponding gross value of these assets stands at €1,281 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.

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

5.1.1.6 Other information related to June 30, 2023 valuation

Exhibit 20 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	17,395
Right-of-use asset relating to ground leases	(270)
Investment property at cost ^(a)	133
Fair value of property held for sale	6
Leasehold and lease incentives	38
Transfer taxes	926
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,193
TOTAL PORTFOLIO	19,420

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

Exhibit 21 Shopping center portfolio valuation: sensitivity to changes in the discount rate and exit rate (on a total share basis, including transfer taxes)

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

Geography	Discount rate variance					
	-100 bps	-50 bps	-25 bps	+25 bps	+50 bps	+100 bps
France	+7.5%	+3.6%	+1.8%	-1.8%	-3.5%	-6.9%
Italy	+7.2%	+3.5%	+1.8%	-1.7%	-3.4%	-6.6%
Scandinavia	+7.4%	+3.6%	+1.8%	-1.8%	-3.5%	-6.8%
Iberia	+7.4%	+3.6%	+1.8%	-1.6%	-3.3%	-6.5%
Netherlands & Germany	+9.7%	+4.7%	+2.3%	-2.3%	-4.4%	-8.7%
Central Europe	+7.0%	+3.4%	+1.7%	-1.7%	-3.3%	-6.4%
Other countries	+5.3%	+2.6%	+1.3%	-1.3%	-2.6%	-5.0%
TOTAL SHOPPING CENTERS	+7.6%	+3.7%	+1.8%	-1.8%	-3.5%	-6.9%

Geography	Exit rate variance					
	-100 bps	-50 bps	-25 bps	+25 bps	+50 bps	+100 bps
France	+11.1%	+5.1%	+2.4%	-2.3%	-4.5%	-8.3%
Italy	+10.5%	+4.8%	+2.3%	-2.1%	-4.1%	-7.5%
Scandinavia	+14.1%	+6.3%	+3.0%	-2.7%	-5.2%	-9.5%
Iberia	+12.5%	+5.7%	+2.8%	-2.4%	-4.6%	-8.7%
Netherlands & Germany	+13.6%	+6.1%	+2.9%	-2.7%	-5.1%	-9.5%
Central Europe	+10.8%	+4.9%	+2.3%	-2.2%	-4.2%	-7.7%
Other countries	+4.2%	+2.0%	+0.9%	-1.0%	-1.8%	-3.5%
TOTAL SHOPPING CENTERS	+11.6%	+5.3%	+2.5%	-2.3%	-4.5%	-8.4%

5.2 Management service activities

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

These activities are valued once a year by Accuracy (as of end-December), an independent external consultant, using a discounted cash flow (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.

There were no triggering events during the period which could lead to additional impairment test. Thus, the fair market value of the Klépierre Group management service activities as of June 30, 2023 remained stable versus December 31, 2022, at €313.1 million on a total share basis.

6

FINANCING POLICY

The Group operates with one of the most solid balance sheets in the industry and with conservative leverage metrics.

6.1 Financial resources

6.1.1 Change in net debt

As of June 30, 2023, consolidated net debt totaled €7,403 million compared to €7,479 million at the end of 2022, down €76 million. The main movements during the last six months were as follows:

- > Cash inflows from operations and other items, amounting to €412 million;
- > Cash outflows in respect of 2022 distributions for €285 million, including €0.87 per share for the first installment of the dividend (€248 million) and distributions to non-controlling interests (€37 million);
- > Cash outflows in respect of capital expenditure for €82 million (see section 7.6 “EPRA capital expenditure”); and
- > Cash inflows from disposals of €31 million.

6.1.2 Debt ratios

As of June 30, 2023, the Loan-to-Value (LTV) ratio stood at 38.1%, up 40 basis points compared to December 31, 2022.

Exhibit 22 Loan-to-Value calculation as of June 30, 2023

(as per covenant definitions, on a total share basis)

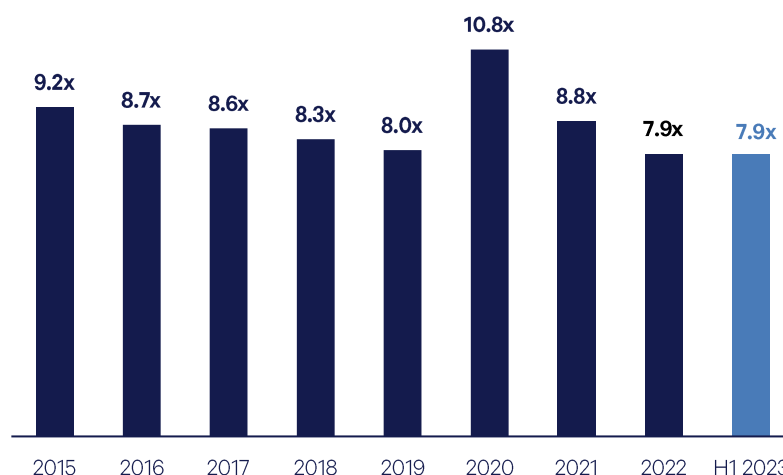
In millions of euros	06/30/2023	12/31/2022	06/30/2022
Current financial liabilities	1,559	1,978	2,340
Bank facilities	20	0	56
Non-current financial liabilities	6,114	5,718	5,793
Revaluation due to fair value hedge and cross currency swap	112	116	82
Fair value adjustment of debt ^(a)		0	(1)
Gross financial liabilities excluding fair value hedge	7,805	7,812	8,270
Cash and cash equivalents ^(b)	(402)	(333)	(146)
Net debt	7,403	7,479	8,124
Property portfolio value (incl. transfer taxes)	19,420	19,832	20,577
LOAN-TO-VALUE RATIO	38.1%	37.7%	39.5%

(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 remained stable at the low level of 7.9x.

Chart 3 Net debt to EBITDA



6.1.3 Main funding operations and available resources

Since the beginning of the year, Klépierre raised €730 million of medium-term debt comprising unsecured bank loans for €412 million and €118 million of mortgage loans denominated in SEK and DKK. Moreover, €200 million of new senior notes have been raised by increasing the outstanding amount of the €600 million bond maturing in May 2029 (2.0% coupon) to €700 million and the €600 million bond maturing in July 2030 (0.625% coupon) to €700 million. The Group also strengthened its liquidity position by renewing €300 million of existing revolving credit facility on a 6-year basis while transforming them into sustainability linked facilities. The total amount of committed credit lines was increased at end of July with the signature of two new bilateral facilities for €175 million.

As of June 30, 2023, the liquidity position⁽¹⁷⁾ stood at €2.5 billion, mainly comprising €1.9 billion in unused committed revolving credit facilities (net of commercial paper), €0.3 billion in other credit facilities and €0.3 billion in cash and equivalents.

6.1.4 Debt structure

As of June 30, 2023, the share of financing sourced from capital markets (Bond and Commercial Paper) in total debt stood at 87%. The total outstanding amount (€1.4 billion) of commercial paper issued in euros is covered by committed back-up facilities in the same amount with a 4.0-year weighted average maturity. Secured debt accounted for 9% of total debt, the bulk of which concerned borrowing raised in Scandinavia. The share of unsecured bank financings (Corporate Loans) increased to 4% with the drawing of three new term loans for €220 million during the semester. The Group's average debt maturity stood at 6.5 years at end-June 2023.

⁽¹⁷⁾ The liquidity position represents the total financial resources available to a company. This indicator is therefore equal to the sum of cash at hand at the end of the period, committed and unused revolving credit facilities (net of commercial paper) and uncommitted credit facilities.

Chart 4 Long term debt maturity schedule as of June 30, 2023 *(in millions of euros)*

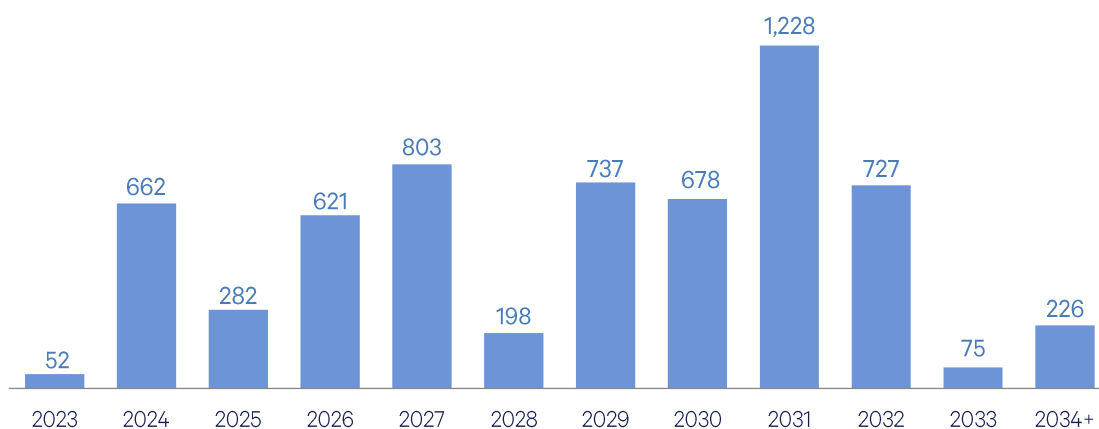


Chart 5 Financing breakdown by type of resources as of June 30, 2023 *(utilizations, total share)*

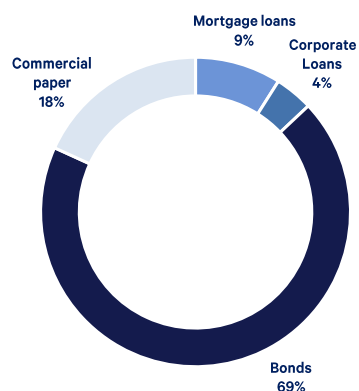
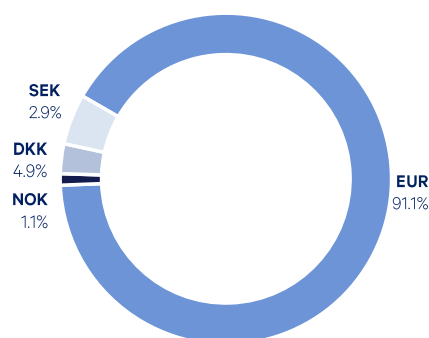


Chart 6 Financing breakdown by currency as of June 30, 2023 *(utilizations, total share)*



6.2 Interest rate hedging

As of June 30, 2023 the proportion of fixed-rate or hedged debt was 100%. This position comprises 81% fixed-rate debt and payer swaps and 19% caps with low interest rates.

Going forward, the Group's hedging is 100% in H2 2023 and 98% in 2024.

6.3 Cost of debt

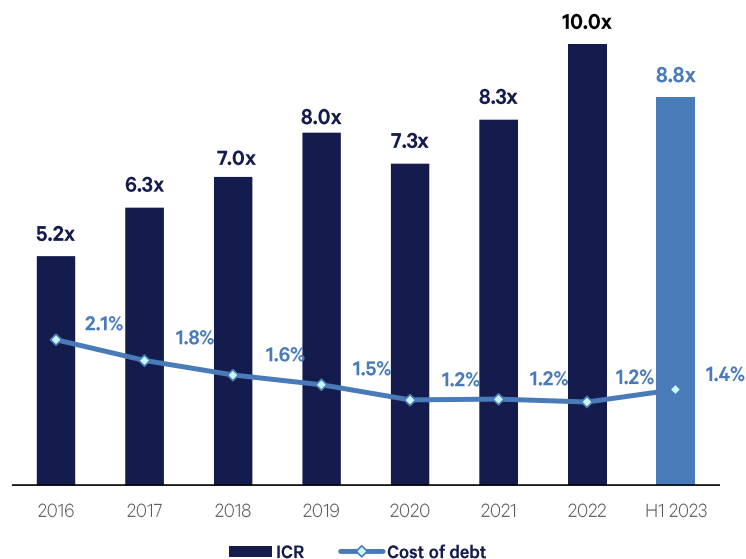
Thanks to the hedging instruments in place, the increase in interest rates in H1 2023 had a very limited impact as the average cost of debt remained contained at 1.4%. The interest coverage ratio (ICR) stood at 8.8x for the first half of the year. Going forward, Klépierre's cost of debt is expected to increase gradually at a moderate pace.

Exhibit 23 Breakdown of cost of debt

In millions of euros	06/30/2023	06/30/2022
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	61.6	58.1
Non-recurring items	(0.7)	(7.3)
Non-cash impact	(2.1)	0.8
Interest on advances to associates	2.0	3.7
Liquidity cost	(3.9)	(3.6)
Interest expense on lease liabilities ^(a)	(4.1)	(4.1)
Others	(0.1)	(0.1)
Cost of debt (used for cost of debt calculations)	52.7	47.6
Average gross debt	7,638.4	8,400.8
COST OF DEBT (in %)	1.4%	1.1%

(a) As per IFRS 16.

Chart 7 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 (€483.8 million), to net interest expenses (€55.3 million) calculated as cost of net debt less net deferral of upfront payments on swaps plus amortization of the fair value of debt less other non-recurring financial expenses.

6.4 Credit ratings and covenants

Standard & Poor's currently assigns Klépierre and Steen & Strøm a long-term BBB+ rating (A2 short-term rating) with a stable outlook (affirmed on June 9, 2023). Since May 2023, Fitch assigns an A- rating with a stable outlook to Klépierre's senior unsecured indebtedness (F1 short-term rating).

Exhibit 24 Covenants applicable to Klépierre SA financing

Financing	Ratios/covenants	Limit ^(a)	06/30/2023	12/31/2022	06/30/2022
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	38.1%	37.7%	39.5%
	EBITDA/Net interest expense ^(b)	≥ 2.0x	8.8x	10.0x	10.0x
	Secured debt/Portfolio value ^(c)	≤ 20%	0.5%	0.6%	0.6%
	Portfolio value ^(d)	≥ €10bn	€16.8bn	€17.1bn	€17.6bn
Bond issues	Secured debt/Revalued Net Asset Value ^(c)	≤ 50%	0.6%	0.7%	0.7%

(a) Covenants are based on the 2022 revolving credit facility.

(b) Excluding the impact of the liability management operations (non-recurring items).

(c) Excluding Steen & Strøm.

(d) Group share, including transfer taxes and including equity accounted investees.

7

EPRA PERFORMANCE INDICATORS

The following performance indicators have been prepared in accordance with the EPRA (European Public Real Estate Association) Best Practices Recommendations published in February 2022 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.

Exhibit 25 EPRA summary table^(a)

	06/30/2023	06/30/2022	See section
EPRA Earnings (<i>in millions of euros</i>)	347.5	315.7	7.1
EPRA Earnings per share (<i>in euros</i>)	1.21	1.10	7.1
EPRA NRV (<i>in millions of euros</i>)	9,702	9,865	7.2.2
EPRA NRV per share (<i>in euros</i>)	33.90	34.50	7.2.2
EPRA NTA (<i>in millions of euros</i>)	8,617	8,759	7.2.2
EPRA NTA per share (<i>in euros</i>)	30.10	30.60	7.2.2
EPRA NDV (<i>in millions of euros</i>)	8,199	8,357	7.2.2
EPRA NDV per share (<i>in euros</i>)	28.60	29.20	7.2.2
EPRA Net Initial Yield Shopping centers	5.7%	5.2%	7.3
EPRA "Topped-up" Net Initial Yield Shopping centers	5.9%	5.4%	7.3
EPRA Vacancy Rate	4.3%	5.3%	7.4
EPRA Cost Ratio (including direct vacancy costs)	20.5%	22.6%	7.5
EPRA Cost Ratio (excluding direct vacancy costs)	18.3%	20.2%	7.5
EPRA Loan-to-Value Ratio (excluding real estate transfer taxes)	44.2%	N/A	7.7
EPRA Loan-to-Value Ratio (including real estate transfer taxes)	42.1%	N/A	7.7

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

7.1 EPRA Earnings

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

Exhibit 26 EPRA Earnings

Group share (in millions of euros)	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
Net income as per IFRS consolidated statement of comprehensive income	294.6	241.0	32.5
Adjustments to calculate EPRA Earnings:			
(i) Changes in value of investment properties, development properties held for investment and other interests	35.9	35.9	331.8
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	19.9	19.9	(0.5)
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	-	-	-
(iv) Tax on profits or losses on disposals	-	-	-
(v) Negative goodwill/goodwill impairment	3.0	3.0	0.1
(vi) Changes in fair value of financial instruments and associated close-out costs	(11.4)	(11.4)	10.7
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-	-
(viii) Deferred tax in respect of EPRA adjustments ^(c)	55.5	55.5	36.3
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(7.3)	(7.3)	13.4
(x) Non-controlling interests in respect of the above	(21.0)	(21.0)	(76.8)
EPRA EARNINGS	369.4	315.7	347.5
Average number of shares ^(d)	286,037,065	286,037,065	286,363,431
Per share (in euros)			
EPRA EARNINGS	1.29	1.10	1.21

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€36.0m) and the net rental income generated by disposed assets (€17.7m).

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

(c) In the first-half of 2023, this item includes -€25.3m in deferred taxes, -€2.4m in non-current taxes and -€8.6m related to the application of IFRIC 21 (i.e. property tax annualization).

(d) Excluding treasury shares

7.2 EPRA Net Asset Value metrics

Net Asset Value metrics are key performance indicators designed to provide stakeholders with relevant information on the fair value of the assets and liabilities of real estate companies. Measures of net asset value include: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV).

For more detailed explanations of EPRA adjustments and requirements, please refer to the [EPRA Best Practices Recommendations](#).

7.2.1 Application by Klépierre

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

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

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

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

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

Exhibit 27 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	11,445	68%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,523	21%	40%
Other portfolio	1,798	11%	50%
TOTAL PORTFOLIO	16,767		

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

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

7.2.2 Calculation of EPRA Net Asset Value

Exhibit 28 EPRA Net Asset Values as of June 30, 2023

Group share (in millions of euros)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	7,831	7,831	7,831
Amounts owed to shareholders	252	252	252
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,083	8,083	8,083
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	8,083	8,083	8,083
Exclude:			
v) Deferred tax in relation to fair value gains of IP	1,017	847	0
vi) Fair value of financial instruments	(22)	(22)	0
vii) Goodwill as a result of deferred tax	(258)	(258)	(258)
viii) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
ix) Fair value of fixed-rate debt	0	0	592
x) Revaluation of intangible assets to fair value	285	0	0
xi) Real estate transfer tax	815	184	0
NAV	9,702	8,617	8,199
Fully diluted number of shares	286,528,416	286,528,416	286,528,416
NAV per share (in euros)	33.90	30.10	28.60

Exhibit 29 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

7.3 EPRA Net Initial Yield

EPRA Net Initial Yield (NIY) is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA “Topped-up” NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step-up rents). See section 5.1.1.3 “Valuation” for the geographical breakdown of EPRA NIY.

Exhibit 30 EPRA Net Initial Yields

<i>In millions of euros</i>	Shopping centers	Other retail properties	Total
Investment property - Wholly owned	15,495	52	15,547
Investment property - Share of joint ventures/funds	1,220	0	1,220
Total portfolio	16,715	52	16,767
Less: Developments, land and other	(267)	0	(267)
Completed property portfolio valuation (B)	16,448	52	16,500
Annualized cash passing rental income	1,080	5	1,085
Property outgoings	(137)	(0)	(137)
Annualized net rents (A)	943	4	947
Notional rent expiration of rent free periods or other lease incentives	33	0	33
Topped-up net annualized rent (C)	975	5	980
EPRA NET INITIAL YIELD (A/B)	5.7%	8.5%	5.7%
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	5.9%	8.7%	5.9%

7.4 EPRA Vacancy Rate

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

Exhibit 31 EPRA Vacancy Rate^(a)

<i>In thousands of euros</i>	Estimated rental value of vacant space (A)	Total estimated rental value (B)	EPRA Vacancy Rate (A/B)
GROUP	52,857	1,240,356	4.3%

(a) Scope: all shopping centers, including those accounted for under the equity method, which are included based on a 100% share. The estimated rental values of leased and vacant spaces as of June 30, 2023 are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: 2 Vallées (Givors, France), Gran Reno (Bologna Italy), Le Gru (Bologna, Italy), Campania (Naples, Italy) and Økern (Oslo, Norway). Strategic vacancies are also excluded.

7.5 EPRA Cost Ratio

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

Exhibit 32 EPRA Cost Ratio

<i>In millions of euros</i>	06/30/2022	06/30/2022 ^(a)	06/30/2023 ^(b)
Administrative and operating expenses ^(c)	(101.0)	(120.5)	(111.2)
Net service charge costs ^(c)	(48.4)	(45.9)	(45.7)
Net management fees ^(c)	36.5	36.5	34.4
Other net operating income intended to cover overhead expenses ^(c)	5.5	5.5	1.9
Share of joint venture expenses ^(d)	(7.0)	(8.4)	(7.3)
Exclude (if part of the above):			
Service charge costs recovered through rents but not separately invoiced	5.0	5.0	5.0
EPRA Costs (including vacancy costs) (A)	(109.5)	(127.8)	(122.9)
Direct vacancy costs	(13.7)	(13.7)	(13.2)
EPRA Costs (excluding vacancy costs) (B)	(95.8)	(114.1)	(109.7)
Gross rental income less ground rents ^(c)	573.8	531.2	562.6
Less: service fee/cost component of gross rental income	(5.0)	(5.0)	(5.0)
Add: share of joint ventures (gross rental income less ground rents) ^(d)	40.7	39.6	41.6
Gross rental income (C)	609.5	565.8	599.2
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	18.0%	22.6%	20.5%
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	15.7%	20.2%	18.3%

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€41.1m) and the net rental income generated by disposed assets (€21.0m).

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

(c) As per the IFRS consolidated statements of comprehensive income.

(d) For more information, see section 3.2 "Contribution of equity-accounted investments".

7.6 EPRA Capital Expenditure

Investments in the first half of 2023 are presented in section 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.

Exhibit 33 EPRA Capital Expenditure

	06/30/2023		06/30/2022	
<i>In millions of euros</i>	Group (excl. Joint Ventures)	Joint Ventures (proportionate share)	Total Group	Total Group
Acquisitions	3.9	-	3.9	0.0
Development	39.7	0.8	40.4	57.7
Investment properties	38.7	0.9	39.6	32.6
Incremental lettable space	-	-	-	-
No incremental lettable space	34.3	0.7	35.1	23.7
Tenant incentives	4.0	0.1	4.1	4.2
Other material non-allocated types of expenditure	0.4	0.0	0.4	4.7
Capitalized interest	0.0	-	0.0	0.5
Total Capex	82.3	1.7	84.0	90.9
Conversion from accrual to cash basis	20.8	-	20.8	(29.8)
TOTAL CAPEX ON CASH BASIS	103.1	1.7	104.8	61.1

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 €40.4 million, mainly relating to the extension of Grand Place (Grenoble, France), the Maremagnum rooftop (Barcelona, Spain) and Hoog Catharijne redevelopment (Utrecht, Netherlands) projects.

7.6.2 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 the first-half of 2023, these investments totaled €39.6 million, breaking down as follows:

- > €35.1 million: technical maintenance and refurbishment of common areas;
- > €4.1 million: leasing incentives (fit-out contribution) granted to new tenants when re-leasing or to support store transformation by existing tenants when leases are renewed; and
- > €0.4 million: hard and soft construction costs incurred in connection with leasing initiatives designed to split or merge stores and/or to comply with the Group’s technical standards.

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

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

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

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

Exhibit 34 EPRA Loan-to-Value

In millions of euros	LTV IFRS as reported	EPRA adjustments	Group as reported	Proportionate consolidation			Combined
				Share of joint ventures	Share of material	Non-controlling interest	
<i>Include:</i>							
Borrowings from financial Institutions	985	(2)	983	3		(301)	685
Commercial paper	1,400		1,400			-	1,400
Hybrids (including convertibles, preference shares, debt, options, perpetuals)							-
Bond & loans	5,270	27	5,297	17	1	(38)	5,278
Foreign currency derivatives (futures, swaps, options and forwards)	6		6			(3)	3
Net payables		365	365		1	(42)	324
Owner-occupied property (debt)							
Current accounts (equity characteristic)	124	(124)	-				-
<i>Exclude:</i>							
Cash and cash equivalents	(382)	45	(338)	(52)	(4)	25	(368)
Net debt (A)	7,403	310	7,714	(31)	(2)	(358)	7,323
<i>Include:</i>							
Owner-occupied property							
Investment properties at fair value	17,162		17,162	1,090	150	(2,234)	16,169
Properties held for sale	6		6			0	6
Properties under development	88		88			(13)	75
Intangibles		313	313			(1)	312
Net receivables			-	14			14
Financial assets	1,239	(1,239)	-				-
Total property value (B)	18,495	(926)	17,569	1,104	150	(2,248)	16,575
Real Estate Transfer Taxes	926		926	51	8	(151)	833
Total property value (incl. RETTs) (C)	19,420		18,494	1,155	158	(2,399)	17,408
EPRA LOAN-TO-VALUE RATIO (EXCLUDING RETTs) (A/B)							44.2%
EPRA LOAN-TO-VALUE RATIO (INCLUDING RETTs) (A/C)	38.1%						42.1%

8

RELATED PARTIES

No material transactions were entered into with related parties during the first half of 2023.

9

OUTLOOK

Based on the solid first-half performance Klépierre is revising its full-year guidance upward and now expects net current cash flow of at least €2.40 per share in 2023, representing growth of 7% compared to €2.24⁽¹⁸⁾ in 2022.

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 projected inflation in Europe for the last six months of 2023 and the current funding cost levels but does not include the impact of any further disposals.

⁽¹⁸⁾ Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables (€0.30) and the cash flow generated by disposed assets (€0.08), net current cash flow per share reached €2.24 in 2022.