SUPPLEMENTAL INFORMATION TO THE EARNINGS RELEASE

FIRST-HALF 2022

KLEPIERRE

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

1
CONSOLIDATED FINANCIAL STATEMENTS

1.1 Consolidated statements of comprehensive income

In millions of euros	06/30/2022	06/30/2021
Gross rental income	577.3	444.3
Land expenses (real estate)	(3.5)	(3.4)
Service charge income	120.3	120.3
Service charge expenses	(176.5)	(169.9)
Building expenses (owner)	(16.3)	(70.7)
Net rental income	**501.3**	**320.6**
Management, administrative and related income	36.5	31.1
Other operating income	5.5	4.6
Survey and research costs	(2.9)	(0.2)
Payroll expenses	(50.5)	(54.1)
Other general expenses	(23.3)	(17.1)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	(8.0)	(8.8)
Provisions	(0.4)	(0.7)
Change in value of investment properties	(2.6)	(456.2)
Income from the disposal of investment properties and equity investments	(19.9)	0.5
> Proceeds from disposals of investment properties and equity investments	134.4	30.4
> Carrying amount of investment properties and equity investments sold	(154.2)	(29.9)
Goodwill impairment	(3.0)	(112.8)
Operating income (loss)	**432.7**	**(293.1)**
Net dividends and provisions on non-consolidated investments	(0.0)	0.0
Financial income	18.2	24.8
Financial expenses	(72.2)	(78.9)
Interest expense on leases liabilities	(4.1)	(4.2)
Cost of net debt	**(58.1)**	**(58.2)**
Change in the fair value of financial instruments	17.8	(4.3)
Gain (loss) on net monetary position	(33.3)	-
Share in earnings of equity-accounted companies	35.8	55.0
Profit (loss) before tax	**394.8**	**(300.7)**
Income tax benefit (expense)	(65.4)	368.5
Consolidated net income	**329.4**	**67.8**
Of which		
> Attributable to owners of the parent	294.6	111.1
> Attributable to non-controlling interests	34.9	(43.3)
Average number of shares - undiluted	**285,405,409**	**285,267,886**
UNDILUTED EARNINGS PER SHARE *(in euros) – Attributable to owners of the parent*	**1.03**	**0.39**
Average number of shares - diluted	**286,037,065**	**285,539,909**
DILUTED EARNINGS PER SHARE *(in euros) – Attributable to owners of the parent*	**1.03**	**0.39**

In millions of euros	06/30/2022	06/30/2021
Consolidated net income (loss)	**329.4**	**67.8**
Other items of comprehensive income recognized directly in equity	**(15.4)**	**1.2**
> Effective portion of gains and losses on cash flow hedging instruments	34.7	8.7
> Translation gains and losses	(42.8)	(0.4)
> Tax on other items of comprehensive income	(6.5)	(1.3)
Items that will be reclassified subsequently to profit or loss	**(14.6)**	**6.9**
> Gains and losses on sales on treasury shares	(3.1)	(5.7)
> Actuarial gains and losses	2.3	0.0
Items that will not be reclassified subsequently to profit or loss	**(0.8)**	**(5.7)**
Share of other items of comprehensive income attributable to equity-accounted companies		-
Total comprehensive income (loss)	**314.0**	**69.0**
Of which		
> Attributable to owners of the parent	284.0	103.9
> Attributable to non-controlling interests	30.0	(34.9)
UNDILUTED COMPREHENSIVE EARNINGS PER SHARE *(in euros) – Attributable to owners of the parent*	**1.00**	**0.36**
DILUTED COMPREHENSIVE EARNINGS PER SHARE *(in euros) – Attributable to owners of the parent*	**0.99**	**0.36**

1.2 Consolidated statements of financial position

In millions of euros	06/30/2022	12/31/2021
Goodwill	476.3	480.5
Intangible assets	20.5	21.9
Property, plant and equipment	17.2	18.7
Investment properties at fair value	18,270.0	18,728.6
Investment properties at cost	91.9	77.7
Investments in equity-accounted companies	991.0	979.0
Other non-current assets	285.0	280.6
Long-term derivative instruments	37.5	8.7
Non-current deferred tax assets	8.6	11.8
Non-current assets	**20,198.0**	**20,607.5**
Investment properties held for sale	335.7	15.8
Trade and other receivables	143.2	159.9
Other receivables	242.4	333.1
> Tax receivables	83.9	74.8
> Other	158.4	258.3
Short-term derivative instruments	36.1	12.2
Current deferred tax ssets	5.7	14.4
Cash and cash equivalents	95.2	640.0
Current assets	**858.4**	**1,175.4**
TOTAL ASSETS	**21,056.4**	**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	3,915.6	3,343.2
> Treasury shares	(30.3)	(33.5)
> Hedging reserves	18.2	0.1
> Other consolidated reserves	3,927.7	3,376.6
Consolidated net income	294.6	544.7
Equity attributable to owners of the parent	**8,241.7**	**8,404.7**
Equity attributable to non-controlling interests	2,116.8	2,188.7
Total equity	**10,358.5**	**10,593.4**
Non-current financial liabilities	5,792.7	6,815.1
Non-current lease liabilities	351.7	353.4
Long-term provisions	24.0	23.9
Pension obligations	8.1	10.0
Long-term derivative instruments	77.9	2.9
Deposits	146.3	142.3
Deferred tax liabilities	1,114.6	1,082.6
Non-current liabilities	**7,515.3**	**8,430.2**
Current financial liabilities	2,339.8	1,893.1
Current lease liabilities	13.5	13.5
Bank overdrafts	56.0	15.5
Trade payables	173.7	219.1
Due to suppliers of property	84.4	49.1
Other liabilities	321.4	377.1
Short-term derivative instruments	0.4	1.5
Payroll and tax liabilities	193.5	190.4
Current liabilities	**3,182.6**	**2,759.3**
TOTAL EQUITY AND LIABILITIES	**21,056.4**	**21,782.9**

1.3 Segment earnings

In millions of euros	France [a]		Italy		Scandinavia		Iberia		Netherlands & Germany	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Gross rents	**224.1**	**140.9**	**105.7**	**74.9**	**74.7**	**83.9**	**60.7**	**52.3**	**53.6**	**40.4**
Other rental income	13.6	8.2	1.5	1.5	1.2	1.4	2.3	1.6	0.1	3.2
Gross rental income	**237.7**	**149.1**	**107.2**	**76.4**	**75.9**	**85.2**	**63.0**	**53.9**	**53.8**	**43.6**
Rental and building expenses	(28.6)	(55.2)	(8.6)	(17.4)	(10.9)	(11.3)	(5.8)	(11.2)	(16.8)	(16.7)
Net rental income	**209.1**	**93.9**	**98.6**	**59.1**	**65.1**	**73.9**	**57.2**	**42.7**	**36.9**	**26.9**
Management and other income	15.3	17.6	12.9	7.1	4.1	3.8	5.5	2.3	2.7	3.0
Payroll and other general expenses	(22.8)	(20.3)	(12.3)	(11.2)	(7.4)	(7.9)	(8.0)	(6.0)	(10.8)	(9.1)
EBITDA	201.6	91.2	99.1	54.9	61.8	69.9	54.6	39.1	28.8	20.8
Depreciation, amortization and impairment	(4.7)	(3.7)	(0.7)	(0.9)	(0.7)	(1.6)	(0.2)	(0.2)	(0.2)	(0.4)
Change in value of investment properties	(68.7)	(193.5)	(3.8)	(51.3)	(4.6)	(113.1)	86.1	(26.3)	(19.8)	(47.5)
Net proceeds on disposals of investment properties and equity investments	(0.6)	(0.2)	-	-	1.0	0.6	(0.0)	-	0.2	-
Share in earnings of equity-accounted companies	4.1	(2.9)	20.1	54.9	5.3	(0.1)	(1.0)	(0.4)	-	-
SEGMENT INCOME (LOSS)	131.7	(109.2)	114.8	57.7	62.7	(44.3)	139.5	12.2	9.1	(27.1)
Goodwill impairment										
Cost of net debt										
Effect of discounting										
Change in the fair value of financial instruments										
PROFIT (LOSS) BEFORE TAX										
Income tax										
NET INCOME										

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

In millions of euros	Central Europe		Other countries		Not allocated		Klépierre Group	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Gross rents	**30.8**	**29.1**	**7.5**	**5.9**	**-**	**-**	**557.1**	**427.3**
Other rental income	1.4	0.8	0.0	0.3	-	-	20.2	17.0
Gross rental income	**32.2**	**29.9**	**7.5**	**6.2**	**-**	**-**	**577.3**	**444.3**
Rental and building expenses	(2.1)	(9.8)	(3.2)	(2.1)	-	-	(76.0)	(123.8)
Net rental income	**30.1**	**20.0**	**4.3**	**4.1**	**-**	**-**	**501.3**	**320.6**
Management and other income	0.6	0.9	0.9	1.0	-	-	42.0	35.7
Payroll and other general expenses	(2.9)	(2.5)	(1.5)	(1.7)	(11.0)	(12.8)	(76.7)	(71.4)
EBITDA	27.9	18.4	3.7	3.4	(11.0)	(12.8)	466.6	284.9
Depreciation, amortization and impairment	(0.2)	(0.5)	(0.1)	(0.3)	(1.5)	(1.9)	(8.4)	(9.5)
Change in value of investment properties	4.5	(19.7)	3.7	(4.7)	-	-	(2.6)	(456.2)
Net proceeds on disposals of investment properties and equity investments	-	(0.0)	(20.5)	0.1	-	-	(19.9)	0.5
Share in earnings of equity-accounted companies	-	-	7.3	3.5	-	-	35.8	55.0
SEGMENT INCOME (LOSS)	32.1	(1.8)	(5.9)	2.0	(12.5)	(14.7)	471.5	(125.3)
Goodwill impairment							(3.0)	(112.8)
Cost of net debt							(58.1)	(58.2)
Gain (loss) on net monetary position							(33.3)	-
Change in the fair value of financial instruments							17.8	(4.3)
PROFIT (LOSS) BEFORE TAX							394.8	(300.7)
Income tax							(65.4)	368.5
NET INCOME							329.4	67.8

1.4 Consolidated statements of cash flows

In millions of euros	06/30/2022	06/30/2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	329.4	67.8
Elimination of expenditure and income with no cash effect or not related to operating activities		
> Depreciation, amortization and provisions	9.7	65.8
> Change in value of investment properties	2.6	456.2
> Goodwill impairment	3.0	112.8
> Capital gains and losses on asset disposals	19.9	(0.5)
> Current and deferred income taxes	65.4	(368.5)
> Share in earnings of equity-accounted companies	(35.8)	(55.0)
> Reclassification of interest and other items	95.0	82.5
Gross cash flow from consolidated companies	**489.2**	**361.1**
Income tax (received) paid	(24.2)	(1.2)
Change in operating working capital	(29.3)	(53.8)
Net cash flow from operating activities	**435.8**	**306.1**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	131.2	23.5
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repayed)	2.7	17.7
Acquisitions of investment properties		(0.3)
Payments in respect of construction work in progress	(59.8)	(57.3)
Acquisitions of other fixed assets	(2.0)	(3.8)
Acquisitions of subsidiaries (net of cash acquired)	(0.5)	(0.2)
Dividends received (including dividends received from joint ventures and associates)	13.6	10.5
Movements in loans and advance payments granted and other investments	9.3	5.3
Net cash flow from (used in) investing activities	**94.6**	**(4.6)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	-	-
Dividends paid to non-controlling interests	(86.9)	(28.3)
Repayment of share premiums	(485.4)	(285.3)
Acquisitions/disposals of treasury shares	(0.5)	0.3
New loans, borrowings and hedging instruments	1,006.2	1,476.4
Repayment of loans, borrowings and hedging instruments	(1,482.2)	(1,869.0)
Net repayment of lease liabilities	(5.8)	(7.7)
Interest paid	(54.0)	(57.3)
Interest paid on lease liabilities	(4.1)	(4.2)
Other cash flows related to financing activities	-	-
Net cash flow used in financing activities	**(1,112.7)**	**(775.2)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(2.9)**	**(3.1)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(585.2)**	**(476.8)**
Cash and cash equivalents at beginning of period	**624.5**	**452.7**
Cash and cash equivalents at end of period	**39.2**	**(24.2)**

2

BUSINESS OVERVIEW

2.1 Economic environment

According to the latest OECD Economic Outlook, the European economy continued its recovery in the first half of 2022, albeit at a slower pace than in 2021, which benefited from the post-Covid-19 rebound. Amid war in Ukraine and supply bottlenecks, growth in gross domestic product was projected to slow down over the period. However, household savings and public spending are expected to have supported the labor market, with unemployment forecast to decline to below pre-Covid levels by the end of the year.

Meanwhile, sanctions on fossil fuels and economic uncertainties will continue to push up inflation in 2022, before a likely easing in 2023. Nevertheless, wage growth coupled with high levels of savings are expected to preserve consumption. Furthermore, in line with their historical welfare models, many European countries – especially those in which Klépierre operates – have provided households and businesses with financial support and subsidies to cushion the rapid increase in prices.

Nonetheless, financing conditions have been tightening since the beginning of 2022, with the European Central Bank announcing its first interest rate hike in 11 years and monetary policy accommodation being gradually removed. Designed to ease inflationary pressures, this policy marks a pause of the all-time low interest rate environment of the last ten years and could ultimately weigh on the outlook while raising the prospect of stagflation.

Against this backdrop, Klépierre will benefit from its competitive advantages, including its pan-European platform of prime shopping malls and mass market positioning, as it continues to match shoppers' expectations with differentiating products and a constantly refreshed retail offering.

Exhibit 1 2022 and 2023 macroeconomic forecasts by geography

	Real GDP growth rate			Unemployment rate			Inflation rate		
Geography	**2021**	**2022E**	**2023E**	**2021**	**2022E**	**2023E**	**2021**	**2022E**	**2023E**
EUROZONE	5.3%	2.6%	1.6%	7.7%	7.1%	7.4%	2.6%	7.0%	4.6%
France	**6.8%**	**2.4%**	**1.4%**	**7.9%**	**7.5%**	**7.8%**	**2.1%**	**5.2%**	**4.5%**
Italy	**6.6%**	**2.5%**	**1.2%**	**9.5%**	**9.0%**	**9.3%**	**1.9%**	**6.3%**	**3.8%**
Scandinavia									
Norway	3.9%	4.0%	2.3%	4.3%	2.8%	2.8%	3.5%	4.6%	3.3%
Sweden	4.9%	2.2%	1.0%	8.8%	7.4%	7.4%	2.2%	6.5%	5.4%
Denmark	4.7%	3.0%	1.4%	5.2%	5.1%	5.5%	1.9%	5.2%	3.9%
Iberia									
Spain	5.1%	4.1%	2.2%	14.8%	13.6%	13.9%	3.0%	8.1%	4.8%
Portugal	4.9%	5.4%	1.7%	6.6%	5.8%	5.7%	0.9%	6.3%	4.0%
Netherlands & Germany									
Netherlands	5.0%	2.9%	1.1%	4.2%	3.8%	4.4%	2.8%	9.2%	4.8%
Germany	2.9%	1.9%	1.7%	3.6%	3.1%	3.4%	3.2%	7.2%	4.7%
Central Europe									
Czech Republic	3.3%	1.8%	2.0%	2.8%	2.5%	2.6%	3.8%	13.0%	5.6%
Poland	5.9%	4.4%	1.8%	3.4%	2.9%	2.9%	5.1%	11.1%	6.5%

Source: OECD Economic Outlook, May 2022.

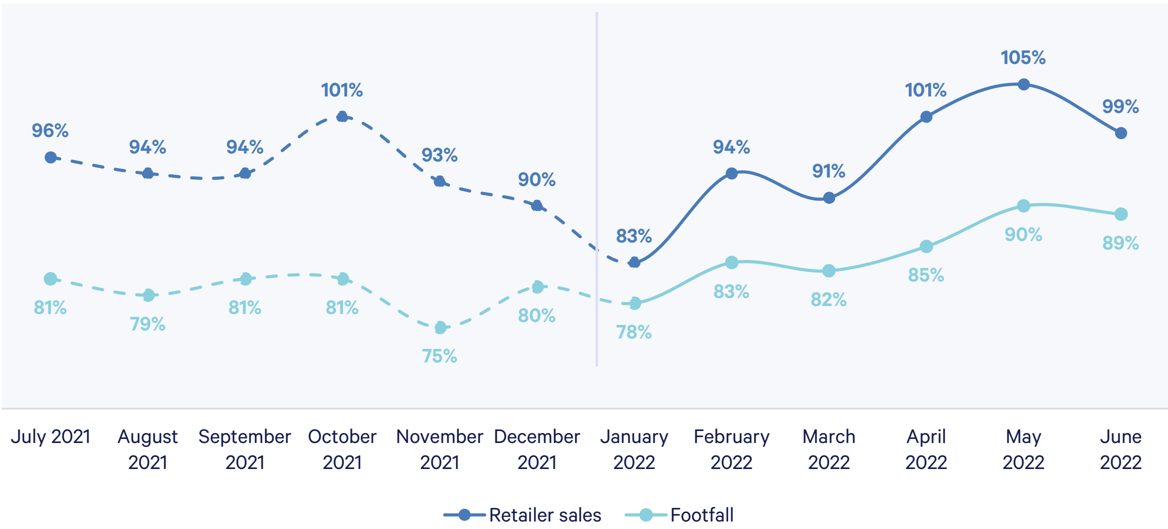
2.2 Retailer sales and footfall

As operations were affected by store closures over the first half of 2021 (2.5 months), the following trends regarding retailer sales and footfall are compared to the last comparable first half to provide the most relevant analysis (i.e., first-half 2022 compared first-half 2019).

Retailer sales in January were impacted by the pandemic (store closure in the Netherlands, "2G" law in Germany and face mask being mandatory to visit stores in other countries). From February to June, retailer sales continued to improve strongly in line with the second half of 2021 with a sequential acceleration month after month, supported by the end of health restrictions and the economic rebound, leading to 92% of 2019 levels in February and March and up to 101% in Q2.

Similarly, footfall continued to benefit from business resumption to reach 85% of 2019 levels over the second quarter (90% in May and 89% in June), accelerating from 78% in January. High transformation rates and average basket sizes continued to drive retailer sales growth, while a handful of malls located in business districts or dependent on tourist traffic or commuters continued to post weaker performances.

Exhibit 2 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.

By **geography**, retailer sales and footfall showed a homogeneous trend from February to June.

By **segment**, fashion confirmed its recovery over the first half and posted one of the strongest rebounds in the second quarter. Culture, gifts & leisure and health & beauty posted sustained increases, especially over the second quarter, with performances respectively above and on a par with 2019 levels. Household equipment continued to outperform over the first half. Lastly, food & beverage has posted solid rises since the beginning of the year, with a sharp acceleration between the first and second quarters.

2.3 Rent collection

As of July 18, 2022, Klépierre had collected 95% of invoiced rents and charges (96% collected for the first quarter). The Group expects to achieve a collection rate of at least 96.7% for first half 2022.

Collection rates for 2020 and 2021 continued to improve, leading to additional income (reversal of provisions) in first half 2022 for €38 million (one-off item).

2.4 Gross rental income and net rental income

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

In millions of euros	06/30/2022	06/30/2021	Reported change
France	226.8	144.1	+57.5%
Italy	107.2	76.4	+40.2%
Scandinavia	75.9	85.2	−10.9%
Iberia	63.0	53.9	+16.8%
Netherlands & Germany	53.8	43.6	+23.3%
Central Europe	32.2	29.9	+7.9%
Other countries	7.5	6.2	+21.0%
TOTAL SHOPPING CENTERS	**566.4**	**439.3**	**+28.9%**
Other retail properties	10.9	5.1	+115.3%
TOTAL	**577.3**	**444.3**	**+29.9%**

Exhibit 4 Reconciliation between invoiced rents and charges and net rental income
(on a total share basis)

In millions of euros	06/30/2022	06/30/2021
Invoiced rents and charges	**680.0**	**673.1**
Charges	(132.4)	(120.3)
Rent abatements (cash)[(a)]	(2.3)	(112.4)
Straight line-amortization of rent abatements	-	2.3
Other	32.0	1.6
GROSS RENTAL INCOME	**577.3**	**444.3**
Rental and building expenses	(76.0)	(123.8)
o/w Provisions for credit losses [(b)]	(5.2)	*(62.0)*
NET RENTAL INCOME	**501.3**	**320.6**

(a) In connection with Covid-19.

Exhibit 5 Net rental income
(on a total share basis)

In millions of euros	06/30/2022	06/30/2021	Reported change	Like-for-like change
France	198.1	89.2	+122.1%	+129.1%
Italy	98.6	59.1	+67.0%	+67.0%
Scandinavia	65.1	73.9	−11.9%	+7.5%
Iberia	57.2	42.7	+33.9%	+33.8%
Netherlands & Germany	36.9	26.9	+37.4%	+56.9%
Central Europe	30.1	20.0	+50.5%	+50.5%
Other countries	4.3	4.1	+3.8%	+89.3%
TOTAL SHOPPING CENTERS	**490.3**	**315.9**	**+55.2%**	**+66.4%**
Other retail properties	11.0	4.7	+133.7%	+122.8%
TOTAL	**501.3**	**320.6**	**+56.4%**	**+66.7%**

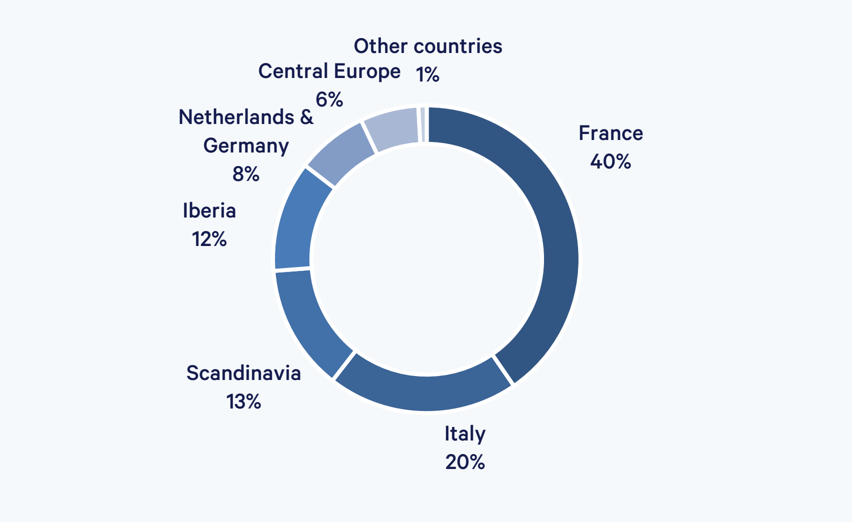
Net rental income amounted to €501.3 million, up 56.4% on a reported basis. Over the period, the increase stemmed mainly from:

> a decrease in rent abatements and provisions for credit losses, and an increase in variable revenues and other income for an aggregate amount of €159.3 million;

- a negative impact from disposals and forex for €16.5 million; and
- a €38 million of additional income due to the higher collection rate for 2020 and 2021 rents (see section 2.3 "Rent collection").

On a like-for-like basis, net rental income increased by 66.7%.

Chart 1 Breakdown of shopping center NRI by region for the year ended June 30, 2022
(on a total share basis)



2.5 Leasing update

Klépierre recorded a dynamic first half in terms of **leasing** with 699 leases signed, including 516 renewals and re-lettings with an average 2.7% positive rental reversion. Firm retailer demand in the wake of the normalization of business levels, coupled with Klépierre's asset management initiatives, contributed to maintaining the occupancy rate at the high level of 94.7%, up 50 basis points over the year and flat compared to December 31, 2021. Retailer demand for newly developed retail surfaces is particularly vigorous, as evidenced by the successful leasing of the Gran Reno (Bologna, Italy) extension and by the high pre-leasing rate for the extension of Grand Place (Grenoble, France).

Across its portfolio, Klépierre continued to adapt its tenant mix by prioritizing the expansion of **omnichannel retailers** that are better suited to evolving consumer expectations. This translated into a sustained deal flow with banners such as Inditex (9 leases), H&M (6 leases), Calzedonia (17 leases), Nike (3 leases), Mango (1 lease), Rituals (2 leases) and Pandora (2 leases). Greater emphasis has also been placed on dynamic segments like **sports**. As such, sneakers group Deichmann (7 deals) unveiled new stores in Italy, Sweden and Spain, while JD Sports signed leases for the expansion of two stores in France and Italy. In addition, the Group signed a significant deal for the opening of the first Nike stores in its Scandinavian malls at Emporia (Malmö, Sweden) and Bruun's Galleri (Aarhus, Denmark). Lastly, sportswear specialist 4F and Danish retailer Hummel joined malls in Poland and Denmark, respectively, while Adidas is set to unveil a brand-new boutique at Arcades (Paris region, France) in the second half of 2022.

Attracted by the strength of Klépierre's malls, a host of **newcomers** and **on-trend concepts** also chose Klépierre malls as part of their growth strategy. Jimmy Fairly, the hip eyewear specialist, is set to unveil its new flagship in France in the coming months, while Chinese online retail platform AliExpress launched an offline concept in Spain in April. Household equipment specialist Tefal signed up for its first stores in Klépierre's portfolio in France and Sweden, while several contracts were signed with Danish brand Flying Tiger Copenhagen, lifestyle brand Miniso and Chinese retailer Xiaomi. Leasing activity was also dense within the popular value retail segment, with the opening of new stores for Normal, Pepco, Xenos and HalfPrice. Lastly, with the normalization of the health situation, the Group also resumed its **specialty leasing** activities – especially pop-up stores – welcoming brands including Izipizi, Devialet, Jean-Paul Gaultier, Havaianas, Bons

Baisers de Paname and Thermomix, all of which contributed to rejuvenating the retail offering and boosting traffic and sales in numerous shopping centers.

Lastly, the period was characterized by the successful **inauguration** of the 16,700 sq.m. extension of Gran Reno (Bologna, Italy) in early July. Further to the renovation completed in September 2021, this final stage has taken Gran Reno to an entirely new level, with best-in-class standards of architecture, interior design, layout and shopping experience. In response to consumer habits, it now boasts a vast array of exclusive brands including Primark, H&M, Zara, Bershka, Pull & Bear, Tommy Hilfiger, Snipes and Flying Tiger Copenhagen, as well as a comprehensively refreshed food offering.

Exhibit 6 Key performance indicators

Geography	Renewed and re-let leases *(in millions of euros)*	Reversion *(in %)*	OCR[a]	Occupancy rate
France	15.8	−0.6%	13.0%	94.0%
Italy	21.6	+5.7%	10.4%	96.8%
Scandinavia	5.9	+0.6%	12.3%	93.6%
Iberia	8.0	+8.2%	13.7%	93.7%
Netherlands[b] & Germany	1.4	+4.3%	12.8%	94.5%
Central Europe	3.7	−4.8%	14.5%	95.6%
Other countries	0.7	−12.3%	10.1%	93.4%
TOTAL	**57.2**	**+2.7%**	**12.4%**	**94.7%**

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

3

BUSINESS ACTIVITY BY REGION

3.1 France (40.4% of net rental income)

Exhibit 7 NRI and occupancy rate in France

	Reported portfolio NRI			Like-for-like portfolio NRI			Occupancy rate	
In millions of euros	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021
FRANCE	198.1	89.2	+122.1%	197.6	86.2	+129.1%	94.0%	93.4%

From February to June 2022, **retailer sales**[1] reached 97% of 2019 levels, in line with the Group average. After a gradual resumption in February and March (92% of 2019 levels), the performance accelerated to pre-Covid levels over the second quarter. By segment, culture, gifts & leisure and household equipment experienced the strongest increases, being in line with 2019 levels, while health & beauty recorded retailer sales representing 96% of 2019 levels. Fashion outperformed pre-Covid levels over the second quarter and was only slightly behind over the period as a whole. Consumption is expected to remain sustained over the coming months, with the price shock cushioned by the French government capping energy costs and providing subsidies, which are expected to support households' disposable income as well as business margins.

In the first half of 2022, **net rental income** came out at €198.1 million, up €108.9 million year on year, due mainly to lower rent abatements and provisions for credit losses, higher variable revenues, and positive indexation.

Leasing activity remained dynamic in the first six months of 2022, with 181 leases signed, nudging occupancy up slightly to 94.0%. Over the period, the sports sub-segment kept up its growth momentum illustrated by deals signed with JD Sports for the extension of two stores at Belle Épine (Paris region) and at Centre Deux (Saint-Étienne) – where Primark is also preparing to open in December 2022 – as well as with Adidas for the opening of a new 500 sq.m. boutique at Arcades (Paris region). The retail mix was enriched at Blagnac (Toulouse), with the unveiling of brand-new JOTT and Tezenis stores and a new flagship for hip eyewear specialist Jimmy Fairly is set to open in the second half of the year. The extension of Zara, slated to open at the end of 2022, will also provide Blagnac's customers with a completely overhauled shopping experience and further strengthen the dominance of this leading mall in the Toulouse region. More generally, Klépierre continued to support the expansion of on-trend concepts, illustrated by the opening of Normal at Grand Portet (Portet-sur-Garonne) and Miniso at Créteil Soleil (Paris region), as well as deals with Superdry and Pandora at L'Esplanade (Louvain-la-Neuve). Lastly, new leases signed over the last six months also included Tefal's first store in Klépierre's French portfolio at Créteil Soleil, and a new boutique for premium food brand Ladurée at Saint-Lazare (Paris).

3.2 Italy (20.1% of net rental income)

Exhibit 8 NRI and occupancy rate in Italy

	Reported portfolio NRI			Like-for-like portfolio NRI			Occupancy rate	
In millions of euros	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021
ITALY	98.6	59.1	+67.0%	98.6	59.1	+67.0%	96.8%	96.6%

Klépierre's Italian malls proved resilient over the period, with **retailer sales**[1] reaching 94% of 2019 levels from February to June 2022 on a like-for-like basis. With Covid restrictions still in place, the year started softly, but retailer sales rebounded in the second quarter in line with 2019 performance. By segment, household equipment outperformed 2019 levels over the period as a whole, while fashion accelerated in the second quarter to outperform 2019 by 2%. Food & beverage continued to be held back by restrictions but improved over the second quarter. Culture, gifts & leisure also recovered over the period, with retailer sales in line with 2019 in the

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

second quarter. The Italian government has introduced substantial policy incentives designed to aid households and firms and is continuing to ramp up renewable energy supply, a strategy that is expected to translate into energy price moderation from 2023 and to support household consumption.

Net rental income in Italy amounted to €98.6 million, up €39.5 million year on year, with the performance mainly attributable to lower rent abatements and provisions for credit losses coupled with higher variable revenues.

Over the first six months of 2022, 238 **leases** were signed in Italy, up 6% compared to 2021 and up 13% on pre-Covid volumes, with a solid average positive reversion on renewal and re-leasing of 5.7%. As of June 30, 2022, the occupancy rate stood at 96.8%. New deals over the period included a new store opened by sneakers retailer Skechers at Porta di Roma (Rome), where Dr. Martens also chose to unveil its first store in Klépierre's Italian shopping centers. In addition, several leases were signed with Calzedonia, JD Sports and cosmetics brand Kiko, while on-trend concepts such as Xiaomi and Danish brand Flying Tiger Copenhagen continued to expand. Boasting 12 million visitors each year, leasing activity was also robust at Campania, the 12-million annual visitors mall of the in the Naples region, with more than 20 deals, including the unveiling of a brand-new Mango concept, the opening of a Calvin Klein boutique and the relocation of MAC Cosmetics to an upsized unit, as well as the opening of the new enlarged H&M and H&M Home at the end of June 2022. In early July, the Group successfully inaugurated the Gran Reno (Bologna) extension, which was 98% let at opening. Following the refurbishment completed in September 2021, the 16,700 sq.m. extension hosts a stand-out array of retailers such as Sephora, New Balance, JD Sports, the Inditex brands, H&M, Tommy Hilfiger and Primark (slated to open in early August). Lastly, more Primark stores are expected to open before the end of the year at Le Gru (Turin), Campania (Naples) and Nave de Vero (Venice). See section 5.3 "Development pipeline" for more information.

3.3 Scandinavia (13.3% of net rental income)

Exhibit 9 NRI and occupancy rate in Scandinavia

	Reported portfolio NRI			Like-for-like portfolio NRI			Occupancy rate	
In millions of euros	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021
SCANDINAVIA	65.1	73.9	−11.9%	65.1	60.5	+7.5%	93.6%	93.6%

Scandinavia continued to lead the way among the Group's regions**,** recording **retailer sales**(2) above 2019 levels from February to June 2022, and 4% higher in the second quarter. During that period, growth was driven by Norway, where retailer sales were up 7%, followed by Sweden and Denmark (up 3% and 1% versus 2019, respectively). By segment, culture, gifts & leisure, household equipment and health & beauty outperformed 2019 levels (up by between 2% and 5%). Food & beverage registered retailer sales slightly above 2019 levels. Despite evident price increases, inflation is also expected to be more limited, thanks to fiscal support packages and subsidies. In addition, with unemployment rates below pre-Covid levels, the tight labor market is expected to drive an acceleration in wage growth and ultimately lead to an increase in private consumption.

Following the disposals of five assets in Norway in July 2021, first-half 2022 **net rental income** in Scandinavia was down 11.9% year on year as reported but up 7.5% like-for-like at €65.1 million.

On the **leasing** front, the Group signed 77 agreements over the period, with broadly flat reversion (0.6%) on renewals and re-lettings and a stable occupancy rate of 93.6%. Highlights for the period included two significant deals with Nike for the opening of its first stores in Klépierre's Swedish (Emporia, Malmö) and Danish (Bruun's Galleri, Aarhus) malls. To further strengthen its sports offering, in March the Scandinavian platform also welcomed trendy Danish retailer Hummel at Bruun's Galleri and shoe brand Deichmann at Marieberg (Örebro, Sweden). In parallel, dynamic value retailer Normal recently unveiled a new store at Galleria Boulevard (Kristianstad, Sweden). In addition, a deal was signed with Scotch & Soda to round out the already broad fashion offering at Emporia, where household and cookery retailer Tefal is set to open its first store in Klépierre's Swedish portfolio by the year end.

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

3.4 Iberia (11.7% of net rental income)

Exhibit 10 NRI and occupancy rate in Iberia

	Reported portfolio NRI			Like-for-like portfolio NRI			Occupancy rate	
In millions of euros	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021
IBERIA	57.2	42.7	+33.9%	57.2	42.7	+33.8%	93.7%	92.7%

On a like-for-like basis, **retailer sales**(2) in Klépierre's Iberian malls reached 98% of 2019 levels and were in line with pre-Covid levels over the second quarter of 2022. Culture, gifts & leisure posted a positive performance over the period compared to 2019 levels (mainly in Portugal), while health & beauty, food & beverage and fashion were slightly negative. Household equipment brought up the rear in the region, posting retailer sales 10% below 2019 levels. Accumulated household savings, the resumption of tourism and fiscal support measures were the main expansionary drivers and are expected to support domestic demand going forward.

Net rental income came to €57.2 million for first-half 2022, lifted by lower provisions for credit losses and rent abatements.

Leasing activity was vigorous in Iberia, outpacing 2019 levels with 103 deals signed for an average positive reversion in excess of 8%, and a 100-basis-point decrease in vacancy, delivering an occupancy rate of 93.7%. Klépierre continued to cement its longstanding partnerships with key accounts, notably through deals with Inditex for the opening of two new enlarged and refurbished Pull & Bear stores at Plenilunio (Madrid, Spain) and at Aqua Portimão (Portimão, Portugal), where the fashion offering was also enriched by the latest Stradivarius format. In the value retail segment, Pepco continued to expand with the unveiling of its first two flagship stores at El Ferial (Parla, Spain) and at Nueva Condomina (Murcia, Spain), where shoe retailer Skechers signed an agreement to enlarge its existing store in the second half of the year. Lastly, the Group continued to attract differentiating brands with Chinese online platform AliExpress' offline concept opening at La Gavia (Madrid, Spain) in April.

3.5 Netherlands & Germany (7.5% of net rental income)

Exhibit 11 NRI and occupancy rate in the Netherlands and Germany

	Reported portfolio NRI			Like-for-like portfolio NRI			Occupancy rate	
In millions of euros	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021
NETHERLANDS & GERMANY	36.9	26.9	+37.4%	36.8	23.5	+56.9%	94.5%	94.7%

From February to June 2022, **retailer sales**(3) reached 2019 levels on a like-for-like basis. The first quarter was hindered significantly by the pandemic, with the Dutch lockdown through mid-January and the German "2G" law limiting access to certain activities. Conversely, the performance in the second quarter was solid, coming in 5% above pre-Covid levels. By segment, culture, gifts & leisure and household equipment led the pack, posting retailer sales above 2019 levels, while fashion was in line and food & beverage down 4%. With the unemployment rate at a historically low level of 3% in both countries, the region has good inbuilt resilience to downside risks.

In first-half 2022, **net rental income** amounted to €36.9 million, up 37.4% on a reported basis, despite the negative impact of the disposal of Boulevard Berlin in December 2021. On a like-for-like basis, net rental income was up 56.9%, benefitting from lower provisions for credit losses and rent abatements during the period.

On the **leasing** side, 28 deals were signed over the period, delivering strong positive reversion of 4.3% on renewals and relettings and a slight uptick in the occupancy rate to 94.5%. In Germany, the Group pursued its leasing strategy, signing deals with H&M and Inditex, including the relocation of Bershka to an 800 sq.m. unit at Centrum Galerie (Dresden). Meanwhile, Hoog Catharijne (Utrecht, Netherlands) continued to attract on-trend retailers such as local discount brand Xenos. Fashion retailer Mexx also chose Hoog Catharijne to unveil its first store in Klépierre's Dutch portfolio in May, and Mango is scheduled to open in the second half of 2022. The most visited shopping center in the Netherlands also welcomed a Skechers store in March and is set to open a brand-new H&M Home in the second half of 2022.

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

3.6 Central Europe (6.1% of net rental income)

Exhibit 12 NRI and occupancy rate in Central Europe

	Reported portfolio NRI			Like-for-like portfolio NRI			Occupancy rate	
In millions of euros	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021	Change	06/30/2022	06/30/2021
CENTRAL EUROPE	30.1	20.0	+50.5%	30.1	20.0	+50.5%	95.6%	94.8%

Retailer sales[(4)] in Central Europe exceeded 2019 levels from February to June 2022, being 4% above, driven by a marked acceleration in the second quarter (up 9% like-for-like). On a segment basis, household equipment outperformed pre-Covid levels, while fashion and culture, gifts & leisure recovered at a steadier pace.

Net rental income in Central Europe amounted to €30.1 million, up €10.1 million year on year on the back of lower provisions for credit losses and rent abatements in first-half 2022, especially in the Czech Republic.

On the **leasing** side, 52 deals were agreed, and the occupancy rate stood at 95.6%. Several deals were signed over the period with cosmetics retailers Lush and Douglas and fashion brands Calzedonia and Etam. At Nový Smíchov (Prague, Czech Republic), cosmetics banner Rituals was relocated to offer an enhanced experience to shoppers while household retailer Tescoma enlarged its store and Diesel selected Prague's leading mall for its latest boutique. In Poland, Intimissimi joined Sadyba Best (Warsaw, Poland), while Poznan Plaza (Poznan, Poland) enriched its offering with sportswear specialist 4F, and is preparing to host off-price retailer HalfPrice, which signed up for a brand-new store over 1,600 sq.m.

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

4

NET CURRENT CASH FLOW

Exhibit 13 Net current cash flow and EPRA Earnings

	06/30/2022	06/30/2021	Change
Total share *(in millions of euros)*			
Gross rental income	577.3	444.3	+29.9%
Rental and building expenses	(76.0)	(123.8)	−38.6%
Net rental income	**501.3**	**320.6**	**+56.4%**
Management and other income	42.0	35.7	+17.6%
General and administrative expenses	(76.7)	(71.4)	+7.5%
EBITDA	**466.6**	**284.9**	**+63.8%**
Adjustments to calculate operating cash flow:			
> Depreciation charge for right-of-use assets[(a)]	(4.0)	(4.2)	
> Employee benefits, stock option expense and non-current operating expenses/income	(1.9)	0.0	
> IFRIC 21 impact	7.7	8.2	
Operating cash flow	**468.4**	**288.9**	**+62.1%**
Cost of net debt	(58.1)	(58.2)	−0.2%
Adjustments to calculate net current cash flow before taxes:			
> Amortization of Corio debt mark-to-market	(0.4)	(1.9)	
> Financial instrument close-out costs	6.8	1.7	
Current cash flow before taxes	**416.7**	**230.5**	**+80.8%**
Share in earnings of equity-accounted companies	28.5	17.6	+62.6%
Current tax expense	(17.6)	0.1	n.m.
Net current cash flow	**427.7**	**248.1**	**+72.4%**
Group share			
Net current cash flow	**371.7**	**206.9**	**+79.6%**
Add-back adjustments to calculate EPRA Earnings:			
> Employee benefits, stock option expense and non-recurring operating expenses /income	2.0	(0.0)	
> Depreciation, amortization and provisions for contingencies and losses	(4.3)	(4.8)	
EPRA Earnings	**369.4**	**202.1**	**+82.7%**
Average number of shares[(b)]	286,037,065	285,539,909	+0.2%
Per share *(in euros)*			
NET CURRENT CASH FLOW - IFRS	**1.30**	**0.72**	**+79.3%**
IFRS 16 straight-line amortization	0.02	(0.01)	
NET CURRENT CASH FLOW - ADJUSTED	**1.32**	**0.72**	**+83.7%**
EPRA EARNINGS	**1.29**	**0.71**	**+82.4%**

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

> **Operating cash flow** amounted to €468.4 million for the period, up €179.5 million (+62.1%) compared to the first half of 2021. Over the period, management and other income increased by €6.3 million (up 17.6%), with fees lifted by the resumption of development projects.

General and administrative expenses increased slightly by €5.4 million (up 7.5%) year on year. In 2021, Klépierre significantly contained its cash outflows with lower staff costs and administrative expenses to mitigate Covid-induced revenue falls. With the end of these temporary measures and, to a lesser extent, with the inflationary environment, the business resumption led to higher general and administrative expenses, although they remain 8% lower compared to 2019 levels.

> **The cost of net debt** came out at €58.1 million on a total share basis and was virtually flat versus the first half of 2021. Overall, the cost of debt declined by 10 basis points to 1.1% (see section 7.3 "Cost of debt").

> **Current tax expense** amounted to €17.6 million on a total share basis, up €17.7 million year on year, notably reflecting higher net rental income in taxable countries (mainly Italy, Norway and Denmark). In addition, first-half 2021 current tax expense was significantly low 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 the November 2020 lockdown.

> **Net current cash flow** reached €427.7 million (Total share) or €371.7 million (Group share). On a per share basis, net current cash flow came out at €1.32, of which €0.12 related to higher rent collection for 2020 and 2021.

See section 8.1 for the reconciliation of net current cash flow to EPRA earnings and net income.

4.1 Contribution of equity-accounted companies

The contribution of equity-accounted companies[5] to net current cash flow amounted to €28.5 million over the six-month period ended June 30, 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; 50% equity interest) and Metro Senter (Oslo; 50% equity interest);
- **Portugal:** Aqua Portimão (Portimão; 50% equity interest); and
- **Turkey:** Akmerkez (Istanbul; 45.9% equity interest).

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

Exhibit 14 Contribution of equity-accounted companies

GROSS RENTAL INCOME

In millions of euros	06/30/2022	06/30/2021
France	12.2	8.9
Italy	21.4	15.0
Norway[(a)]	3.2	3.7
Portugal	1.8	1.0
Turkey	2.7	2.2
TOTAL	**41.3**	**30.9**

NET CURRENT CASH FLOW

In millions of euros	06/30/2022	06/30/2021
France	6.6	4.2
Italy	15.9	8.3
Norway[(a)]	2.4	2.8
Portugal	1.2	0.4
Turkey	2.3	1.8
TOTAL	**28.5**	**17.6**

NET RENTAL INCOME

In millions of euros	06/30/2022	06/30/2021
France	9.1	6.1
Italy	19.3	11.4
Norway[(a)]	2.4	2.8
Portugal	1.5	0.8
Turkey	2.1	1.7
TOTAL	**34.5**	**22.8**

NET INCOME[(b)]

In millions of euros	06/30/2022	06/30/2021
France	4.1	(2.9)
Italy	20.1	54.9
Norway[(a)]	5.3	(0.1)
Portugal	(1.0)	(0.4)
Turkey	7.3	3.5
TOTAL	**35.8**	**55.0**

EBITDA

In millions of euros	06/30/2022	06/30/2021
France	9.0	6.1
Italy	19.2	11.3
Norway[(a)]	2.4	2.8
Portugal	1.5	0.8
Turkey	2.0	1.6
TOTAL	**34.1**	**22.6**

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

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

5

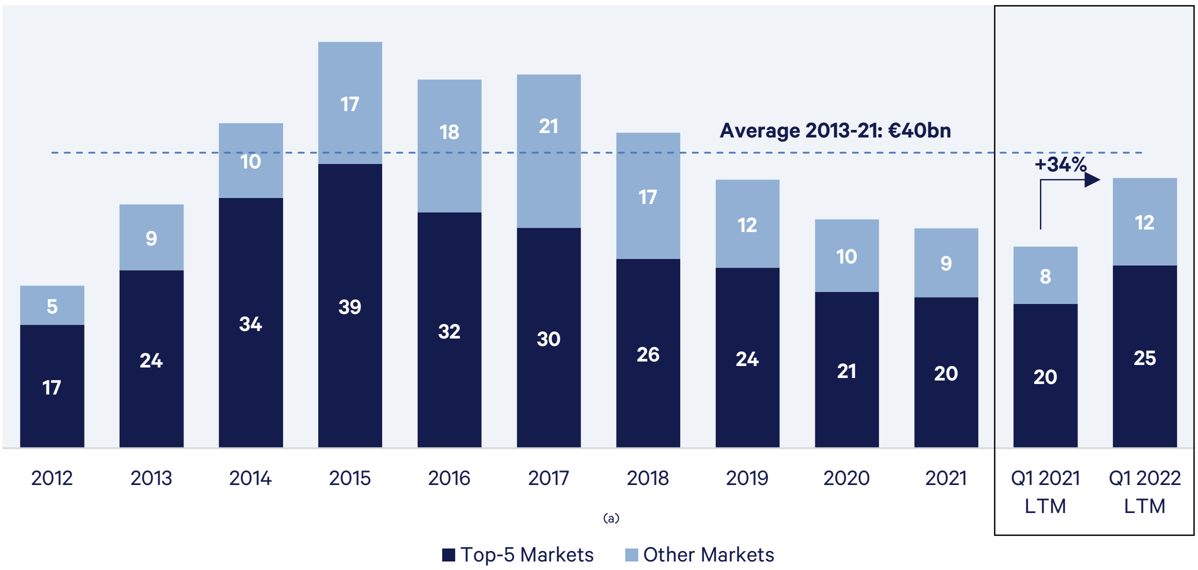
INVESTMENTS, DEVELOPMENTS AND DISPOSALS

5.1 Investment market

Over the twelve months ended March 2022, retail property investment volumes increased by 34% to €37 billion compared to the same previous year period, i.e., close to the latest ten-year average. The bulk of the investment volume was realized between the fourth quarter of 2021 and the first quarter of 2022. Amid rising interest rates, retail assets benefited from relatively high yields compared to other asset classes and from their proven resilience during the Covid crisis. By retail sub-segment, retail parks were the most dynamic (€10.5 billion, up 67%), while mall transactions (€10.1 billion) increased by 18%.

By geographic area, Scandinavian investment volumes surged by 40% thanks to renewed interest from institutional investors for retail assets and the lesser impact of the Covid crisis on retailers. German investment volumes were broadly stable, mostly thanks to transactions for retail parks and supermarkets. Lastly, France registered higher year-on-year transaction volumes (up 11%), mostly linked to a limited number of large transactions.

Chart 2 European investment volumes
(in €bn)



Source: JLL (Q1 2022): this review considers all investment sales of shopping centers, retail warehouses, factory outlet centers, supermarkets and high streets, excluding investment deals of less than €5 million in value.
(a) France, United Kingdom, Germany, Spain and the Netherlands.

5.2 Capital expenditure

In the first half of 2022, the Group focused on its main committed **development** projects:

> The extension of Gran Reno in Bologna (Italy), which opened on July 7, 2022;

> The refurbishment of Grand Place in Grenoble (France), which was delivered in March 2022, with the first stone laid on the extension during the second quarter of the year and works scheduled to complete by the end of 2023; and

> Primark stores in Italy at Gran Reno (Bologna), Le Gru (Turin) and Campania (Naples) and in France at Centre Deux (Saint-Étienne), with units having been delivered to the tenant in the first half of 2022 and openings planned for the second half. Similarly, the Primark store at Nave de Vero (Venice, Italy) is scheduled to be handed over in the second half of 2022 for opening in first-quarter 2023.

Overall, development capex amounted to €57.7 million.

Investments in **properties in operation** (excluding investments in extensions) amounted to €32.6 million.

Overall, total capital expenditure in the first half of 2022 amounted to €90.9 million (see section 8.6 for more details).

5.3 Development pipeline

On a total share basis, the total pipeline represented €2.5 billion, of which €0.4 billion committed, €0.7 billion of retail controlled projects and €1.3 billion of mixed-use controlled projects.

On a Group share basis, the total pipeline represented €1.8 billion, of which €0.4 billion committed, €0.6 billion of retail controlled projects and €0.8 billion of mixed-use controlled projects.

Over the first half of 2022, €57.7 million was spent on the pipeline, mainly in France and Italy.

Exhibit 15 Development pipeline (committed and controlled projects) as of June 30, 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)*	Targeted yield on cost [b]
Gran Reno	Italy	Bologna	Ext. - refurb.	24,876	2022	100.0%	143	127	
Grand Place	France	Grenoble	Ext. - refurb.	16,200	2022-2023	100.0%	70	22	
Créteil Soleil	France	Paris region	Ext. - refurb.	11,400	2019-2022	80.0%	137	133	
Hoog Catharijne Phase 3	Netherlands	Utrecht	Ext. - refurb.	7,512	2024	100.0%	27	6	
Other projects				34,875			73	44	
Total committed projects				**94,863**			**449**	**333**	**6.7%**
Le Gru[c]	Italy	Turin	Ext. - refurb.	24,316	2022-2025	100.0%	130	13	
Maremagnum	Spain	Barcelona	Ext. - refurb.	13,640	2024-2026	100.0%	49	2	
Odysseum[c]	France	Montpellier	Ext. - redev.	15,300	2023-2026	100.0%	51	9	
Porta di Roma[d]	Italy	Rome	Extension	4,880	2025	50.0%	14	0	
Val d'Europe	France	Paris region	Extension	9,000	2026	55.0%	61	1	
Blagnac	France	Toulouse region	Ext. - refurb.	3,520	2025	53.6%	12	2	
Grand Ouest	France	Écully	Ext. - refurb.	5,000	2024	83.0%	31	0	
Alexandrium	Netherlands	Rotterdam	Extension	7,000	2027	100.0%	44	1	
La Gavia	Spain	Madrid region	Extension	15,000	2026	100.0%	64	3	
Rives d'Arcins	France	Bordeaux region	Extension	8,180	2025	52.0%	33	0	
Mondeville	France	Caen	Extension	4,000	2026	100.0%	9	0	
Le Vele & Millenium	Italy	Cagliari	Extension	10,875	2025	100.0%	73	0	
Parque Nascente	Portugal	Porto	Extension	19,400	2026	100.0%	34	0	
Other projects				15,600			69	1	
Total retail controlled projects				**155,711**			**673**	**33**	
Økernsenteret [e]	Norway	Oslo	Mixed use	102,500	2025-2027	56.1%	404	50	
Viva	Denmark	Odense	Mixed use	90,100	2024	56.1%	332	29	
Blagnac	France	Toulouse region	Mixed use	111,987	2025-2030	53.6%	215	10	
L'Esplanade	Belgium	Brussels region	Mixed use	22,000	2026	100.0%	75	15	
Nancy	France	Nancy	Mixed use	30,800	2025-2028	35.0%	49	9	
Field's	Denmark	Copenhagen	Mixed use	67,500	2026	56.1%	209	42	
Val d'Europe	France	Paris region	Mixed Use	15,000	2026	55.0%	54	0	
Total mixed-use controlled projects				**439,887**			**1,337**	**155**	
TOTAL				**690,461**			**2,460**	**521**	

(a) Estimated cost as of June 30, 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 June 30, 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.

Extension of Gran Reno (Bologna, Italy)

The extension of the leading mall in Bologna was delivered during the second quarter of 2022 after three years of works.

Perfectly illustrating the Group's operational strategy, the 16,700 sq.m. extension was officially inaugurated on July 7, 2022 and was 98% let at opening with international brands such as Primark, Tommy Hilfiger, H&M, Bershka, Zara, Pull & Bear, Snipes and Flying Tiger Copenhagen enriching the retail mix, together with a new food and leisure destination linked directly to an indoor and outdoor events area. Following the refurbishment delivered in September 2021, this extension finalized the complete makeover of this flagship shopping center.

Refurbishment and extension of Grand Place (Grenoble, France)

The refurbishment of Grenoble's leading retail destination was delivered in March 2022, accompanied by new store signings including Vans and Lego.

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 unrivaled shopping center. Pre-leasing is progressing well, with 82% of the projected net rental income signed (68%) or under advanced negotiations (14%). 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 and tasty experience.

In addition, to capture the benefits of the urbanization trend and rising demand in the residential segment, a selection of mixed-use development projects is under consideration. These plans aim at transforming the potential of building rights in Økernsenteret (Oslo, Norway), Viva (Odense, Denmark), Blagnac (Toulouse region, France), L'Esplanade (Brussels region, Belgium), Nancy (France) and Field's (Copenhagen, Denmark).

With timespans of between three and seven years, these projects may be developed with local partners or, alternatively, sold upon approval of the re-zoning plans.

5.4 Disposals

Exhibit 16 Disposals completed since January 1, 2022

Assets (City, Country)	Floor area *(in sq.m.)*	Sale price[a] *(in millions of euros)*	Date
Maxi Storsenter (Hamar, Norway)	20,663		07/01/2022
Gulskogen Senter (Drammen, Norway)	40,629		07/01/2022
Arkaden Torgterrassen (Stavanger, Norway)	18,844		07/01/2022
Shopping centers	**80,136**	**289.6**	
Other retail properties	**N/A**	**119.4**	
Other retail assets	**N/A**	**21.5**	
TOTAL DISPOSALS	**N/A**	**430.5**	

(a) Excluding transfer taxes, total share.

Since January 1, 2022, the Group has completed disposals totaling €430.5 million[6] (of which, €133 million as of June 30, 2022):

- **Three shopping centers** in Norway (Gulskogen Senter in Drammen, Arkaden Torgterrassen in Stavanger and Maxi Storsenter in Hamar);
- **Other retail properties,** mainly comprising a portfolio of 57 Buffalo Grill restaurants in France; and
- **Other retail assets,** mainly including a retail park in the Paris region in the vicinity of the Villiers-en-Bière shopping center.

These transactions illustrate Klépierre's ability to continue to streamline its portfolio in a rebounding investment market and confirm the interest of investors for the shopping center asset class.

Considering €39.0 million of sales under promissory agreements, total Group disposals amounted to €469.5 million.

Overall, assets were sold and signed in line with appraised values (-0.4%).

(6) Total share, excluding transfer taxes.

6

PORTFOLIO VALUATION

6.1 Property portfolio valuation

6.1.1 Property portfolio valuation methodology

6.1.1.1 Scope of the portfolio as appraised by external appraisers

As of June 30, 2022, 98% of the value of Klépierre's property portfolio, or €20,101 million (including transfer taxes, on a total share basis)[7], was estimated by external appraisers in accordance with the methodology described below. The remainder of the portfolio was valued as follows:

- Projects under development, carried at cost;[8] and
- Other non-appraised assets, consisting mainly of assets held for sale, are valued at the agreed transaction price, land is valued at cost (when value is below €5 million), and other development projects are measured internally at fair value.

Exhibit 17 Breakdown of the property portfolio by type of valuation
(on a total share basis)

Type of asset	Value *(in millions of euros)*
Externally-appraised assets	**20,101**
Acquisitions	0
Investment property at cost	140
Other internally-appraised assets (land, assets held for sale, etc.)	336
TOTAL PORTFOLIO	**20,577**

6.1.1.2 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.

Further to a tender process, Klépierre selected new appraisers to serve from the June 2022 campaign. Accordingly, in June 2022, 35% of the portfolio was valued by a different appraiser than in December 2021. At June 30, 2022, 100% of the portfolio in Iberia, 67% in Italy and 28% in France was valued by new appraisers. At Group level, the selected appraisers are Cushman & Wakefield, Jones Lang LaSalle, CBRE and BNP Paribas Real Estate. The fees payable to these companies are set at the time of signing the four-year term and depend on the number and size of property units appraised.

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

Exhibit 18 Breakdown by appraiser of the appraised property portfolio as of June 30, 2022

Appraiser	Countries covered	Share of total portfolio *(in %)*
Cushman & Wakefield	> France, Norway, Sweden, Denmark, Belgium and Poland	37%
CBRE	> France, Spain, Italy, Netherlands, Czech Republic and Portugal	27%
Jones Lang LaSalle	> Italy, Turkey and Greece	33%
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.

6.1.2 Valuation

6.1.2.1 Change in appraisers' assumptions

Valuations were broadly stable. The slight increase was attributable to the following changes in appraisers' assumptions:

- In view of the inflationary environment, indexation was revised upwards while estimated rental values remained in line with the latest appraisal campaign, notably supported by rental transactions which, combined with a stable health situation, gave rise to a slightly positive (0.2%) **cash flow effect.**
- A more active investment market translated into a flat (0.1%) **market effect**.

Exhibit 19 Assumptions used by appraisers for determining the shopping center portfolio valuation as of June 30, 2022[a]

Geography	Discount rate[b]	Exit rate[c]	NRI CAGR[d]
France	6.3%	5.0%	2.7%
Italy	7.4%	5.9%	1.9%
Scandinavia	7.0%	4.9%	2.9%
Iberia	7.4%	5.9%	2.4%
Netherlands & Germany	6.1%	5.2%	2.8%
Central Europe	6.9%	6.0%	1.7%
Other countries	16.1%	8.2%	7.2%
TOTAL	**6.8%**	**5.4%**	**2.5%**

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

Exhibit 20 Like-for-like 6-month change in shopping center portfolio valuation: market and cash flow effects[(a)]

Geography	LFL change	Market effect	Cash flow effect
France	−0.5%	+0.2%	−0.7%
Italy	+0.5%	−1.6%	+2.2%
Scandinavia	+0.0%	−0.4%	+0.4%
Iberia	+3.8%	+5.4%	−1.6%
Netherlands & Germany	−0.6%	−1.4%	+0.8%
Central Europe	+0.4%	+0.3%	+0.1%
Other countries	+8.4%	−8.5%	+16.8%
TOTAL SHOPPING CENTERS	**+0.3%**	**+0.1%**	**+0.2%**

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

Overall, the shopping center portfolio valuation was up slightly by 0.3% on a like-for-like basis.

6.1.2.2 Property portfolio valuation

Exhibit 21 6-month portfolio valuation reconciliation
(on a total share basis, including transfer taxes)

In millions of euros	
Portfolio at 12/31/2021	**20,713**
Disposals	(142)
Acquisitions/developments	34
Like-for-like change	69
Forex	(97)
PORTFOLIO AT 06/30/2022	**20,577**

Including transfer taxes, the value of the portfolio stood at €20,577 million on a total share basis as of June 30, 2022, down 0.7% or €136 million on a reported basis compared to December 31, 2021. This decrease reflects:

- A €142 million negative impact from disposals completed as of June 2022;
- A €34 million positive impact from developments;
- A €69 million like-for-like valuation increase (up 0.3%); and
- A €97 million negative foreign exchange impact in Scandinavia and Turkey.

Exhibit 22 Valuation of the property portfolio[(a)]
(on a total share basis, including transfer taxes)

		% of total	Change over 6 months			Change over 12 months		
In millions of euros	06/30/2022	portfolio	12/31/2021	Reported	LfL[(b)]	06/30/2021	Reported	LfL[(b)]
France	8,177	39.7%	8,240	−0.8%	−0.5%	8,345	−2.0%	−0.6%
Italy	4,064	19.8%	4,003	+1.5%	+0.5%	3,945	+3.0%	+1.3%
Scandinavia	3,053	14.8%	3,132	−2.5%	+0.0%	3,536	−13.7%	+1.3%
Iberia	2,214	10.8%	2,133	+3.8%	+3.8%	2,103	+5.3%	+5.4%
Netherlands & Germany	1,884	9.2%	1,895	−0.6%	−0.6%	2,179	−13.6%	−1.1%
Central Europe	964	4.7%	960	+0.4%	+0.4%	950	+1.5%	+1.5%
Other countries	147	0.7%	156	−5.5%	+8.4%	199	−26.2%	+22.9%
TOTAL SHOPPING CENTERS	**20,502**	**99.6%**	**20,518**	**-0.1%**	**+0.3%**	**21,257**	**-3.6%**	**+0.9%**
TOTAL OTHER RETAIL PROPERTIES	**75**	**0.4%**	**195**	**-61.6%**	**-0.6%**	**213**	**-65.0%**	**-2.5%**
TOTAL PORTFOLIO	**20,577**	**100.0%**	**20,713**	**-0.7%**	**+0.3%**	**21,471**	**-4.2%**	**+0.8%**

(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 (€1,301 million as of June 30, 2022; total share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,303 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 June 30, 2022, the average EPRA NIY[9] for the shopping center portfolio[10] stood at 5.2%, stable compared to December 31, 2021.

Exhibit 23 Change in EPRA Net Initial Yield of the shopping center portfolio[11]
(on a Group share basis, including transfer taxes)

Country	06/30/2022	12/31/2021	06/30/2021
France	4.8%	4.6%	4.8%
Italy	5.7%	5.8%	5.8%
Scandinavia	4.5%	4.5%	5.1%
Iberia	5.7%	5.8%	6.0%
Netherlands & Germany	4.8%	4.8%	5.2%
Central Europe	6.6%	6.4%	6.5%
Other countries	9.9%	7.4%	10.2%
TOTAL SHOPPING CENTERS	**5.2%**	**5.2%**	**5.4%**

6.1.2.3 Other information related to June 30, 2022 valuation

Exhibit 24 Valuation reconciliation with the statement of financial position
(on a total share basis)

In millions of euros	
Investment property at fair value as per statement of financial position	**18,270**
Right-of-use asset relating to ground leases	(354)
Investment property at cost[a]	140
Fair value of property held for sale	336
Leasehold and lease incentives	40
Transfer taxes	921
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,223
TOTAL PORTFOLIO	**20,577**

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

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

Exhibit 25 Shopping center portfolio valuation: sensitivity to changes in the discount rate and exit rate *(on a total share basis, including transfer taxes)*

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

	Discount rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+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%**

Exhibit 26 Valuation of the property portfolio[a] *(on a Group share basis, including transfer taxes)*

		% of total	Change over 6 months			Change over 12 months		
In millions of euros	**06/30/2022**	**portfolio**	**12/31/2021**	**Reported**	**LfL[b]**	**06/30/2021**	**Reported**	**LfL[b]**
France	6,588	37.5%	6,640	−0.8%	−0.4%	6,725	−2.0%	−0.8%
Italy	4,042	23.0%	3,979	+1.6%	+0.6%	3,920	+3.1%	+1.3%
Scandinavia	1,713	9.7%	1,757	−2.5%	+0.0%	1,984	−13.7%	+1.3%
Iberia	2,214	12.6%	2,133	+3.8%	+3.8%	2,103	+5.3%	+5.4%
Netherlands & Germany	1,855	10.5%	1,865	−0.5%	−0.5%	2,123	−12.6%	−1.1%
Central Europe	964	5.5%	960	+0.4%	+0.4%	950	+1.5%	+1.5%
Other countries	140	0.8%	148	−5.3%	+8.7%	188	−25.6%	+23.9%
TOTAL SHOPPING CENTERS	**17,516**	**99.6%**	**17,481**	**+0.2%**	**+0.5%**	**17,994**	**-2.7%**	**+0.9%**
TOTAL OTHER RETAIL PROPERTIES	**75**	**0.4%**	**195**	**-61.6%**	**-0.6%**	**213**	**-65.0%**	**-2.5%**
TOTAL PORTFOLIO	**17,591**	**100.0%**	**17,676**	**-0.5%**	**+0.5%**	**18,207**	**-3.4%**	**+0.9%**

(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 (€1,236 million as of June 30, 2022; Group share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,239 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.*

6.2 Management service activities

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

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

As there were no major changes in the valuation assumptions, the fair market value of the Klépierre Group management service activities as of June 30, 2022 was substantially the same as that as of December 31, 2021. It stood at €318.2 million on a total share basis (€316.8 million, Group share) compared to €324.6 million (€323.9 million, Group share) as of June 30, 2021, mainly reflecting the disposal of assets in Norway and Germany.

7

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 of investments, Klépierre continues to reduce net debt and to maintain very conservative leverage ratios. The Group's liquidity position is strong and covers all refinancing needs until the end of 2024. Despite higher market volatility, Klépierre has strengthened its fixed-rate position for the coming years and therefore reduced its sensitivity to interest-rate hikes.

With a 6.5-year average debt maturity and a low cost of funding, the Group operates with one of the most solid balance sheets in the industry and remains committed to operating with conservative leverage metrics.

7.1 Financial resources

7.1.1 Change in net debt

As of June 30, 2022, consolidated net debt totaled €8,124 million compared to €8,006 million six months earlier. The main movements during the last six months were as follows:

> Cash inflows from operations and other items (foreign exchange, changes in working capital), amounting to €427 million;

> Cash outflows in respect of distributions for €589 million, including the €1.70 per share 2021 distribution to shareholders (€485 million) and distributions to non-controlling interests (€104 million);

> Cash outflows in respect of capital expenditure for €89 million (see section 8.6 "EPRA capital expenditure"); and

> Cash inflows from disposals of €134 million.

In early July, the Group closed the sales of three shopping centers in Norway and retail assets in France. Factoring in these transactions, net debt would have stood at €7,867 million, more than €100 million below the end-2021 figure.

7.1.2 Debt ratios

As of June 30, 2022, the Loan-to-Value (LTV) ratio stood at 39.5%. Including the disposals closed since early July 2022, LTV would have come out at 38.8%, i.e., the same level as at end-2021.

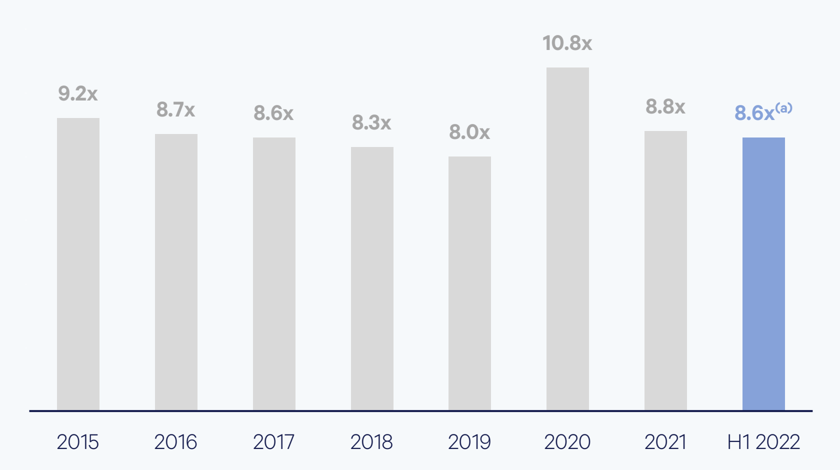
Exhibit 27 Loan-to-Value calculation as of June 30, 2022
(as per covenant definitions, on a total share basis)

In millions of euros	06/30/2022 Restated[(a)]	06/30/2022	12/31/2021	06/30/2021
Current financial liabilities	2,340	2,340	1,893	1,941
Bank facilities	56	56	16	214
Non-current financial liabilities	5,793	5,793	6,815	7,278
Revaluation due to fair value hedge and cross currency swap	82	82	0	(14)
Fair value adjustment of debt[(b)]	(1)	(1)	(2)	(3)
Gross financial liabilities excluding fair value hedge	**8,270**	**8,270**	**8,722**	**9,417**
Cash and cash equivalents[(c)]	(403)	(146)	(716)	(270)
Net debt	**7,867**	**8,124**	**8,006**	**9,146**
Property portfolio value (incl. transfer taxes)	20,292	20,577	20,713	21,471
LOAN-TO-VALUE RATIO	**38.8%**	**39.5%**	**38.7%**	**42.6%**

(a) Including disposals closed since beginning of July 2022.
(b) Corresponds to the outstanding amount of the market value adjustment for Corio's debt recognized at the acquisition date.
(c) Including cash managed for principals.

The net debt to EBITDA ratio was 8.8x flat compared to December 31, 2021. Once restated for the disposals closed in early July, the ratio would have come out at 8.6x.

Chart 3 Net debt to EBITDA



(a) As of June 30, 2022, restated for the sale of the Norwegian malls.

7.1.3 Available resources

With cash at hand amounting to €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, €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.

At the end of the first half of 2022, the liquidity position[12] stood at €2.3 billion, mainly comprising €1.8 billion in unused committed revolving credit facilities (net of commercial paper), €0.4 billion in uncommitted credit facilities and €0.1 billion in cash and equivalents. The Group's liquidity position remains strong and covers all the Group's refinancing needs for the next two years.

In early July, Klépierre signed a new Sustainability-Linked Revolving Credit Facility for €100 million. This facility has a 5-year maturity and provides two extension options of one year each.

7.1.4 Debt structure

As of June 30, 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 (€1.5 billion) of commercial paper issued in EUR, NOK and SEK is covered by committed back-up facilities in the same amount with a 4.2 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 June 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[13] and the high cost of currency hedging, especially over long durations, the Group has decided not to hedge these positions.

(12) 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.
(13) On a total-share basis, including transfer taxes, the Czech Republic represented 3.1% of the total Klépierre portfolio, Poland 1.5% and Turkey 0.6%.

Chart 4 Debt maturity schedule of long-term debt as of June 30, 2022

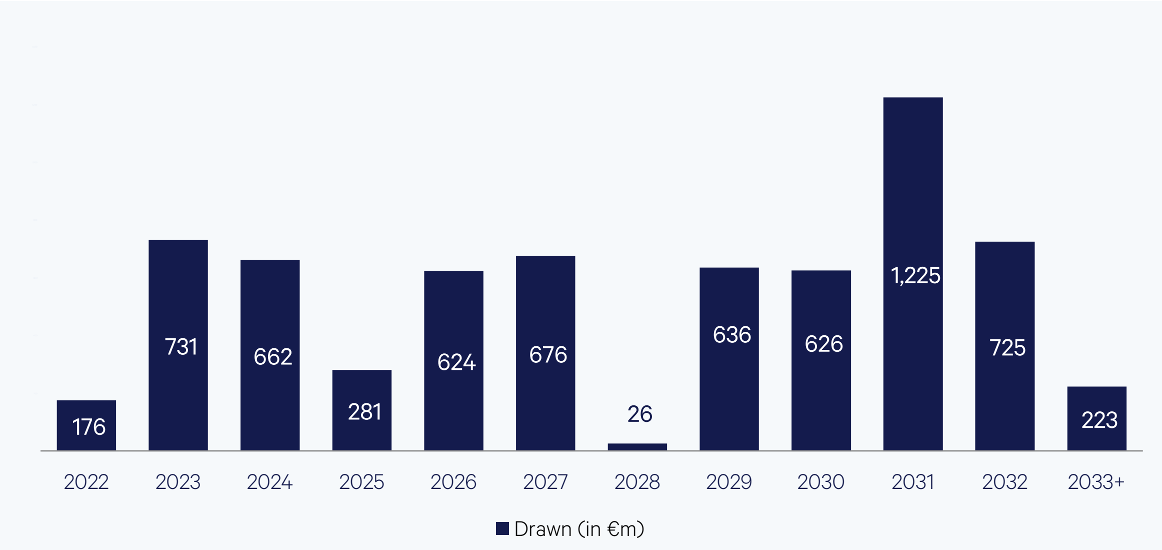


Chart 5 Financing breakdown by type of resource as of June 30, 2022
(utilizations, total share)

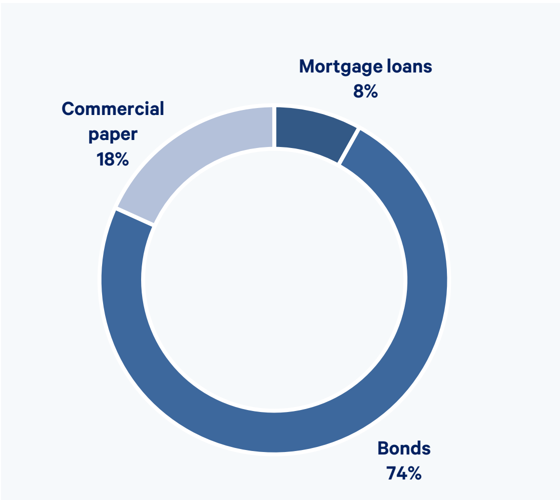
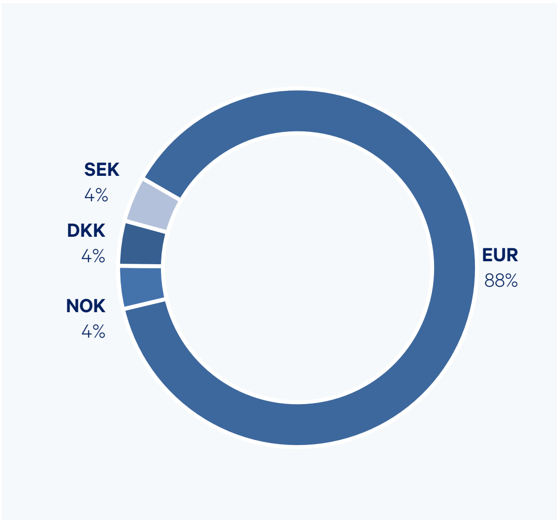


Chart 6 Financing breakdown by currency as of June 30, 2022
(utilizations, total share)



7.2 Interest rate hedging

During the first six months of 2022, Klépierre continued to strengthen its hedging profile by rolling over €400 million in caps maturing in 2022 and 2023. As of June 30, 2022, the proportion of fixed-rate or hedged debt was 88%, while its average maturity remained close to five years (4.8 years). This position comprises 69% fixed-rate debt and payer swaps and 19% caps. Accordingly, the sensitivity of the Group's cost of debt to interest rate fluctuations is likely to remain low for the rest of the year.

The table below shows the exposure of Klépierre's net income to an increase in interest rates, before and after hedging.

Exhibit 28 Interest rate position after hedging

In millions of euros	Amount	Impact of a 1% increase in interest rates on shareholders' equity
Gross position before hedging (floating-rate debt)	2,236.9	22.4
Net hedge	(1,269.8)	(9.5)
NET POSITION AFTER HEDGING	**967.1**	**12.9**

7.3 Cost of debt

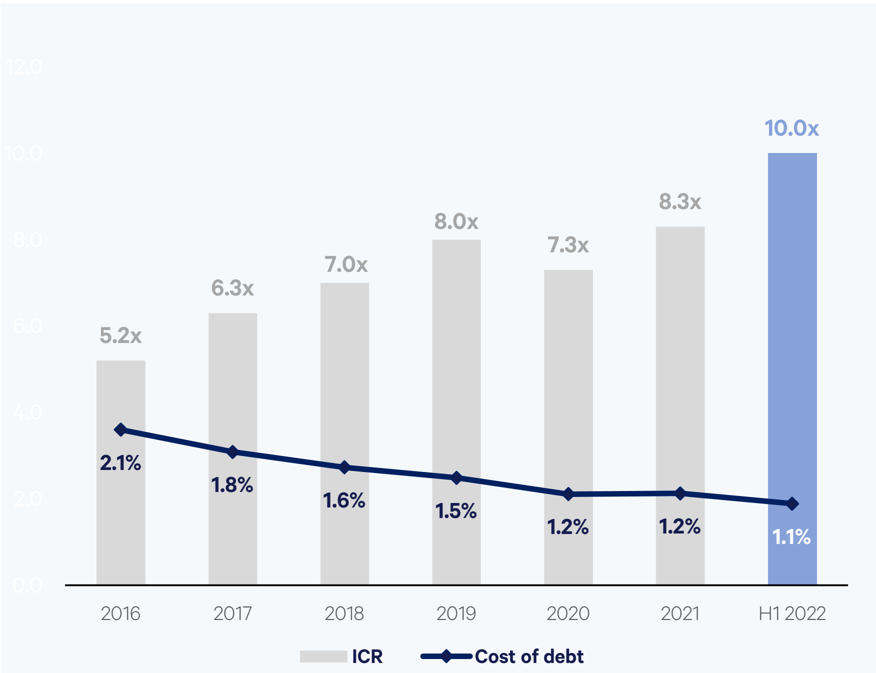
The Group's average cost of debt decreased by 10 basis points during the first half of the year to 1.1%. The interest coverage ratio (ICR) was 10.0x.

Exhibit 29 Breakdown of cost of debt

In millions of euros	06/30/2022	12/31/2021	06/30/2021
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	**58.1**	**115.3**	**58.2**
Non-recurring items	(7.3)	1.8	(1.4)
Non-cash impact	0.8	3.7	3.6
Interest on advances to associates	3.7	9.8	5.0
Liquidity cost	(3.6)	(7.6)	(3.6)
Interest expense on lease liabilities[a]	(4.1)	(12.9)	(5.4)
Cost of debt (used for cost of debt calculations)	**47.6**	**110.1**	**56.3**
Average gross debt	**8,400.8**	**8,947.8**	**9,127.3**
COST OF DEBT *(in %)*	**1.1%**	**1.2%**	**1.2%**

(a) As per IFRS 16.

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



(a) The interest coverage ratio (as per banking covenant definition) represents the ratio of consolidated EBITDA presented in the statement of comprehensive income adjusted for the share in earnings of equity-accounted companies and the change in value of investment properties of equity-accounted companies (€486 million), to net interest expenses (€48.6 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.

7.4 Credit ratings and covenants

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

Exhibit 30 Covenants applicable to Klépierre SA financing

Financing	Ratios/covenants	Limit[a]	06/30/2022	12/31/2021	06/30/2021
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	39.5%	38.7%	42.6%
	EBITDA/Net interest expense[b]	≥ 2.0x	10.0x	8.3x	6.5x
	Secured debt/Portfolio value[c]	≤ 20%	0.6%	0.6%	0.6%
	Portfolio value[d]	≥ €10bn	€17.6bn	€17.7bn	€18.2bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.7%	0.8%	0.9%

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

8

EPRA PERFORMANCE INDICATORS

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

Exhibit 31 EPRA summary table[(a)]

	06/30/2022	12/31/2021	06/30/2021	See section
EPRA Earnings *(in millions of euros)*	369.3	610.4	202.1	8.1
EPRA Earnings per share *(in euros)*	1.29	2.14	0.71	8.1
EPRA NRV *(in millions of euros)*	9,865	10,034	9,654	8.2.2
EPRA NRV per share *(in euros)*	34.50	35.10	33.80	8.2.2
EPRA NTA *(in millions of euros)*	8,759	8,913	8,489	8.2.2
EPRA NTA per share *(in euros)*	30.60	31.20	29.70	8.2.2
EPRA NDV *(in millions of euros)*	8,357	7,741	7,261	8.2.2
EPRA NDV per share *(in euros)*	29.20	27.10	25.40	8.2.2
EPRA Net Initial Yield Shopping centers	5.2%	5.2%	5.4%	8.3
EPRA "Topped-up" Net Initial Yield Shopping centers	5.4%	5.4%	5.7%	8.3
EPRA Vacancy Rate	5.3%	5.3%	5.8%	8.4
EPRA Cost Ratio (including direct vacancy costs)	18.0%	19.9%	34.4%	8.5
EPRA Cost Ratio (excluding direct vacancy costs)	15.7%	17.5%	31.4%	8.5

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

8.1 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 32 EPRA Earnings

Group share *(in millions of euros)*	**06/30/2022**	**06/30/2021**
Net income as per IFRS consolidated statement of comprehensive income	**294.6**	**111.1**
Adjustments to calculate EPRA Earnings:		
(i) Changes in value of investment properties, development properties held for investment and other interests	35.9	456.2
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	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	112.8
(vi) Changes in fair value of financial instruments and associated close-out costs	(11.4)	4.1
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments[(a)]	55.5	(360.2)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(7.3)	(37.5)
(x) Non-controlling interests in respect of the above	(21.0)	(84.0)
EPRA EARNINGS	**369.4**	**202.1**
Company-specific adjustments to calculate net current cash flow:		
> Employee benefits, stock option expense and non-current operating expenses	(2.0)	0.0
> Depreciation, amortization and provisions for contingencies and losses	4.3	4.8
NET CURRENT CASH FLOW	**371.7**	**206.9**
Average number of shares [(b)]	*286,037,065*	*285,539,909*
Per share *(in euros)*		
EPRA EARNINGS	**1.29**	**0.71**
NET CURRENT CASH FLOW - IFRS	**1.30**	**0.72**

(a) In the first half of 2022, this item includes €50.8m in deferred taxes, -€3.0m in non-current taxes and -€7.7m related to the application of IFRIC 21 (i.e., property tax annualization)..

(b) Excluding treasury shares.

8.2 EPRA Net Asset Value metrics

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

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

8.2.1 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 33 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	11,674	66%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,913	22%	43%
Other portfolio	2,004	11%	50%
TOTAL PORTFOLIO	**17,591**		

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.

8.2.2 Calculation of EPRA Net Asset Value

Exhibit 34 EPRA Net Asset Values as of June 30, 2022

Group share *(in millions of euros)*	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS Equity attributable to shareholders	**8,242**	**8,242**	**8,242**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,242	8,242	8,242
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	8,242	8,242	8,242
Exclude:			
v) Deferred tax in relation to fair value gains of IP	1,019	838	0
vi) Fair value of financial instruments	(18)	(18)	0
vii) Goodwill as a result of deferred tax	(262)	(262)	(262)
viii) Goodwill as per IFRS statement of financial position	(222)	(222)	(222)
Include:			
ix) Fair value of fixed-rate debt	0	0	600
x) Revaluation of intangible assets to fair value	299	0	0
xi) Real estate transfer tax	808	182	0
NAV	**9,865**	**8,759**	**8,357**
Fully diluted number of shares	*286,102,507*	*286,102,507*	*286,102,507*
NAV per share *(in euros)*	**34.50**	**30.60**	**29.20**

Exhibit 35 EPRA Net Asset Values as of December 31, 2021

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

Exhibit 36 EPRA NTA – 6-month reconciliation per share[(a)]

In euros per share	
EPRA NTA at 12/31/2021	**31.20**
Cash flow	1.32
Like-for-like asset revaluation	0.28
Dividend	(1.70)
Forex and other	(0.50)
EPRA NTA at 06/30/2022	**30.60**

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

EPRA NTA per share amounted to €30.60 as of June 2022, compared to €31.20 as of December 2021. This slight decrease mainly reflects the payment in a single installment of the €1.70 per share distribution in respect of 2021, partly offset by the 6-month net current cash flow (€1.32 per share) and the increase in the like-for-like portfolio value (€0.28 per share). Foreign exchange and other items had a negative impact of €0.50 per share.

8.3 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 6.1.2 "Valuation" for the geographical breakdown of EPRA NIY.

Exhibit 37 EPRA Net Initial Yields

In millions of euros	Shopping centers	Other retail properties	Total
Investment property - Wholly owned	16,280	75	16,354
Investment property - Share of joint ventures/funds	1,236	0	1,236
Total portfolio	**17,516**	**75**	**17,591**
Less: Developments, land and other	(144)	0	(144)
Completed property portfolio valuation (B)	**17,372**	**75**	**17,446**
Annualized cash passing rental income	1,021	6	1,027
Property outgoings	(114)	(1)	(115)
Annualized net rents (A)	**907**	**5**	**912**
Notional rent expiration of rent free periods or other lease incentives	39	0	39
Topped-up net annualized rent (C)	**946**	**5**	**951**
EPRA NET INITIAL YIELD (A/B)	**5.2%**	**6.5%**	**5.2%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**5.4%**	**6.7%**	**5.5%**

8.4 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 38 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	30,067	497,878	6.0%
Italy	9,282	289,734	3.2%
Scandinavia	9,004	140,996	6.4%
Iberia	8,917	142,654	6.3%
Netherlands & Germany	5,261	95,470	5.5%
Central Europe	2,640	60,221	4.4%
Other countries	1,152	17,332	6.6%
TOTAL	**66,323**	**1,244,284**	**5.3%**

(a) *Scope: all shopping centers, including those accounted for under the equity method, which are included based on a 100% share. The estimated rental values of leased and vacant spaces as of June 30, 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.*

8.5 EPRA Cost Ratio

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

Exhibit 39 EPRA Cost Ratio

In millions of euros	06/30/2022	06/30/2021
Administrative and operating expenses[a]	(101.0)	(150.9)
Net service charge costs[a]	(48.4)	(41.4)
Net management fees[a]	36.5	31.1
Other net operating income intended to cover overhead expenses[a]	5.5	4.6
Share of joint venture expenses[b]	(7.0)	(8.0)
Exclude (if part of the above):		
Service charge costs recovered through rents but not separately invoiced	5.0	3.9
EPRA Costs (including vacancy costs) (A)	**(109.5)**	**(160.7)**
Direct vacancy costs	(13.7)	(14.1)
EPRA Costs (excluding vacancy costs) (B)	**(95.8)**	**(146.5)**
Gross rental income less ground rents[a]	573.8	440.9
Less: service fee/cost component of gross rental income	(5.0)	(3.9)
Add: share of joint ventures (gross rental income less ground rents)[b]	40.7	30.4
Gross rental income (C)	**609.5**	**467.4**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**18.0%**	**34.4%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**15.7%**	**31.4%**

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

As of June 30, 2022, the EPRA cost ratio came out at 18.0%, representing a significant year on year improvement, mainly attributable to the reduction in rent abatements and lower provisions for credit losses.

8.6 EPRA Capital Expenditure

Investments in first-half 2022 are presented in section 5 "Investments, developments and disposals". This section presents Klépierre's capital expenditure based on EPRA financial reporting guidelines, taking into account the latest EPRA Best Practices Recommendations as updated in October 2019.

Exhibit 40 EPRA Capital Expenditure

In millions of euros	06/30/2022 Group (excl. Joint Ventures)	06/30/2022 Joint Ventures (proportionate share)	06/30/2022 Total Group	06/30/2021 Total Group
Acquisitions	0.0	-	0.0	0.3
Development	57.2	0.6	57.7	24.1
Investment properties	31.5	1.1	32.6	31.3
Incremental lettable space	-	-	-	-
No incremental lettable space	22.7	1.1	23.7	23.7
Tenant incentives	4.1	0.0	4.2	4.4
Other material non-allocated types of expenditure	4.7	-	4.7	3.2
Capitalized interest	0.5	-	0.5	1.2
Total CAPEX	**89.2**	**1.7**	**90.9**	**56.9**
Conversion from accrual to cash basis	-29.8	-	-29.8	3.5
TOTAL CAPEX ON CASH BASIS	**59.4**	**1.7**	**61.1**	**60.4**

8.6.1 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. Over the period, these investments amounted to €57.7 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.

8.6.2 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. Over the first six months, these investments totaled €32.6 million, breaking down as follows:

> €23.7 million: technical maintenance and refurbishment of common areas. Most of this expenditure is re-invoiced to tenants;

> €4.2 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

> €4.7 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.

8.6.3 Capitalized interest

Capitalized interest amounted to €0.5 million over the first half of 2022.

9
OUTLOOK

For 2022, the Group expects net current cash flow to reach at least €2.45 per share[14], a 5.4% increase compared to the midpoint of the initial guidance.

This updated guidance assumes that business operations are not impacted in H2 2022 by new Covid-related disruptions on our clients' operations or by any major deterioration in the geopolitical situation. It does include disposals closed to date and a €0.12 profit per share booked in H1 2022 relating to higher rent collection for 2020 and 2021.

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