SUPPLEMENTAL INFORMATION TO THE EARNINGS RELEASE

FIRST-HALF 2021

KLEPIERRE

/ TABLE OF CONTENTS

The review procedures on the condensed interim consolidated financial statements have been completed. 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	06/30/2021	06/30/2020
Gross rental income	444.3	581.0
Land expenses (real estate)	(3.4)	(3.6)
Service charge income	120.3	120.7
Service charge expenses	(169.9)	(161.2)
Building expenses (owner)	(70.7)	(25.4)
Net rental income	**320.6**	**511.5**
Management, administrative and related income	31.1	34.9
Other operating income	4.6	7.2
Survey and research costs	(0.2)	(0.2)
Payroll expenses	(54.1)	(43.2)
Other general expenses	(17.1)	(20.6)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	(8.8)	(9.4)
Provisions	(0.7)	(6.2)
Change in value of investment properties	(456.2)	(638.6)
Income from the disposal of investment properties and equity investments	0.5	3.0
> Proceeds from disposals of investment properties and equity investments	30.4	81.4
> Carrying amount of investment properties and equity investments sold	(29.9)	(78.4)
Goodwill impairment	(112.8)	(1.9)
Operating income (loss)	**(293.1)**	**(163.4)**
Net dividends and provisions on non-consolidated investments	0.0	0.0
Financial income	24.8	40.4
Financial expenses	(78.9)	(89.1)
Interest expense on leases liabilities	(4.2)	(4.2)
Cost of net debt	**(58.2)**	**(52.9)**
Change in the fair value of financial instruments	(4.3)	(15.8)
Share in earnings of equity-accounted companies	55.0	(12.4)
Profit (loss) before tax	**(300.7)**	**(244.4)**
Income tax benefit	368.5	34.4
Consolidated net income (loss)	**67.8**	**(210.0)**
Of which		
> Attributable to owners of the parent	111.1	(163.6)
> Attributable to non-controlling interests	(43.3)	(46.5)
Average number of shares - undiluted	**285,267,886**	**286,430,401**
UNDILUTED EARNINGS(LOSS) PER SHARE *(in euros)* **- ATTRIBUTABLE TO OWNERS OF THE PARENT**	**0.39**	**(0.57)**
Average number of shares - diluted	**285,539,909**	**286,430,401**
DILUTED EARNINGS (LOSS) PER SHARE *(in euros)* **- ATTRIBUTABLE TO OWNERS OF THE PARENT**	**0.39**	**(0.57)**

In millions of euros	06/30/2021	06/30/2020
Consolidated net income (loss)	**67.8**	**(210.0)**
Other items of comprehensive income recognized directly in equity	**1.2**	**(118.2)**
> Effective portion of gains and losses on cash flow hedging instruments	8.7	(4.4)
> Translation gains and losses	(0.4)	(112.2)
> Tax on other items of comprehensive income	(1.3)	0.9
Items that will be reclassified subsequently to profit or loss	**6.9**	**(115.7)**
> Gains and losses on sales on treasury shares	(5.7)	(2.4)
> Actuarial gains and losses	0.0	(0.1)
Items that will not be reclassified subsequently to profit or loss	**(5.7)**	**(2.5)**
Share of other items of comprehensive income attributable to equity-accounted companies	-	-
Total comprehensive income (loss)	**69.0**	**(328.2)**
Of which		
> Attributable to owners of the parent	103.9	(248.7)
> Attributable to non-controlling interests	(34.9)	(79.5)
Undiluted comprehensive earnings (loss) per share *(in euros)* **– Attributable to owners of the parent**	**0.36**	**(0.87)**
Diluted comprehensive earnings (loss) per share *(in euros)* **– Attributable to owners of the parent**	**0.36**	**(0.87)**

1.2 Consolidated statements of financial position

In millions of euros	06/30/2021	12/31/2020
Goodwill	471.9	583.5
Intangible assets	23.1	22.9
Property, plant and equipment	22.7	27.3
Investment properties at fair value	18,704.5	19,756.8
Investment properties at cost	138.7	132.9
Investments in equity-accounted companies	1,022.4	988.4
Other non-current assets	304.7	299.9
Long-term derivative instruments	17.3	31.7
Non-current deferred tax assets	11.6	15.6
Non-current assets	**20,717.0**	**21,859.0**
Investment properties held for sale	654.7	28.3
Trade and other receivables	199.8	156.2
Other receivables	282.8	332.3
> Tax receivables	67.3	63.7
> Other	215.6	268.5
Short-term derivative instruments	1.2	30.6
Current deferred tax assets	22.2	16.3
Cash and cash equivalents	190.1	462.1
Current assets	**1,350.8**	**1,025.8**
TOTAL ASSETS	**22,067.8**	**22,884.7**
Share capital	406.5	419.9
Additional paid-in capital	4,166.1	4,737.5
Legal reserves	44.0	44.0
Consolidated reserves	3,281.3	3,766.6
> Treasury shares	(133.6)	(441.3)
> Hedging reserves	(4.5)	(8.7)
> Other consolidated reserves	3,419.4	4,216.6
Consolidated earnings (loss)	111.1	(785.7)
Equity attributable to owners of the parent	**8,009.0**	**8,182.3**
Equity attributable to non-controlling interests	2,180.3	2,252.1
Total equity	**10,189.2**	**10,434.4**
Non-current financial liabilities	7,278.0	7,244.1
Non-current leases liabilities	360.3	357.0
Long-term provisions	17.5	16.9
Pension obligations	12.1	11.8
Long-term derivative instruments	7.7	13.7
Deposits	140.7	143.3
Deferred tax liabilities	1,098.9	1,508.3
Non-current liabilities	**8,915.3**	**9,295.2**
Current financial liabilities	1,941.0	2,381.9
Current lease liabilities	13.9	14.2
Bank overdrafts	214.2	9.4
Trade payables	175.1	201.1
Due to suppliers of property	46.1	54.0
Other liabilities	340.0	322.3
Short-term derivative instruments	2.8	5.2
Payroll and tax liabilities	230.0	166.9
Current liabilities	**2,963.3**	**3,155.1**
TOTAL EQUITY AND LIABILITIES	**22,067.8**	**22,884.7**

1.3 Segment earnings

In millions of euros	France [a]		Scandinavia		Italy		Iberia		Netherlands	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Gross rents	**140.9**	**213.6**	**83.9**	**83.0**	**74.9**	**95.5**	**52.3**	**63.9**	**25.9**	**36.9**
Other rental income	8.2	17.4	1.4	0.6	1.5	2.8	1.6	1.8	0.0	0.0
Gross rental income	**149.1**	**231.0**	**85.2**	**83.6**	**76.4**	**98.3**	**53.9**	**65.7**	**25.9**	**36.9**
Rental and building expenses	(55.2)	(24.2)	(11.3)	(7.6)	(17.4)	(10.5)	(11.2)	(5.0)	(10.6)	(8.0)
Net rental income	**93.9**	**206.8**	**73.9**	**76.1**	**59.1**	**87.8**	**42.7**	**60.7**	**15.3**	**29.0**
Management and other income	17.6	17.0	3.8	5.6	7.1	6.1	2.3	5.0	1.0	1.2
Payroll and other general expenses	(20.3)	(18.0)	(7.9)	(6.9)	(11.2)	(10.5)	(6.0)	(5.9)	(4.9)	(4.8)
EBITDA	91.2	205.8	69.9	74.8	54.9	83.4	39.1	59.7	11.4	25.3
Depreciation, amortization and impairment	(3.7)	(6.2)	(1.6)	(1.4)	(0.9)	(0.8)	(0.2)	(5.6)	(0.1)	(0.2)
Change in value of investment properties	(193.5)	(291.9)	(113.1)	(122.5)	(51.3)	(68.5)	(26.3)	(29.3)	(36.5)	(32.1)
Net proceeds from disposals of investment properties and equity investments	(0.2)	2.7	0.6	-	-	-	-	0.4	-	-
Share in earnings of equity accounted companies	(2.9)	(10.1)	(0.1)	(1.2)	54.9	0.2	(0.4)	(1.9)	-	-
SEGMENT INCOME (LOSS)	(109.2)	(99.7)	(44.3)	(50.2)	57.7	14.4	12.2	23.3	(25.2)	(7.0)
Goodwill impairment										
Cost of net debt										
Change in the fair value of financial instruments										
PROFIT (LOSS) BEFORE TAX										
Income tax										
NET INCOME (LOSS)										

(a) Shopping centers and Other retail properties.

In millions of euros	Germany		CE & Other		Not allocated		Klépierre Group	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Gross rents	**14.5**	**24.5**	**35.0**	**40.0**	**-**		**427.3**	**557.6**
Other rental income	3.2	-	1.1	0.7	-		17.0	23.4
Gross rental income	**17.7**	**24.5**	**36.0**	**41.0**	**-**		**444.3**	**581.0**
Rental and building expenses	(6.1)	(8.9)	(11.9)	(5.4)	-		(123.8)	(69.5)
Net rental income	**11.5**	**15.6**	**24.1**	**35.6**	**-**		**320.6**	**511.5**
Management and other income	2.0	5.4	1.9	1.9	-		35.7	42.2
Payroll and other general expenses	(4.2)	(4.0)	(4.2)	(4.2)	(12.8)	(9.6)	(71.4)	(63.9)
EBITDA	9.4	16.9	21.8	33.3	(12.8)	(9.6)	284.9	489.8
Depreciation, amortization and impairment	(0.2)	(0.1)	(0.8)	(1.3)	(1.9)	-	(9.5)	(15.7)
Change in value of investment properties	(11.1)	(33.1)	(24.4)	(61.2)	-	-	(456.2)	(638.6)
Net proceeds from disposals of investment properties and equity investments	-	-	0.1	(0.0)	-	-	0.5	3.0
Share in earnings of equity accounted companies	-	-	3.5	0.5	-	-	55.0	(12.4)
SEGMENT INCOME (LOSS)	(1.9)	(16.3)	0.2	(28.7)	(14.7)	(9.6)	(125.3)	(173.9)
Goodwill impairment							(112.8)	(1.9)
Cost of net debt							(58.2)	(52.9)
Change in the fair value of financial instruments							(4.3)	(15.8)
PROFIT (LOSS) BEFORE TAX							(300.7)	(244.4)
Income tax							368.5	34.4
NET INCOME (LOSS)							67.8	(210.0)

1.4 Consolidated statements of cash flows

In millions of euros	06/30/2021	06/30/2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net income from consolidated companies	67.8	(210.0)
Elimination of expenditure and income with no cash effect or not related to operating activities		-
> Depreciation, amortization and provisions	65.8	15.6
> Change in value of investment properties	456.2	638.6
> Goodwill impairment	112.8	1.9
> Capital gains and losses on asset disposals	(0.5)	(3.0)
> Current and deferred income taxes	(368.5)	(34.4)
> Share in earnings of equity-accounted companies	(55.0)	12.4
> Reclassification of interest and other items	82.5	74.8
Gross cash flow from consolidated companies	**361.1**	**495.8**
Income tax (received) paid	(1.2)	(1.4)
Change in operating working capital	(53.8)	(222.6)
Net cash flow from operating activities	**306.1**	**271.8**
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	23.5	50.1
Proceeds from disposals of subsidiaries (net of cash disposed)	17.7	0.0
Acquisitions of investment properties	(0.3)	-
Payments in respect of construction work in progress	(57.3)	(81.9)
Acquisitions of other fixed assets	(3.8)	(3.1)
Acquisitions of subsidiaries (net of cash acquired)	(0.2)	(0.4)
Dividends received (including dividends received from joint ventures and associates)	10.5	2.0
Movements in loans and advance payments granted and other investments	5.3	(7.1)
Net cash flows used in investing activities	**(4.6)**	**(40.4)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	-	(314.3)
Dividends paid to non-controlling interests	(28.3)	(17.6)
Repayment of share premium	(285.3)	
Acquisitions/disposals of treasury shares	0.3	(100.0)
New loans, borrowings and hedging instruments	1,476.4	2,191.9
Repayment of loans, borrowings and hedging instruments	(1,869.0)	(1,694.4)
Net repayment of lease liabilities	(7.7)	(7.3)
Interest paid	(57.3)	(62.8)
Interest paid on lease liabilities	(4.2)	(4.2)
Other cash flows related to financing activities	-	-
Net cash flow used in financing activities	**(775.2)**	**(8.7)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(3.1)**	**(1.5)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(476.8)**	**221.2**
Cash and cash equivalents at beginning of period	**452.7**	**457.9**
Cash and cash equivalents at end of period	**(24.2)**	**679.1**

2

INTRODUCTION

During the first half of 2021, continental Europe faced two new waves of the Covid-19 pandemic. Significant increases in case numbers and hospitalizations prompted governments to reintroduce lockdowns or restrictions, which hampered Klépierre's activities, disrupted retail operations and caused inconvenience to shoppers. Despite this challenging context, the Group remained resilient in the face of disruption and continued to serve its stakeholders to the best of its abilities.

From the outset of the crisis, Klépierre has reviewed and focused its organization and resources on health and safety conditions, enabling business to continue where possible while complying with government measures on a real-time basis. As in 2020, it also adapted its working environment to the mass switch to home working, by swiftly providing all employees with appropriate IT equipment and tools. In addition, on a case-by-case basis, Klépierre continued to support its tenants during closure periods and pursued its discussions with banners to negotiate partial waivers of rent arrears in exchange for lease extensions and/or the opening of new stores.

During this phase, it was crucial to leverage the lessons learned from previous waves and to pave the way for the business recovery. In addition to the rebound in leasing activity, which returned to pre-Covid levels at the end of the first half, the Group methodically adapted its malls to shoppers' new expectations, including health and safety and actions to support purchasing power. Consequently, Klépierre prepared the reopening with best-in-class health protocols and continuously improved preventive measures to allow a seamless and personalized customer journey, making its malls safe places to shop. Likewise, it implemented new collaborations with tenants to provide customers with exclusive and attractive commercial offerings, meeting their value-for-money expectations and raising both footfall and sales.

Subsequently, on the back of the vaccination rollout and massive decrease in contamination, restrictions were gradually lifted across the board. The Group's malls began reopening from mid-May onwards, posting strong performances notably in terms of retailer sales, which were higher than in 2020. This encouraging business resumption underscores the sustainable relevance of Klépierre's venues and the outstanding dedication and commitment of Klépierre's staff during these unexpected times.

3

BUSINESS OVERVIEW

3.1 Economic environment

In early 2021, Covid-19 infections remained high across Europe, forcing several countries to reimpose lockdowns and restrictions, implying long closure periods that weighed on business. However, the recent easing of constraints and the intense vaccination drive have given a second wind to the economy, translating into a **eurozone** GDP growth projection of 4.3% for 2021, an increase in the inflation rate to 1.8% and an unemployment rate that is expected to stabilize at 8.2% by the year-end.

These positive signs were underscored by the prompt implementation of the European Union recovery plan, substantial national fiscal packages, the ECB's accommodative monetary policy, more vigorous external demand and renewed private consumption driven by high household savings. In order to accelerate the economic upswing, many European countries are providing companies with financial support and subsidies. For example, Germany has offered assistance to small and medium-sized companies of the *Mittelstand*, the backbone of its economy, while France has introduced a "fixed costs" support plan to backstop the *Fonds de solidarité*, and Denmark has expanded its business support budget.

Furthermore, the vaccination rollout is progressing and 57% of the European population had already received at least one shot as of July 20, 2021. Herd immunity is expected to be achieved by the fall in Europe, helping to revive confidence despite what remains a highly volatile health situation. Nevertheless, all these encouraging elements are currently challenged by the emergence of different variants, notably the Delta variant which is rapidly spreading across Europe and undermining the recovery's momentum.

Exhibit 1 2021 and 2022 macroeconomic forecasts by geography

	Real GDP growth rate			Unemployment rate			Inflation rate		
Geography	**2020**	**2021E**	**2022E**	**2020**	**2021E**	**2022E**	**2020**	**2021E**	**2022E**
EUROZONE	–6.7%	4.3%	4.4%	7.9%	8.2%	7.9%	0.3%	1.8%	1.3%
France	**–8.2%**	**5.8%**	**4.0%**	**8.0%**	**8.8%**	**8.7%**	**0.5%**	**1.4%**	**0.8%**
Italy	**–8.9%**	**4.5%**	**4.4%**	**9.1%**	**9.8%**	**9.7%**	**–0.1%**	**1.3%**	**1.0%**
Scandinavia									
Norway	–0.8%	3.4%	3.7%	4.4%	4.7%	4.0%	1.3%	2.9%	1.9%
Sweden	–3.0%	3.9%	3.4%	8.3%	8.4%	7.5%	0.5%	1.6%	1.4%
Denmark	–2.7%	2.8%	2.9%	5.6%	5.9%	5.2%	0.4%	1.2%	1.4%
Iberia									
Spain	–10.8%	5.9%	6.3%	15.5%	15.4%	14.7%	–0.3%	1.6%	1.1%
Portugal	–7.6%	3.7%	4.9%	6.8%	7.4%	7.0%	–0.1%	0.9%	1.0%
CE & Other									
Czech Republic	–5.6%	3.3%	4.9%	2.5%	3.5%	3.5%	3.2%	2.4%	2.3%
Poland	–2.7%	3.7%	4.7%	3.2%	3.4%	3.4%	3.4%	3.8%	3.3%
Turkey	1.8%	5.7%	3.4%	13.1%	14.0%	14.2%	12.3%	16.0%	12.8%
Netherlands	**–3.7%**	**2.7%**	**3.7%**	**3.8%**	**4.1%**	**4.7%**	**1.1%**	**1.8%**	**1.5%**
Germany	**–5.1%**	**3.3%**	**4.4%**	**4.2%**	**4.2%**	**3.6%**	**0.4%**	**2.6%**	**1.6%**

Source: OECD Economic Outlook, May 2021.

3.2 Operating context

In late 2020 and early 2021, Europe faced a third wave of the pandemic as infections surged, prompting governments to reintroduce restrictions. Klépierre's activities were impacted and the Group experienced the equivalent of 2.5 months of full closure for the portfolio – a longer period than last year when malls were closed 1.6 months in average during the first half of 2020. Depending on the intensity of the wave, governments opted for various restrictions and degrees of lockdowns:

- **Full lockdowns:** in France, Denmark, the Netherlands, Germany, Czech Republic and Portugal, all non-essential stores, restaurants as well as entertainment venues were compelled to close from January at the earliest to the end of May at the latest, while Poland experienced two full lockdowns in January and April;
- **Partial lockdowns/limited restrictions:** in Norway, regional measures were implemented including mall closures in the Oslo area. In Italy, depending on regional health indicators, shopping centers were closed on weekends and public holidays (including the day before) until mid-May. On top of this, the whole country experienced a full lockdown during the Easter period. Lastly, in Spain, malls globally remained open over the period (except in Barcelona during the first quarter), while the Swedish government recommended avoiding shopping areas without ordering store closures.

From April until the end of May, restrictions were gradually eased and all Klépierre's malls are now fully opened with 100% of our stores (in rents) currently authorized to open. However, restrictions related to certain activities remain in place in several countries (mainly cinemas, fitness centers and restaurants), such as limits on the number of people allowed to assemble as well as curfews in many cases, making the rebound less vigorous.

Lastly, with the surge of infections resulting from the Delta variant, new restrictions started to emerge early in the second half of the year. For example, a law has been voted in France on July 25, 2021, that allows prefects to impose a vaccination certificate or a negative Covid test to visitors and employees of large malls and department stores in regions where the epidemic situation deteriorates, provided that such a measure does not hamper access to public transportation and stores selling essential products.

Chart 1 Weekly trends for stores authorized to open as a percentage of rents and charges

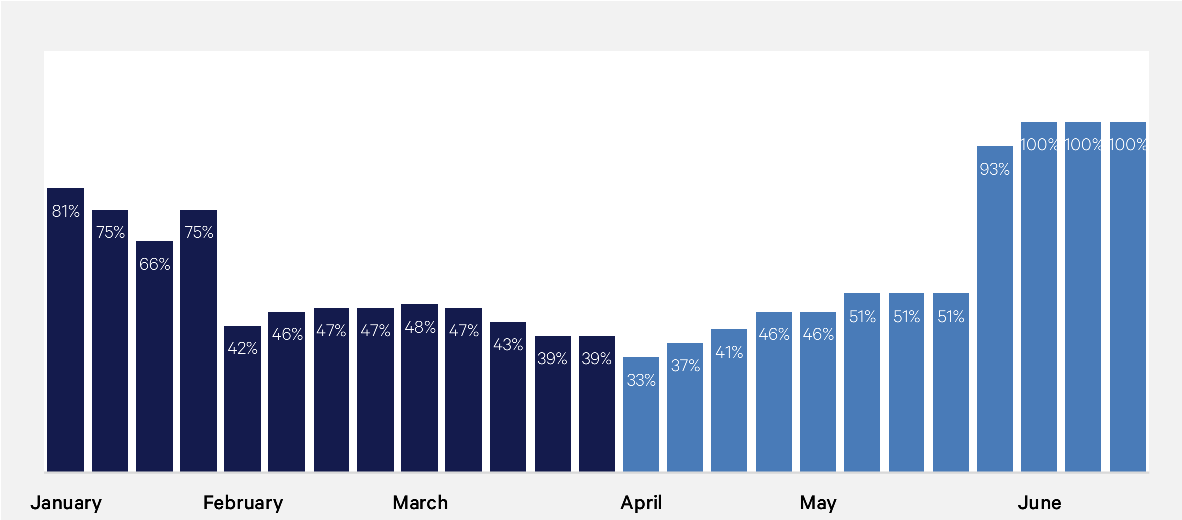

Exhibit 2 Closure period duration in months *(weighted by rents and charges)*

In months	Average closure period in first-half 2021	Average closure period in first-half 2020
France	2.9	1.9
Italy	2.5	2.1
Scandinavia	1.5	0.5
Iberia	0.7	2.2
CE & Other	2.1	1.1
Netherlands	4.0	0.9
Germany	5.0	0.9
TOTAL	**2.5**	**1.6**

3.3 Retailer sales

Over the first-half of 2021, operations have been largely hampered by lockdowns implemented throughout Europe. Nonetheless, since reopening, the rebound has been stronger than last year and like-for-like **retailer sales**[1] were up 15% in June compared to same month in 2020 (96% of the June 2019 level). In what remains a restrictive health situation, this illustrates the strength of the business resumption, notably fueled by a high transformation rate and average basket size.

By **geographic region**[1], France (where retailer sales in June were up 15% year-on-year), enjoyed a strong recovery (99% of the June 2019 level). Similarly, Italian retailers experienced a fairly robust resumption with sales up 23% in June compared to same month last year and reaching 94% of pre-Covid levels. Business also rebounded firmly in Scandinavia where June performances were similar to 2020 and 2019, and fared even better in Norway where sales were up 9% in June 2021 compared to 2019.

Conversely, in regions with a high proportion of malls relying on tourism or located close to transport hubs and/or large business districts, recovery has tended to be slower.

By **segment**[1], fashion (up 26% in June 2021 compared to 2020, 96% of the 2019 level) posted the strongest rebound after reopening. Meanwhile, health & beauty (up 8% year-on-year and 98% of the 2019 level in June 2021) posted resilient performances, while culture, gifts and leisure (up 7% compared to 2020 and up 3% of the 2019 level) and household equipment (up 1% compared to 2019) even exceeded pre-Covid levels. Lastly, food & beverage also experienced a strong restart with sales up 16% in June 2021 compared to 2020, but remained below pre-Covid levels (87% of the June 2019 level) notably due to the very gradual easing of restrictions in

(1) Change in retailer sales on a same store basis, excluding closure days.

some countries, with restrictions such as limited numbers of diners in restaurants or outdoor-only dining maintained.

Exhibit 3 Change in retailer sales in June 2021 compared to June 2020 and June 2019 *(by country)*

Country	Retailer sales change [(a)] June 2021 vs. June 2020	June 2021 vs. June 2019	Share *(in total reported retailer sales)*
France	+15%	-1%	36%
Italy	+23%	-6%	24%
Scandinavia	+1%	+1%	19%
Iberia	+20%	-17%	9%
CE & Other	+21%	0%	6%
Netherlands	+23%	-7%	3%
Germany	+2%	-9%	3%
TOTAL	**+15%**	**-4%**	**100%**

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

Exhibit 4 Change in retailer sales in June 2021 compared to June 2020 and June 2019 *(by segment)*

Segment	Retailer sales change [(a)] June 2021 vs. June 2020	June 2021 vs. June 2019	Share *(in total reported retailer sales)*
Fashion	+26%	-4%	41%
Culture, Gifts & Leisure	+7%	+3%	18%
Health & Beauty	+8%	-2%	14%
Food & Beverage	+16%	-13%	9%
Household Equipment	-2%	+1%	11%
Other	+13%	-12%	7%
TOTAL	**+15%**	**-4%**	**100%**

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

3.4 Rent collection

Over the first half of 2021, €673.1 million in rents and charges were invoiced at Group level.

As of July 21, 2021, we have collected 70%. Although the management is of the view that rents corresponding to the closure periods are contractually due, it has entered into negotiations with tenants on a case-by-case basis to grant potential waiver in exchange for compensations (lease extensions or the opening of new stores). In addition, allowances for credit losses were also recognized for unpaid rents relating to open periods but very disturbed, considering restrictive measures in place. As of June 30, 2021, €176 million have been recognized as accrued rent abatements (€112 million) or as credit loss allowances (€64 million), pointing to a targeted collection rate of at least 74% for the first half of 2021.

In France, the government announced a specific support program to help retailers pay their rent and charges for the closure period of the third lockdown (February to May 2021). As of today, no decree has been passed and discussions with the European Commission are still ongoing. Should the plan be implemented, it could improve rent collection and the first subsidies are expected to be granted to retailers in the fourth quarter of 2021.

This year, we also continued to collect rents related to 2020 for an aggregate amount of €72 million. Consequently, as of June 30, 2021, the 2020 collection rate stood at 85%, 100 basis point higher than our initial projected rate (84%). Accordingly, €9 million in provisions was reversed during the period.

Exhibit 5 Collection rate on rents and service charges for the first half of 2021 *(on a total share basis, excluding VAT)*

Geography	Invoiced *(in €m)*	Actual collection rate[a]
France	254.1	58%
Italy	105.9	60%
Scandinavia	111.1	94%
Iberia	75.1	82%
CE & Other	49.5	72%
Netherlands	38.6	75%
Germany	29.6	78%
TOTAL SHOPPING CENTERS	**663.9**	**70%**
TOTAL WITH OTHER RETAIL PROPERTIES	**673.1**	**70%**

(a) As of July 21, 2021, excluding equity-accounted companies.

3.5 Gross rental income and net rental income

During the first half of 2020, our malls were closed for 1.6 months on average, with the bulk of the restrictions imposed during the second quarter. Tenants withhold payment of rents and service charges for the period during which their stores were closed by administrative orders. As a consequence, receivables increased by €273 million over the period. The Group started multiple negotiation with its tenants on a case by case basis. Nevertheless, when closing its financial statements as of June 30, 2020, the Group had not enough visibility to assess the amount of rents and service charges it will be able to ultimately collect. Only limited abatements (€1 million) and allowances for bad debts (€11 million) were booked against these receivables pending the outcome of the negotiations which took place during the second half of the year.

During the first half of 2021, stores in our malls have been closed for a longer period of time (2.5 months). Taking into account actual payments, historical payment patterns and existing negotiation, the Group recognized accrued abatements (€112 million) and allowances for bad debt (€64 million).

Thus, the year-on-year change in gross rental income and net rental income (i.e. first-half 2021 versus first-half 2020) is meaningless.

Exhibit 6 Reconciliation between invoiced rents and charges and gross rental income
(on a total share basis)

In millions of euros	06/30/2021	06/30/2020
Invoiced rents and charges	**673.1**	**698.6**
Charges	(120.3)	(120.7)
Rent abatements (cash)[(a)]	(112.4)	(6.2)
Straight line-amortization of rent abatements[(a)]	2.3	5.2
Other	1.6	4.2
GROSS RENTAL INCOME	**444.3**	**581.0**

(a) In connection with Covid-19.

Exhibit 7 Gross rental income
(on a total share basis)

In millions of euros	06/30/2021	06/30/2020
France	144.1	220.9
Italy	76.4	98.3
Scandinavia	85.2	83.6
Iberia	53.9	65.7
CE & Other	36.0	41.0
Netherlands	25.9	36.9
Germany	17.7	24.5
TOTAL SHOPPING CENTERS	**439.3**	**571.0**
Other retail properties	5.1	10.0
TOTAL	**444.3**	**581.0**

Exhibit 8 **Net rental income**
(on a total share basis)

In millions of euros	06/30/2021	06/30/2020
France	89.2	198.4
Italy	59.1	87.8
Scandinavia	73.9	76.1
Iberia	42.7	60.7
CE & Other	24.1	35.6
Netherlands	15.3	29.0
Germany	11.5	15.6
TOTAL SHOPPING CENTERS	**315.9**	**503.1**
Other retail properties	4.7	8.4
TOTAL	**320.6**	**511.5**

Chart 2 **Breakdown of shopping center NRI by region for the six months ended June 30, 2021**
(on a total share basis)

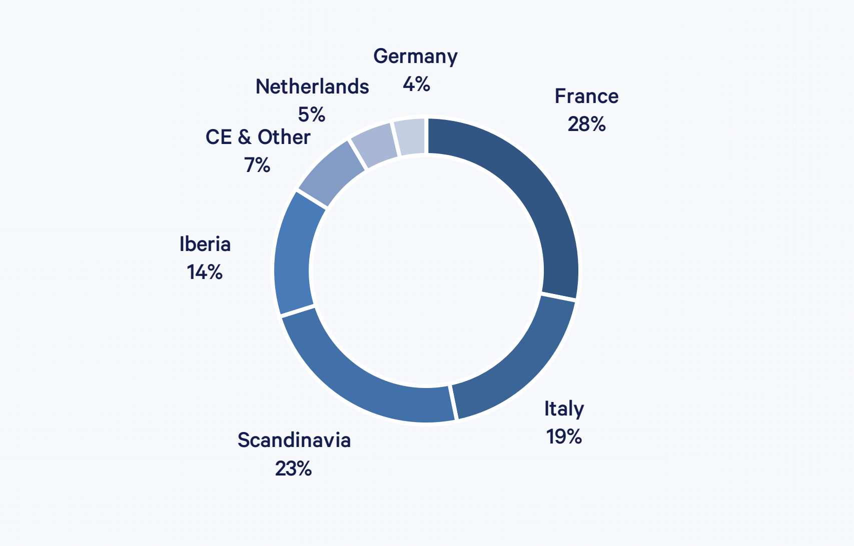

Exhibit 9 **Foreign exchange impact on year-on-year NRI growth for the six months ended June 30, 2021**

	At constant forex	At current forex	Forex impact
Norway	−2.2%	+3.1%	+535 bps
Sweden	−8.3%	−3.5%	+479 bps
Denmark	−9.9%	−9.5%	+34 bps
Scandinavia	**−6.4%**	**−2.9%**	**+358 bps**
Czech Republic	−40.9%	−40.9%	0 bps
Poland	−23.1%	−23.1%	0 bps
Turkey	−23.1%	−42.2%	−1,917 bps
CE & Other	**−29.4%**	**−32.2%**	**−274 bps**
TOTAL	**−37.0%**	**−36.8%**	**+19 bps**

3.6 Leasing update

Although Klépierre's malls have been impacted by various lockdowns throughout Europe, letting operations recorded growing momentum with 776 leases signed over the first six months of 2021 (with a 0.1% reversion), showing an acceleration month after month. In volume terms, this was comparable to the same period in 2019 and 70% above 2020, which underscores the attractiveness of Klépierre's malls.

In what remains an uncertain environment, the Group focused its leasing efforts on expanding performing tenants and accelerating the replacement of underperforming retailers to further improve the tenant mix and perpetuate customer preference for its malls. With a long-term vision, the Group leveraged its unmatched platform of shopping centers and its close relations with most of the leading retail chains and local players to further increase its market share in each and every catchment area. The Group therefore managed to optimize occupancy (currently standing at 94.2%, marginally below the pre-Covid level 97%).

Over the period, Klépierre continued to consolidate its long-standing partnership with **key accounts,** notably through a dynamic leasing flow with Inditex, Calzedonia Group, Yves Rocher, Rituals, Sephora and Lego. In addition, the Group signed an important deal with United Colors of Benetton for the opening of four new stores in some Italian shopping centers (Shopville Le Gru, Milanofiori, Globo and Grand Emilia). Simultaneously, a host of banners in **dynamic segments** chose to carry on expanding in Europe, such as value retailers such as Normal and Action, Samsung and LG and the high-tech reseller Hubside. On top of this, Calvin Klein and Guess unveiled their new flagships in Milanofiori (Milan) and Nave de Vero (Venice), respectively.

The Group also continued to capitalize on the development of **sports** banners. In the coming months, ten new stores including Snipes, Asics, FootKorner, Hummel and Intersport will join Klépierre's malls. These new openings will further strengthen the strong sales dynamic of this segment over the past months (up 9%, on a like-for-like basis, compared to 2019). Lastly, as part of the rollout of its Destination Food® concept, the Group further broadened the **food & beverage** offering of its malls, notably through deals with international banners such as Starbucks, KFC, T.G.I Friday's, Dunkin' Donuts and Poke House, as well as local brands with strong consumer appeal.

Exhibit 10 Key performance indicators

Geography	Renewed and re-let leases *(in €m)*	Reversion *(in %)*	Reversion *(in €m)*	OCR[a]	Occupancy Rate
France	14.0	+1.9%	0.3	13.1%	93.4%
Italy	17.4	+2.2%	0.4	11.0%	96.6%
Scandinavia	9.3	−6.3%	(0.6)	13.8%	93.6%
Iberia	3.8	+11.8%	0.4	15.2%	92.7%
CE & Other	7.4	−0.4%	-	17.6%	93.7%
Germany and the Netherlands[b]	1.0	N/M	N/M	14.8%	94.7%
TOTAL	**53.9**	**+0.1%**	**0.1**	**13.2%**	**94.2%**

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

4

BUSINESS ACTIVITY BY REGION

4.1 France (28.2% of net rental income)

Exhibit 11 NRI and occupancy rate in France

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
FRANCE	58%	89.2	198.4	93.4%	96.1%

Despite measures including curfews, regional and national lockdowns from mid-March to mid-May that weighed on first-half activity, **French** GDP is expected to rebound by 5.8% in 2021 and 4.0% in 2022. Since the Covid-19 outbreak, the authorities have taken extensive measures – from support for the smallest firms to the announcement of a €100 billion medium-term recovery plan (*France Relance*), coupled with fiscal stimulus and loan guarantees – to prop up the recovery.

In France, malls were impacted by lengthy restrictions until May 19, 2021:

- from January 31, 2021, all non-essential shops in enclosed shopping malls with a gross leasable area in excess of 20,000 sq.m. were closed;
- from March 31, 2021, this measure was extended to malls with a gross leasable area in excess of 10,000 sq.m.; and
- from April 4, 2021, all shopping centers were subject to this order, irrespective of size.

From May 19, 2021, these restrictions were lifted and all Klépierre's malls reopened. Notwithstanding the enforcement of visitor limits at every single center, the Group has experienced a rapid recovery. In June 2021, **retailer sales**[2] were up 15% compared to June last year, reaching 99% of their 2019 level. **By segment**[2], household equipment and culture, gifts & leisure were the best performers, while fashion was close to pre-Covid levels. Conversely, food & beverage, still impacted by health measures, registered lower sales. However, a law has been voted on July 25, 2021 that allows prefects to impose a vaccination certificate or a negative Covid test on customers of large malls in region where the epidemic situation deteriorates, provided that such a measure does not hamper access to public transportation and stores selling essential products.

Over the first half, **net rental income** came out at €89.2 million, largely hampered by the lockdowns lasting from end of January until May 19 and lengthy discussions surrounding support packages. The French Finance Minister announced in early February that a package to help retailers pay their rents and charges for the closure period would be introduced. As of July 27, 2021, no decree had been passed and discussions with the European Commission are still ongoing. Should the plan be implemented, it could improve rent collection, although the first subsidies could not be granted to retailers before November 2021 at the earliest.

On the **leasing side,** activity rebounded strongly with 259 leases signed, outpacing pre-Covid levels (up 31% compared to the same period in 2019 and 85% higher than 2020) and translating into a positive 1.9% reversion.

Over the first half of the year, Klépierre continued to support the growing development of innovative banners across its French portfolio as demonstrated by four deals with Danish retailer Normal, three deals with high-tech reseller Hubside and three deals with value retailer Action. Klépierre also consolidated its partnership with FootKorner – the French street fashion retail chain – for the opening of stores at Créteil Soleil, Belle Épine and Val d'Europe. Moreover, Zara and Pull & Bear recently unveiled two new stores under their latest format at Jaude (Clermont-Ferrand). The beginning of the year was also shaped by the ongoing overhaul of the Grand Place retail mix as part of its refurbishment and before the opening of a 16,000 sq.m. extension scheduled for 2023. The leading retail destination in the Grenoble region welcomed a Lego store early July, while Starbucks

(3) Change in retailer sales on a same store basis, excluding closure days.

and Asics are set to integrate the existing part of the mall by the end of 2021. New leases include deals with Primark, Snipes, Alain Afflelou and French burger chains Les Burgers de Papa and Black and White Burger, whose stores will help to raise standards further at this leading mall.

4.2 Italy (18.7% of net rental income)

Exhibit 12 NRI and occupancy rate in Italy

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
ITALY	60%	59.1	87.8	96.6%	98.0%

Over the first half of 2021, in line with health measures put in place in November 2020, the **Italian** government has continued to impose stringent containment rules. These notably included the closure of malls and other comparable spaces at weekends and bank holidays (including the day before), which hampered activity, coupled with the closure of malls during the week in regions considered at risk. In order to mitigate the impact of the pandemic, authorities announced additional fiscal help, emergency income support and the extension of tax credits for retailers. Restrictions were then eased from mid-May, gradually enabling a return to normal and the reopening of shops throughout the week. Accordingly, and although the recovery will depend on the speed of the vaccine rollout and improvement in exports and tourism, GDP growth is estimated at 4.5% in 2021.

After the partial lockdown that impacted performance until mid-May, Klépierre's Italian malls posted a sharp recovery as restrictions were lifted. In June 2021, **retailer sales**[(3)] were up 23% compared to last year and reached 94% of their June 2019 level. By **segment**[(3)], fashion and culture and gifts & leisure bounced back to pre-Covid levels in June, while food & beverage (72% of June 2019 level), recovered more slowly as restrictions were eased gradually.

In that context, **net rental income** in Italy amounted to €59.1 million, largely explained by mall closures at weekends, which significantly impacted sales over the first half of the year and lead many retailers to retain their payments.

Over the period, recurring **leasing activity** regained momentum with 178 leases signed (compared to 69 in 2020 and similar to the 2019 volume), demonstrating the attractiveness of Klépierre's Italian platform for retailers and paving the way for a 2.2% positive reversion.

The main leasing operations included the unveiling of a Guess flagship at Nave de Vero (Venice), the opening of a new Calvin Klein store at Assago Milanofiori (Milan) and of a Levi's boutique at Il Leone di Lonato (Lonato). Over the period, the Group also consolidated its long-standing partnerships with key accounts, especially through the opening of four United Colors of Benetton stores (Shopville Le Gru, Milanofiori, Globo and Grand Emilia) and a brand-new Mondadori bookshop at Le Corti Venete (Verona). Lastly, as part of its Destination Food® roll-out strategy, Klépierre continued to introduce new banners such as Poke House, the trendy Hawaiian restaurant chain, at Globo (Milan) and Romagna Center (Rimini) and supported the expansion of La Piadineria at Pescara Nord (Citta S. Angelo).

4.3 Scandinavia (23.4% of net rental income)

Exhibit 13 NRI and occupancy rate in Scandinavia

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
SCANDINAVIA	94%	73.9	76.1	93.6%	93.8%

Scandinavia faced a surge in Covid-19 hospitalizations at the start of 2021, forcing authorities to impose restrictions at different times, depending on the local health situation.

In **Norway**, the situation prompted the government to introduce a system of localized restrictions, with strict measures in Oslo while other areas were put under partial lockdowns. Since mid-May, restrictions have been lifted gradually and GDP is expected to increase by 3.4% in 2021, on the back of the recovery in the global oil

(4) Change in retailer sales on a same store basis, excluding closure days.

price, the vaccine rollout and higher consumption. Despite social distancing recommended by the government, the **Swedish** economy benefited from more limited restrictions that enabled GDP to recover. Growth is expected to come in at 3.9% in 2021, notably supported by rising exports and government investments. Lastly, in **Denmark**, the full lockdown enforced from mid-December 2020 to mid-April 2021 successfully reversed the uptick in new infections. In addition, the subsequent reopening of the economy should translate into stronger GDP growth and to inflation in 2021 (2.8% and 1.2% respectively), supported by renewed external demand.

Over the period, various governments continued to provide financial and other aid to support households and companies, notably through fixed cost compensation and favorable monetary policies.

Scandinavian malls experienced a shorter closure period overall (equivalent to 1.5 months) compared to the rest of the portfolio and generally lighter-touch restrictions. This provided a platform for a sustained recovery after the second and third waves, with June 2021 **retailer sales**(4) bouncing back to their June 2019 level. The performance was led by Norway where sales were up 9% in June, while Denmark was close to pre-Covid levels (98% of the June 2019 level) and Sweden continued to be impacted by official recommendations to avoid social gatherings and covered shopping venues (83% of the 2019 level over the first half and 93% in June). By **segment**(4), household equipment, health & beauty and culture, gifts & leisure were notable outperformers, with retailer sales up 13%, 6% and 5% in June 2021 compared to June 2019, respectively.

Benefiting from the high collection rate, net rental income was broadly flat year on year at €73.9 million.

Lastly, on the **leasing** front, the Group signed 126 agreements over the period (up 13% compared to 2020). The Scandinavian platform mainly strengthened its sports offering, notably through the deal signed for the relocation of Intersport at Maxi Storsenter (Hamar, Norway) that will constitute an additional anchor on top of the recently opened Sport Outlet store and the supermarket Holdbart, which is slated to open in September. Meanwhile, the re-tenanting of Field's, the foremost retail destination in Copenhagen (Denmark), continued to progress thanks to a deal with sports brand Hummel, which opened a new boutique in early July.

4.4 Iberia (13.5% of net rental income)

Exhibit 14 NRI and occupancy rate in Iberia

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
IBERIA	82%	42.7	60.7	92.7%	95.5%

In **Spain,** GDP is projected to pick up strongly with growth estimated at 5.9% in 2021 and a strong carryover effect in 2022 (GDP up 6.3%). Following a slow start to the year due to the third wave, an improvement in health indicators and the relaxation of restrictions since March reduced uncertainty and supported business. The national recovery plan, incorporating €70 billion of NextGeneration-EU recovery funds, an expansionary fiscal policy and the gradual pick-up of tourism on the back of greater external demand, are expected to underpin the economy.

After shrinking in 2020, the **Portuguese economy** was hit once again in the first half of 2021 by strong surges in Covid-19 infections that prompted authorities to enforce a second national lockdown from mid-January to April. Nevertheless, as the health situation improves, business activity is expected to recover gradually in the coming years, with GDP projected to increase by 3.7% in 2021 and 4.9% in 2022.

Over the first half of 2021, **retailer sales**(4) in Klépierre's Iberian region were up 20% compared to 2020, thanks to the fact that most malls remained open over the period (except 1.5 months in the Barcelona region and 2.4 months in Portugal). Nevertheless, despite the improved health environment, the recovery is more gradual than in other regions, with June 2021 retailer sales standing at 83% of the June 2019 level. This trend mainly stems from the high proportion of malls that rely on tourism and located close to transport hubs in Barcelona and Madrid, which continues to dampen overall footfall and sales performance.

Net rental income reached €42.7 million.

On the **leasing** side, the Group signed 61 leases (versus 62 in 2020, including renewals, releasing and re-lettings) in Iberia with an 11.8% positive reversion rate. During the first half, new retailers joined Klépierre's malls. This includes the new partnership with Base – a local Spanish sports retailer – which translated into the opening

(5) Change in retailer sales on a same store basis, excluding closure days.

of two new stores at La Gavia (Madrid) and Meridiano (Tenerife), while two deals were signed with the fast expanding banner Hubside to open its first stores in the Group's Iberian malls at Nueva Condomina (Murcia) and Plenilunio (Madrid). Over the period, sneaker retailer Snipes rounded out the offering at Parque Nascente (Porto), while a structuring deal for the opening of three stores was signed with Primor, representing the first expansion from Spain to Portugal by this leading Spanish cosmetic chain. Lastly, Poke House opened three new restaurants in Madrid at La Gavia, Plenilunio and Principe Pio, and Taco Bell opened restaurants in Principe Pio and Meridiano as part of Klépierre's Destination Food® strategy.

4.5 Central Europe and Other (7.6% of net rental income)

Exhibit 15 NRI and occupancy rate in CE & Other

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
CE & OTHER	72%	24.1	35.6	93.7%	96.4%

The **Central European** (Czech Republic and Poland) economies faced serious headwinds in early 2021 due to the resurgence of the pandemic and the restrictions enforced by governments. The **Czech Republic** experienced a four-month lockdown from January to early May while **Poland** imposed similar severe restrictions in January and April, delaying the expected return to normal. Although uncertainty remains high and the vaccination rate slower than in other geographies, both countries should start to recover in the summer of 2021 with GDP growth projected at 3.3% and 3.7%, respectively. The accommodative monetary policies and generous emergency support packages boosted business liquidity while local tax stimulus packages should have a positive effect on consumption and investment.

Over the first half, **retailer sales**[5] in the Central Europe & Other area were affected by the equivalent of 2.1 months of full closure, but the region has experienced a resilient resumption since the easing of restrictions. In June, sales returned to pre-Covid levels, notably on the back of a good performance by Turkish malls, supported by high inflation. The Czech Republic experienced a softer restart (91% of the 2019 level in June) due to malls located close to transport hubs and/or large business districts (Nový Smíchov, Prague), which temporarily suffered in terms of footfall and retailer sales.

Against this backdrop, **net rental income** in the Central Europe & Other region amounted to €24.1 million.

Over the first half, Klépierre's malls continued to benefit from asset management and **leasing** initiatives, with 105 renewal, releasing or reletting agreements signed, up 28% compared to 2019. The Group signed a deal for the enlargement of Sephora and the opening of the first Rituals boutique in Klépierre's Polish malls at Sadyba Best Mall (Warsaw). At Nový Smíchov (Prague), the fashion offering was further enriched with the opening of a Tezenis store. Lastly, Klépierre continued to support the growing momentum of innovative banners, as showcased by deals with Samsung, LG and the electronic cigarette reseller IQOS.

4.6 Netherlands (4.9% of net rental income)

Exhibit 16 NRI and occupancy rate in the Netherlands

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
NETHERLANDS	75%	15.3	29.0	95.6%	96.2%

Dutch GDP is projected to grow by 2.7% in 2021, on the way to reaching pre-Covid levels in 2022. Nevertheless, the country experienced a prolonged second wave with public authorities forced to implement restrictions from December 2020 to the end of April 2021. These included nightly curfews and the closure of non-essential businesses, which hampered the economy. In that context, the forthcoming recovery is expected to be driven by consumption after a sizeable increase in household savings in 2020, coupled with public investment supported by NextGenerationEU recovery funds.

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(6) Change in retailer sales on a same store basis, excluding closure days.

Retailer sales(6) at Klépierre's Dutch malls were squeezed by the 4.0 closure period, but the country experienced a progressive recovery after reopening, with sales reaching 93% of the 2019 level in June 2021.

Over the period, **net rental income** reached €15.3 million.

Nonetheless, Dutch **leasing** activity was dynamic in the food & beverage segment, where Klépierre continued to broaden the offering by rolling out its Destination Food® concept. Last May, KFC and T.G.I. Friday's (among other international food retailers) unveiled their latest restaurants at Hoog Catharijne and Markthal, respectively. In the meantime, a package deal was signed with De Beren, the fast-growing local concept, for the opening of its first three stores in Klépierre's portfolio. On top of this, at Hoog Catharijne, the iconic shopping center's offering was enhanced by the opening of the Asian supermarket Amazing Oriental (1,200 sq.m.), the unveiling of an Intertoys flagship store and the upgrade of Rituals to a premium store.

4.7 Germany (3.7% of net rental income)

Exhibit 17 NRI and occupancy rate in Germany

	Collection rate	Reported portfolio NRI		Occupancy Rate	
In millions of euros	Actual	06/30/2021	06/30/2020	06/30/2021	06/30/2020
GERMANY	78%	11.5	15.6	93.0%	96.8%

Germany is expected to experience sustained economic growth, with GDP projected to expand by 3.3% in 2021 and 4.4% in 2022. After the enforcement of strict measures over the winter, the authorities have been gradually allowing reopenings since early June in support of the ongoing recovery, which has been further strengthened by the approval of a new federal loan of €240 billion and the expansionary fiscal and monetary policies. At the same time, export-focused industries are benefiting from rising global demand. Additionally, the main governmental financial support package (*Überbrückungshilfe III*) was improved in June, and now covers up to 100% of retailers' monthly fixed costs (including rents; capped at €10 million per month versus €1.5 million previously).

In that context, **retailer sales**(6) were negatively impacted by the national lockdown which lasted the equivalent of 5.0 months in Germany. In addition, the gradual reopening from June translated into a relatively soft recovery compared to the rest of the Group, with retailer sales standing at 91% of their 2019 level. On a **segment**(6) basis, household equipment (93% of the June 2019 level) benefited from the reopening while the recovery in the food & beverage and health & beauty segments was slower, notably due to the progressive easing of health measures.

In light of the above, **net rental income** amounted to €11.5 million.

Lastly, through **leasing** initiatives undertaken in the first half of 2021, Klépierre continued to adapt the retail mix of its German malls. In Forum Duisburg, Sinn Leffers, the multi-brand fashion retailer, joined the mall over a 3,000 sq.m. unit in July. Likewise, the lease signed with Depot – the home decoration specialist – enriched the household equipment offering. The ground floor of the mall is now fully let while the basement recently welcomed fashion retailer Tredy and is set to host the food banner Tea Motion in September. In the meantime, the renewal campaign launched at Boulevard Berlin notably saw deals with anchors Karstadt (30,000 sq.m.) and H&M (2,900 sq.m.), which both renewed their leases for five years.

(7) Change in retailer sales on a same store basis, excluding closure days.

5

NET CURRENT CASH FLOW

Exhibit 18 Net current cash flow and EPRA Earnings

	06/30/2021	06/30/2020
Total share *(in millions of euros)*		
Gross rental income	444.3	581.0
Rental and building expenses	(123.8)	(69.5)
Net rental income	**320.6**	**511.5**
Management and other income	35.7	42.2
General and administrative expenses	(71.4)	(63.9)
EBITDA	**284.9**	**489.8**
Adjustments to calculate operating cash flow:		
> Depreciation charge for right-of-use assets[a]	(4.2)	(4.0)
> Employee benefits, stock option expense and non-recurring operating expenses/income	0.0	0.2
> IFRIC 21 impact	8.2	7.5
Operating cash flow	**288.9**	**493.5**
Cost of net debt	(58.2)	(52.9)
Adjustments to calculate net current cash flow before taxes:		
> Amortization of Corio debt mark-to-market	(1.9)	(8.4)
> Financial instrument close-out costs	1.7	4.1
Current cash flow before taxes	**230.5**	**436.3**
Share in earnings of equity-accounted companies	17.6	26.4
Current tax expense	0.1	(8.8)
Net current cash flow	**248.1**	**453.9**
Group share		
Net current cash flow	**206.9**	**392.1**
Add-back adjustments to calculate EPRA Earnings:		
> Employee benefits, stock option expense and non-recurring operating expenses/income	(0.0)	(0.2)
> Depreciation, amortization and provisions for contingencies and losses	(4.8)	(11.3)
EPRA Earnings	**202.1**	**380.6**
Average number of shares[b]	285,539,909	286,430,401
Per share *(in euros)*		
NET CURRENT CASH FLOW	**0.72**	**1.37**
IFRS 16 straight-line amortization	(0.01)	-
NET CURRENT CASH FLOW	**0.72**	**1.37**
EPRA EARNINGS	**0.71**	**1.33**

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

- **Net rental income** reached €320.6 million in first-half 2021, including €112 million in rent abatements and €64 million provisions, reflecting a long closure during the half-year.
- **Operating cash flow** amounted to €288.9 million. In 2021, payroll and other general and administrative expenses increased slightly compared to last year. It reflects the end of some measures implemented last year (furlough scheme). However, compared to 2019, operating costs are still down 14%.
- **The cost of net debt** came out at €58.2 million on a total share basis. In the absence of any major refinancing transactions during the first part of the year, the cost of debt was stable at 1.2% (see section 8.3 “Cost of debt”).
- **Current tax expense** amounted to €0.1 million on a total share basis. This is due to a €6.5 million accrued tax credit in France compensating rents abatements granted in relation to November 2020 lockdown.

Consequently, net current cash flow per share came out at €0.72. Compared to the first half of 2019(7), the €0.63 decline, is attributable only to the negative impacts of rent abatements and allowances (€0.61), loss of variable revenues due to mall closure and occupancy contraction (€0.15). This was partly offset by the positive impacts of cost reductions (€0.03; G&A and payroll) and other items(8) (€0.10; mostly related to tax reduction in Italy and lower cost of debt).

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

5.1 Contribution of equity-accounted companies

The contribution of equity-accounted companies(9) to net current cash flow amounted to €17.6 million for the six months ended June 30, 2021. The Group's equity-accounted investments are listed below:

> **France:** Les Passages (Boulogne; 50% equity interest), Espace Coty (Le Havre; 50% equity interest), Mayol (Toulon; 40% equity interest), Le Millénaire (Paris region; 50% equity interest), and Belle Épine (Paris region; 10% equity interest);

> **Italy:** Porta di Roma (Rome; 50% equity interest), Il Leone (Lonato; 50% equity interest), Il Corti Venete (Verona; 50% equity interest), Il Destriero (Milan; 50% equity interest), Città Fiera (Udine; 49% equity interest);

> **Norway:** Økernsenteret (Oslo; 50% equity interest), Metro Senter (Oslo; 50% equity interest), Nordbyen (Larvik; 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.

(7) *Restated for disposals and share buyback impact.*
(8) *Including €0.06 of tax savings, €0.03 of lower cost of debt, €0.05 of 2020 provision reversal and -€0.04 of management fees.*
(9) *Equity-accounted companies include investments in jointly controlled companies and companies in which the Group exercises significant influence.*

Exhibit 19 Contribution of equity-accounted companies

GROSS RENTAL INCOME

In millions of euros	06/30/2021	06/30/2020
France	8.9	12.5
Italy	15.0	19.5
Norway[(a)]	3.7	3.4
Portugal	1.0	1.7
Turkey	2.2	2.3
TOTAL	**30.9**	**39.4**

NET CURRENT CASH FLOW

In millions of euros	06/30/2021	06/30/2020
France	4.2	8.2
Italy	8.3	13.1
Norway[(a)]	2.8	2.9
Portugal	0.4	0.4
Turkey	1.8	1.8
TOTAL	**17.6**	**26.4**

NET RENTAL INCOME

In millions of euros	06/30/2021	06/30/2020
France	6.1	9.6
Italy	11.4	16.5
Norway[(a)]	2.8	2.9
Portugal	0.8	1.6
Turkey	1.7	1.6
TOTAL	**22.8**	**32.3**

NET INCOME[(b)]

In millions of euros	06/30/2021	06/30/2020
France	(2.9)	(10.1)
Italy	54.9	0.2
Norway[(a)]	(0.1)	(1.2)
Portugal	(0.4)	(1.9)
Turkey	3.5	0.5
TOTAL	**55.0**	**(12.4)**

EBITDA

In millions of euros	06/30/2021	06/30/2020
France	6.1	9.5
Italy	11.3	16.4
Norway[(a)]	2.8	2.9
Portugal	0.8	1.6
Turkey	1.6	1.4
TOTAL	**22.6**	**31.8**

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

6

INVESTMENTS, DEVELOPMENTS AND DISPOSALS

6.1 Investment market

Over the 12 months to end-March 2021, retail investment volumes decreased by 28% compared to the same period the previous year, as a direct consequence of the Covid-19 pandemic. Although all European countries faced a decline in transactions, France, Spain and the Netherlands were more impacted than others such as Germany. In a more concentrated investment market, the share of the top five countries (France, the United Kingdom, the Netherlands, Germany and Spain) rose to around 72%. By segment, the share of shopping malls in the global volume of transactions marked a slowdown, while deals on supermarkets and retail parks demonstrated greater resilience.

Yield expansion has been rather limited, increasing by only 10 basis points over the past six months and now standing at 5.5%, suggesting a historically high 550 basis points real estate risk premium.

Since the beginning of the second quarter and thanks to the gradual easing of health restrictions, the investment market has been showing early signs of recovery. In addition, transactions involving shopping centers, retail parks and supermarkets have been closed or signed, with institutional or private investors in Austria, Norway or in Slovakia, for a total consideration exceeding €4 billion.

6.2 Capital expenditure

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

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

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

> The extension and refurbishment of Gran Reno in Bologna (Italy), slated to open in spring 2022.

Overall, €24.1 million was allocated to the development pipeline.

On the **standing portfolio** (excluding investments in extensions), €31.3 million was expensed (compared to €43.7 million in the first-half of 2020; see section 9.6), and €1.2 million was allocated to **capitalized interest**.

Overall, total capital expenditure in the first half of 2021 amounted to €56.9 million, significantly below the first-half 2020 level (€91.6 million) and even further below the 2019 level (€132.1 million).

6.3 Development pipeline

As of June 30, 2021, the Group's development pipeline (committed and controlled projects) represented €1.3 billion worth of potential investments, including €0.5 billion of committed projects(10) with an average expected yield of 6.7% and €0.8 billion of controlled projects(11). Development projects also include alternative mixed-use opportunities representing €1.3 billion in potential investments (see below).

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

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

On a Group share basis, the total pipeline represented €1.1 billion, of which €0.5 billion committed and €0.6 billion controlled. Of the €0.5 billion committed, only €0.2 billion remained to be invested.

Over the first half, the Group focused its development investments on its main geographies (France, Italy and the Netherlands). Accordingly, over the period, €24.1 million was spent on the pipeline and the Group will continue to carefully monitor cash outflows going forward.

Exhibit 20 Development pipeline as of June 30, 2021
(on a total share basis)

Development projects	Country	Location	Type	Floor area *(in sq.m.)*	Expected opening date	Klépierre equity interest	Estimated cost [(a)] *(in €m)*	Cost to date *(in €m)*	Targeted yield on cost [(b)]
Hoog Catharijne Phase 3	Netherlands	Utrecht	Ext. - refurb.	23,844	2019-2023	100.0%	90	75	
Créteil Soleil	France	Paris region	Ext. - refurb.	11,400	2019-2022	80.0%	139	126	
Gran Reno	Italy	Bologna	Ext. - refurb.	24,876	2022	100.0%	143	63	
Grand Place	France	Grenoble	Ext. - refurb.	16,200	2021-2023	100.0%	70	14	
Other projects				34,875			72	28	
Total committed projects				**111,195**			**515**	**306**	**6.7%**
Le Gru[(c)]	Italy	Turin	Ext. - refurb.	24,316	2022-2024	100.0%	120	8	
Maremagnum	Spain	Barcelona	Ext. - refurb.	13,640	2022-2024	100.0%	50	1	
Odysseum[(c)]	France	Montpellier	Ext. - redev.	15,300	2023	100.0%	52	8	
Porta di Roma[(d)]	Italy	Rome	Extension	4,880	2024	50.0%	14	0	
Val d'Europe	France	Paris region	Extension	9,000	2024	55.0%	61	1	
Blagnac	France	Toulouse region	Ext. - refurb.	3,520	2023	53.6%	12	1	
Grand Ouest	France	Ecully	Ext. - refurb.	2,980	2023	83.0%	26	0	
L'esplanade	Belgium	Brussels region	Extension	19,475	2024	100.0%	131	15	
Økernsenteret [(e)]	Norway	Oslo	Redev.	64,650	2024	56.1%	154	49	
Viva	Denmark	Odense	New dev.	28,200	2024	56.1%	117	29	
Other projects				15,600			69	1	
Total controlled projects				**201,561**			**807**	**114**	
TOTAL				**312,756**			**1,322**	**419**	

(a) *Estimated cost as of June 30, 2021, including any fitting-out costs and excluding any step-up rents, internal development fees and finance costs.*
(b) *Targeted yield on cost as of June 30, 2021, based on targeted NRI with full occupancy and excluding any lease incentives, divided by the estimated cost price as defined above.*
(c) *Including restructured surfaces: Le Gru for 15,670 sq.m. and Odysseum for 9,200 sq.m.*
(d) *Equity-accounted companies. Estimated costs and costs to date are reported proportionately for Klépierre's share of equity. Floor areas correspond to the total surface area of the projects.*
(e) *Including the foreign exchange impact on estimated costs and costs to date.*

Exhibit 21 Alternative mixed-use development opportunities as of June 30, 2021
(on a total share basis)

Development projects	Country	Location	Type	Floor area *(in sq.m.)*	Expected opening date	Klépierre equity interest	Estimated cost [(a)] *(in €m)*	Cost to date *(in €m)*
Økernsenteret [(a)]	Norway	Oslo	Mixed use	102,500	2025-2027	56.1%	385	49
Viva	Denmark	Odense	Mixed use	90,100	2024	56.1%	332	29
Blagnac	France	Toulouse region	Mixed use	111,987	2025-2030	53.6%	215	10
L'Esplanade	Belgium	Brussels region	Mixed use	22,000	2026	100.0%	75	15
Nancy	France	Nancy	Mixed use	30,800	2025-2028	35.0%	49	9
Fields	Denmark	Copenhagen	Mixed use	67,500	2026	56.1%	209	42
TOTAL				**424,887**			**1,264**	**153**

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

Extension and refurbishment of Gran Reno (Bologna, Italy)

Gran Reno is a dominant regional mall with no comparable competition in one of the wealthiest catchment areas in Italy. The construction of a 16,700-sq.m. extension started in April 2019 is expected to be delivered in the second quarter of 2022.

As of today, 81% of the new extension is already let or under advanced negotiation (as a percentage of the projected net rental income). Exciting new brands such as Zara, Bershka, Pull & Bear, Stradivarius, New Balance, Napapijri, Tommy Hilfiger, Lush and Nike will be added to the mix, together with Klépierre's Destination Food® concept directly linked to an indoor and outdoor events area on the mall's rooftop.

In parallel, the refurbishment project of the existing center is due for completion in September 2021 and the transformation of the upper level of the hypermarket to host Primark is ongoing for an opening planned in July 2022.

Extension and refurbishment of Grand Place (Grenoble, France)

Work on the 16,000 sq.m. extension started in July and will completely remodel this leading retail destination in Grenoble. Pre-leasing is progressing well, with 76% of the projected net rental income signed or under advanced negotiations. This new development will host a brand-new Primark store and 15 new boutiques, as well as a food court integrating the up-to-date standards of Klépierre's Destination Food® strategy, with 12 new restaurants and indoor and outdoor terraces offering customers an attractive food and beverage experience.

In parallel, the refurbishment works at the existing center are ongoing with a delivery scheduled in the fourth quarter of 2021.

New Primark stores in France and Italy

In 2020, Klépierre launched restructuring operations in France and Italy in order to host new Primark stores, notably in Centre Deux (Saint Etienne, France) Le Gru (Turin) and Campania (Naples) for an opening in 2022/2023.

6.4 Disposals

Exhibit 22 Disposals completed since January 1, 2021

Assets (City, Country)	Floor area *(in sq.m.)*	Sale price[a] *(in millions of euros)*	Date
Vinterbro Senter (Ås, Norway)	41,070		07/08/2021
Amanda (Haugesund, Norway)	14,590		07/08/2021
Nerstranda (Tromsø, Norway)	11,662		07/08/2021
Farmandstredet (Tønsberg, Norway)	37,881		07/08/2021
Nordbyen (Larvik, Norway)	15,916		07/08/2021
Shopping centers	**121,119**	**435.2**	
Other retail properties in France and Sweden	**N/A**	**36.4**	
TOTAL DISPOSALS	**N/A**	**471.6**	

(a) Excluding transfer taxes, total share.

Since January 1, 2021, the Group has divested assets for a total consideration of €471.6 million[12] at an average yield of 5.6%. This figure mainly includes the disposal of non-core Norwegian properties on July 8, 2021 to Aurora Eiendom AS. On top of this transaction, Klépierre also sold other retail properties in France and Sweden for €36.4 million.

These transactions are part of Klépierre's portfolio streamlining and serve the Group's engaged ambition to refocus on pre-eminent assets located in high growth cities, while illustrating its ability to crystalize value creation through disposals across its platform. They also constitute positive signs of the rebound in the investment market after the contraction observed in 2020, largely related to the health situation.

(12) Excluding transfer taxes, total share.

7

PORTFOLIO VALUATION

7.1 Property portfolio valuation

7.1.1 Property portfolio valuation methodology

7.1.1.1 Scope of the portfolio as appraised by external appraisers

As of June 30, 2021, 96% of the value of Klépierre's property portfolio, or €20,544 million (including transfer taxes, on a total share basis)[13], 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;[14] and

> Other non-appraised assets consisting mainly of assets held for sale are valued at the agreed transaction price, land is valued at cost, and development projects are measured internally at fair value.

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

Type of asset	Value *(in millions of euros)*
Externally-appraised assets	**20,544**
Acquisitions	0
Investment property at cost	139
Other internally-appraissed assets (land, assets held for sale, etc.)	788
TOTAL PORTFOLIO	**21,471**

7.1.1.2 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. Engagement terms are issued for three-year periods, covering six campaigns, after which Klépierre is committed to rotating appraisers in accordance with the recommendations of the French financial markets authority (*Autorité des marchés financiers* – AMF).

Engagement terms have been extended by one year, for two additional campaigns.

Further to a tender process launched in 2017, Klépierre selected new appraisers to serve from the June 2018 campaign onwards. The selected appraisers are BNP Paribas Real Estate, CBRE, Cushman & Wakefield and Jones Lang LaSalle. The fees payable to these firms are set at the time of signing the three-year term and depend on the number of property units appraised.

(13) *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.*
(14) *Other projects (Gran Reno, Viva, Økern and Louvain) are carried at cost.*

Exhibit 24 Breakdown by appraiser of the appraised property portfolio as of June 30, 2021

Appraiser	Countries covered	Share of total portfolio *(in %)*
Cushman & Wakefield	> France, Norway, Sweden, Denmark, Belgium and Poland	44%
CBRE	> France, Spain, Italy, Netherlands, Czech Republic and Portugal	35%
Jones Lang LaSalle	> Italy, Turkey and Greece	16%
BNP Paribas Real Estate	> Germany and France (Other retail properties)	5%
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 (indexed one year), capitalized by an exit yield. Lastly, appraisers apply a discount rate to the future cash flows, combining the country risk-free rate, the liquidity premium related to the local investment market and an asset-specific risk premium reflecting the location, quality, size and technical specificities of the asset considered.

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

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

As of June 30, 2021, experts withdrew the "material uncertainty clause" they had included in their reports since June 30, 2020 for more than 99% of Klépierre's portfolio value, considering that transaction volumes and liquidity had recovered sufficiently to form an adequate opinion on values.

7.1.2 Valuation

7.1.2.1 Change in appraisers' assumptions

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

> The discount and exit rates were increased slightly, translating into a 1.1% negative **market effect**, mainly reflecting the dearth of transactions on the retail real estate segment over the period and the still-uncertain health and operating environment;

> The NRI CAGR was decreased from 2.6% to 2.3% as appraisers have lowered estimated rental values on targeted assets, ultimately resulting in a 0.7% negative **cash flow effect**.

Exhibit 25 Assumptions used by appraisers for determining the shopping center portfolio valuation as of June 30, 2021[(a)]

Geography	Average annual rent[(b)] *(in €/sq.m.)*	Discount rate[(c)]	Exit rate[(d)]	NRI CAGR[(e)]
France	329	6.1%	5.1%	2.3%
Italy	358	7.0%	6.0%	2.1%
Scandinavia	291	7.0%	5.0%	2.5%
Iberia	304	7.7%	6.1%	2.6%
CE & Other	199	8.8%	7.2%	2.9%
Netherlands	227	6.9%	6.1%	3.5%
Germany	196	5.3%	4.7%	1.9%
TOTAL	**288**	**6.7%**	**5.5%**	**2.3%**

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

Exhibit 26 Assumptions used by appraisers for determining the shopping center portfolio valuation as of December 31, 2020[(a)]

Geography	Average annual rent[(b)] *(in €/sq.m.)*	Discount rate[(c)]	Exit rate[(d)]	NRI CAGR[(e)]
France	333	6.0%	5.0%	2.7%
Italy	370	7.0%	5.9%	2.4%
Scandinavia	292	7.0%	5.0%	2.5%
Iberia	322	7.7%	6.0%	2.2%
CE & Other	219	8.9%	7.3%	3.4%
Netherlands	239	6.9%	6.1%	3.3%
Germany	202	5.3%	4.6%	1.7%
TOTAL	**296**	**6.7%**	**5.4%**	**2.6%**

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

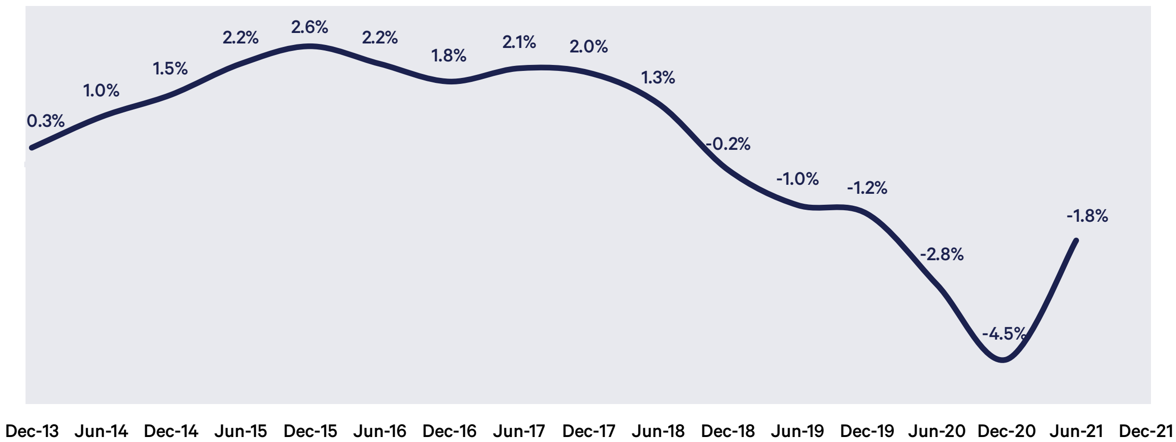
Exhibit 27 Like-for-like 6-month change in shopping center portfolio valuation: market and cash flow effects[a]

Geography	LFL change	Market effect	Cash-flow effect
France	−2.2%	−1.6%	−0.6%
Italy	−1.6%	−0.9%	−0.6%
Scandinavia	−2.2%	−1.1%	−1.0%
Iberia	−1.1%	−0.9%	−0.2%
CE & Other	−1.6%	−0.1%	−1.5%
Netherlands	−0.8%	−0.1%	−0.7%
Germany	−1.3%	−0.4%	−1.0%
TOTAL SHOPPING CENTERS	**−1.8%**	**−1.1%**	**−0.7%**

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

Overall, the 1.8% like-for-like contraction was softer than over the previous six months (down 4.5%).

Exhibit 28 Like-for-like 6-month change in shopping center portfolio valuation: market and cash flow effects[a]



7.1.2.2 Property portfolio valuation

Including transfer taxes, the value of the portfolio stood at €21,471 million on a total share basis as of June 30, 2021, down 1.8% or €388 million on a reported basis compared to December 31, 2020. This decrease reflects:

- A €36-million negative impact from disposals completed in France and in Sweden;
- A €22-million positive impact from acquisitions and developments;
- A €383-million like-for-like valuation decrease (down 1.8%), with limited differences between countries; and
- A €9-million positive foreign exchange impact in Scandinavia.

Exhibit 29 Valuation of the property portfolio[(a)]
(on a total share basis, including transfer taxes)

In millions of euros	06/30/2021	% of total portfolio	Change over 6 months			Change over 12 months		
			12/31/2020	Reported	LfL[(b)]	06/30/2020	Reported	LfL[(b)]
France	8,345	38.9%	8,535	−2.2%	−2.2%	9,143	−8.7%	−8.2%
Italy	3,945	18.4%	3,930	+0.4%	−1.6%	4,017	−1.8%	−4.1%
Scandinavia	3,536	16.5%	3,641	−2.9%	−2.2%	3,588	−1.4%	−4.5%
Iberia	2,103	9.8%	2,125	−1.0%	−1.1%	2,221	−5.3%	−5.4%
CE & Other	1,149	5.4%	1,193	−3.7%	−1.6%	1,283	−10.4%	−5.7%
Netherlands	1,320	6.1%	1,328	−0.6%	−0.8%	1,426	−7.4%	−8.0%
Germany	859	4.0%	871	−1.3%	−1.3%	907	−5.2%	−5.2%
TOTAL SHOPPING CENTERS	**21,257**	**99.0%**	**21,623**	**-1.7%**	**-1.8%**	**22,584**	**-5.9%**	**-6.3%**
TOTAL OTHER RETAIL PROPERTIES	**213**	**1.0%**	**236**	**-9.6%**	**-1.3%**	**256**	**-16.7%**	**-4.6%**
TOTAL PORTFOLIO	**21,471**	**100.0%**	**21,859**	**-1.8%**	**-1.8%**	**22,840**	**-6.0%**	**-6.3%**

(a) Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group (€1,346 million as of June 30, 2021; total share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,347 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, 2021, the average EPRA NIY[(15)] for the shopping center portfolio[(16)] stood at 5.4%, up 10 basis points over six months.

Exhibit 30 Change in EPRA Net Initial Yield of the shopping center portfolio[(17)]
(on a Group share basis, including transfer taxes)

Country	06/30/2021	12/31/2020	06/30/2020
France	4.8%	4.8%	4.4%
Italy	5.8%	5.8%	5.6%
Scandinavia	5.1%	4.9%	4.8%
Iberia	6.0%	6.0%	5.7%
CE & Other	7.1%	7.0%	6.7%
Netherlands	6.1%	6.0%	5.5%
Germany	4.9%	4.8%	4.6%
TOTAL SHOPPING CENTERS	**5.4%**	**5.3%**	**5.1%**

7.1.2.3 Other information related to June 30, 2021 valuation

Exhibit 31 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	18,705
Right-of-use asset relating to ground leases	(357)
Investment property at cost[(a)]	139
Fair value of property held for sale	685
Leasehold and lease incentives	49
Transfer taxes	966
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,285
TOTAL PORTFOLIO	**21,471**

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

(15) 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).

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

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

Exhibit 32 Shopping center portfolio valuation: sensitivity to changes in the discount rate and exit rate

(on a total share basis, including transfer taxes)

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

	Discount rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+7.6%	+3.7%	+1.8%	−1.8%	−3.5%	−6.9%
Italy	+7.6%	+3.7%	+1.8%	−1.8%	−3.5%	−6.9%
Scandinavia	+7.7%	+3.7%	+1.8%	−1.8%	−3.6%	−7.0%
Iberia	+7.5%	+3.7%	+1.8%	−1.8%	−3.5%	−6.8%
CE & Other	+7.0%	+3.4%	+1.7%	−1.7%	−3.3%	−6.4%
Netherlands	+11.1%	+5.4%	+2.6%	−2.6%	−5.1%	−9.9%
Germany	+8.6%	+4.2%	+2.1%	−2.0%	−4.0%	−7.8%
TOTAL SHOPPING CENTERS	**+7.8%**	**+3.8%**	**+1.9%**	**-1.8%**	**-3.6%**	**-7.1%**

	Exit rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+15.6%	+6.9%	+3.2%	−2.9%	−5.5%	−10.1%
Italy	+12.1%	+5.5%	+2.6%	−2.4%	−4.6%	−8.5%
Scandinavia	+16.0%	+7.1%	+3.3%	−3.0%	−5.7%	−10.5%
Iberia	+11.7%	+5.3%	+2.5%	−2.3%	−4.4%	−8.2%
CE & Other	+10.1%	+4.6%	+2.2%	−2.0%	−3.9%	−7.3%
Netherlands	+16.4%	+7.2%	+3.4%	−3.2%	−6.0%	−10.9%
Germany	+19.7%	+8.7%	+4.1%	−3.7%	−7.0%	−12.7%
TOTAL SHOPPING CENTERS	**+14.6%**	**+6.5%**	**+3.1%**	**-2.8%**	**-5.3%**	**-9.7%**

Exhibit 33 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	**06/30/2021**	**portfolio**	**12/31/2020**	**Reported**	**LfL[b]**	**06/30/2020**	**Reported**	**LfL[b]**
France	6,725	36.9%	6,878	−2.2%	−2.2%	7,379	−8.9%	−8.1%
Italy	3,920	21.5%	3,905	+0.4%	−1.6%	3,991	−1.8%	−4.1%
Scandinavia	1,984	10.9%	2,043	−2.9%	−2.2%	2,013	−1.4%	−4.5%
Iberia	2,103	11.6%	2,125	−1.0%	−1.1%	2,221	−5.3%	−5.4%
CE & Other	1,138	6.2%	1,181	−3.7%	−1.7%	1,267	−10.2%	−5.7%
Netherlands	1,320	7.2%	1,328	−0.6%	−0.8%	1,426	−7.4%	−8.0%
Germany	803	4.4%	827	−2.9%	−1.4%	861	−6.7%	−5.1%
TOTAL SHOPPING CENTERS	**17,994**	**98.8%**	**18,286**	**-1.6%**	**-1.8%**	**19,158**	**-6.1%**	**-6.3%**
TOTAL OTHER RETAIL PROPERTIES	**213**	**1.2%**	**236**	**-9.6%**	**-1.3%**	**256**	**-16.7%**	**-4.6%**
TOTAL PORTFOLIO	**18,207**	**100.0%**	**18,522**	**-1.7%**	**-1.7%**	**19,414**	**-6.2%**	**-6.3%**

(a) *Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group (€1,270 million as of June 30, 2021; Group share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,271 million.*

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

7.2 Management service activities

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

These activities are valued once a year by Accuracy (as of end-December), an independent external consultant, using a DCF method based on a sum-of-the-parts approach for each country in which Klépierre operates. The DCF approach is based on a business plan comprising projected future cash flows (fees charged to property companies, net of payroll costs and other general and administrative expenses), including a terminal value calculated with a normative expected cash flow. In most countries, future cash flows are discounted at a rate of 6.9% to 8.4% (depending on the country) based on the weighted average cost of capital of comparable listed companies managing third-party real estate investments.

The fair market value of the Klépierre Group management service activities as of June 30, 2021 stood at €324.6 million on a total share basis (€323.9 million, Group share) compared to €331.2 million as of December 31, 2020 (€327.6 million, Group share), reflecting the disposal of assets in Norway on July 8, 2021 (see section 6.4 "Disposals").

8

FINANCING POLICY

Klépierre's financing policy aims to ensure balance sheet stability, continuous access to financial resources, a strong liquidity position and very competitive cost of capital. During the first half of 2021, Klépierre benefited from a very low cost of debt thanks to refinancing at attractive terms over the past three years. Its liquidity position remains strong and covers all refinancing needs until May 2024. Despite lower rent collection and a slight decline in property-values due to the lockdowns, the Group continued to maintain its leverage by controlling cash-outflows related to capex and divesting non-strategic assets. Klépierre is still committed to operate with conservative leverage metrics.

8.1 Financial resources

8.1.1 Change in net debt

As of June 30, 2021, consolidated net debt totaled €9,146 million, versus €9,054 million six months previously. The main movements during the first half of the year were as follows:

> Cash inflows from operations and other items (foreign exchange, changes in working capital), amounting to €248 million;

> Cash outflows in respect of distributions for €326 million (including the 2020 distribution for €285 million and distributions to non-controlling interests for €40 million);

> Cash outflows in respect of capital expenditure for €55 million (see section 9.6 "EPRA capital expenditure"); and

> Cash inflows from disposals of €41 million.

However, in early July consolidated net debt fell by €405 million as five shopping centers in Norway were sold for a total consideration of NOK 4.1 billion.

8.1.2 Debt ratios

As a result of the increase in net debt and a slight decline in the fair value of the property portfolio, the Loan-to-Value (LTV) ratio stood at 42.6% as of June 30, 2021, a 120 basis-point increase compared to December 31, 2020 (of which half is due to the fact that the 2020 dividend was paid in one instalment). Considering the recent disposals in Norway and assuming the 2020 cash dividend would have been paid in two equal installments, the Loan-to-Value is 41.1%.

Exhibit 34 Loan-to-Value calculation as of June 30, 2021
(as per covenant definitions, on a total share basis)

In millions of euros	06/30/2021	12/31/2020	06/30/2020
Current financial liabilities	1,941	2,382	2,926
Bank facilities	214	9	15
Non-current financial liabilities	7,278	7,244	7,008
Revaluation due to fair value hedge and cross currency swap	(14)	(31)	(28)
Fair value adjustment of debt[a]	(3)	(5)	(13)
Gross financial liabilities excluding fair value hedge	**9,417**	**9,600**	**9,909**
Cash and cash equivalents[b]	(270)	(546)	(780)
Net debt (A)	**9,146**	**9,054**	**9,129**
Disposition of Norwegian assets (net of distribution to minority shareholder)[c]	(355)	-	-
Annual spreading of the 2020 dividend fully-paid in June 2021	(143)	-	-
Adjusted net debt (C)	**8,649**	**-**	**-**
Property portfolio value (incl. transfer taxes) (B)	21,471	21,859	22,840
Adjusted property portfolio value (incl. transfer taxes) (D)	21,037	-	-
LOAN-TO-VALUE RATIO (A/B)	**42.6%**	**41.4%**	**40.0%**
ADJUSTED LOAN-TO-VALUE RATIO (C/D)[d]	**41.1%**	**-**	**-**

(a) *Corresponds to the outstanding amount of the market value adjustment for Corio's debt recognized at the acquisition date.*
(b) *Including cash managed for principals.*
(c) *Proceed of €405 million for the disposals of 5 shopping center galleries in Norway, net of a €50 million distribution to Klépierre's minority shareholders.*
(d) *Taking into account post-closing events between June 30 and July 15, 2021.*

8.1.3 Available resources

At the end of June 2021, Klépierre's liquidity position[18] stood at €2.2 billion. It mainly comprises €1.8 billion in unused committed revolving credit facilities (net of commercial paper) and €0.4 billion in uncommitted credit facilities. €900 million of two senior bonds maturing in the first quarter were repaid during the period. The current liquidity position remains strong and the Group covers all its refinancing needs until May 2024.

8.1.4 Debt structure

As of June 30, 2021, the share of financing sourced from capital markets in total debt stood at 90%, enabling Klépierre to benefit from excellent financing conditions. Secured debt accounted for 8% of total debt, the bulk of which concerned borrowing raised in Scandinavia. The Group's average debt maturity stood at 6.4 years at end June 2021.

Klépierre's debt exposure to foreign currencies is adjusted to mirror that of its assets – except for the Czech Republic, Poland and Turkey. Considering the limited exposure of the Group's portfolio to these countries[19] and the high cost of currency hedging, especially over long durations, the Group has decided not to hedge these positions.

(18) *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.*
(19) *On a total-share basis, including transfer taxes, the Czech Republic represented 3.0% of the total Klépierre portfolio, Poland 1.5% and Turkey 0.8%.*

Chart 3 Debt maturity schedule as of June 30, 2021 *(% of authorized debt)*

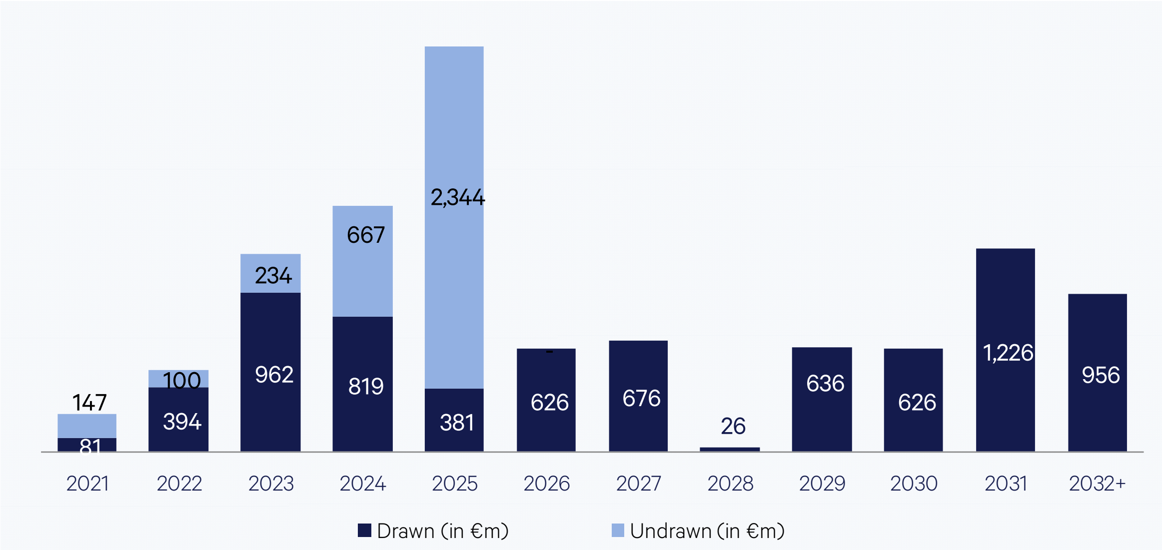


Chart 4 Financing breakdown by type of resource as of June 30, 2021 *(utilizations, total share)*

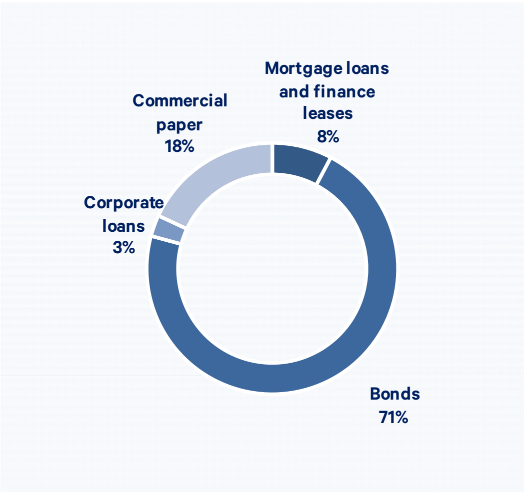
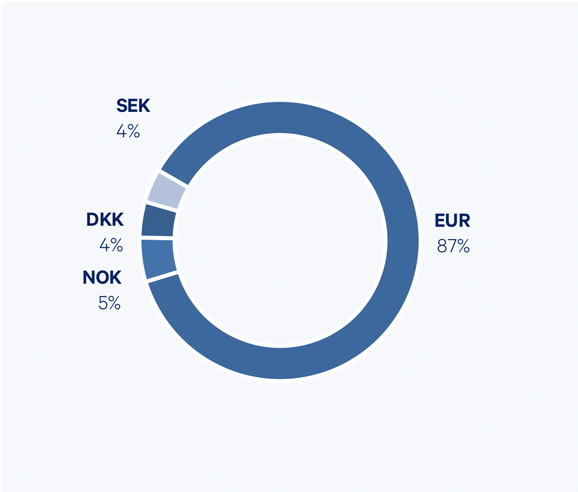


Chart 5 Financing breakdown by currency as of June 30, 2021 *(utilizations, total share)*

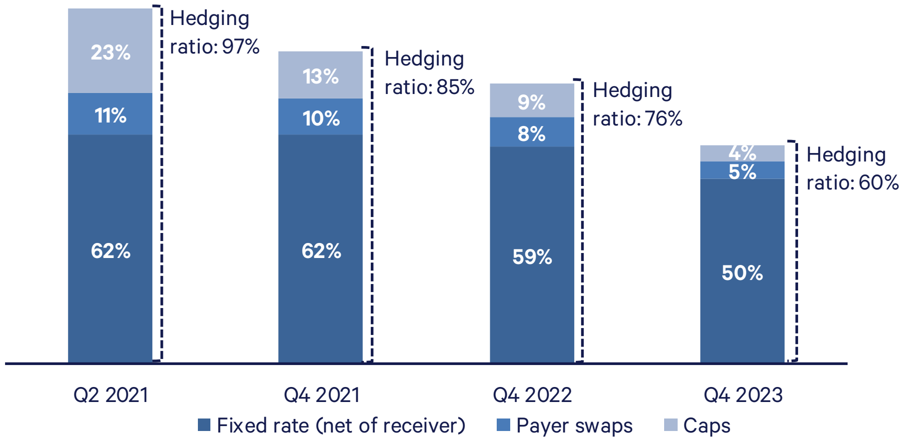


8.2 Interest rate hedging

During the first half of 2021, Klépierre strengthened its hedging profile by rolling over €400 million in maturing caps. As of June 30, 2021, the proportion of fixed-rate debt (including hedging instruments) was 97%, while its average maturity remained close to five years (4.6 years).

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

Chart 6 Debt by type of hedging instruments



Based on the interest rate yield curve as of June 30, 2021, the Group's annual cash-cost-at-risk stood at €1.7 million on a Group share basis. In other words, the annual loss resulting from short-term interest rate movements would be less than €1.7 million 99% of the time. This calculation does not factor in any assumptions regarding changes in the credit spreads.

8.3 Cost of debt

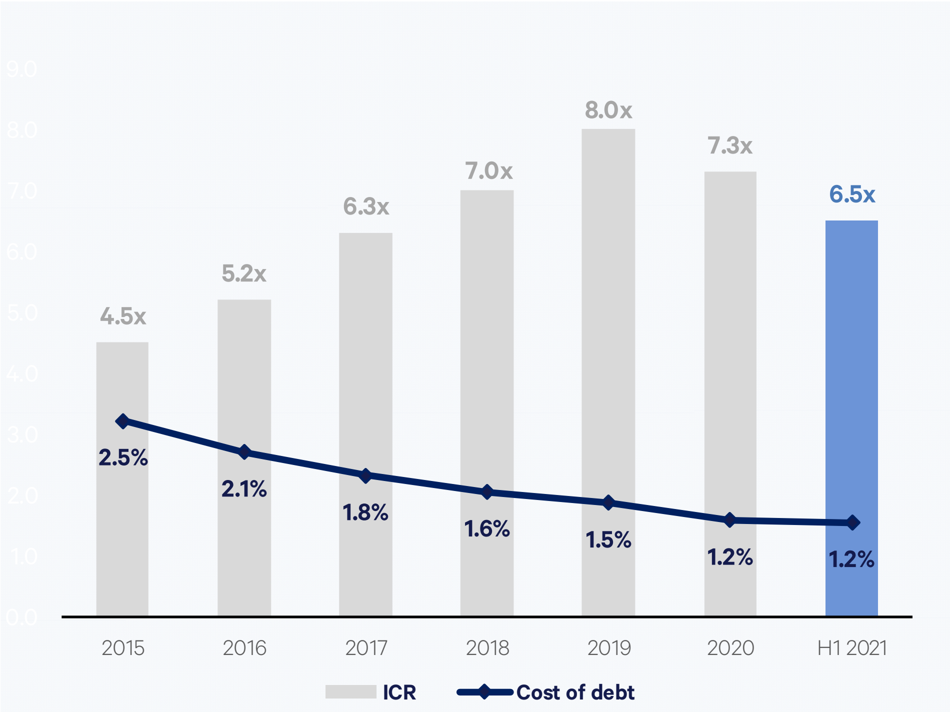
During the first half of 2021, the Group's average cost of debt remained stable at 1.2%.

Exhibit 35 Breakdown of cost of debt

In millions of euros	06/30/2021	12/31/2020	06/30/2020
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	**58.2**	**108.6**	**52.9**
Non-recurring items	(1.4)	(0.2)	1.3
Non-cash impact	3.6	13.3	4.7
Interest on advances to associates	5.0	10.3	5.3
Liquidity cost	(3.6)	(5.7)	(2.7)
Interest expense on lease liabilities[(a)]	(5.4)	(8.2)	(4.2)
Cost of debt (used for cost of debt calculations)	**56.3**	**118.2**	**57.3**
Average gross debt	**9,127.3**	**9,616.0**	**9,729.6**
COST OF DEBT *(in %)*	**1.2%**	**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 (€362.4 million), to net interest expenses (€55.4 million) calculated as of cost of net debt less net deferral of upfront payments on swaps plus amortization of the fair value of debt less other non-recurring financial expenses.*

8.4 Credit ratings and covenants

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

Exhibit 36 Covenants applicable to Klépierre SA financing

Financing	Ratios/covenants	Limit[a]	06/30/2021	12/31/2020	06/30/2020
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	42.6%	41.4%	40.0%
	EBITDA/Net interest expense[b]	≥ 2.0x	6.5x	7.3x	8.8x
	Secured debt/Portfolio value[c]	≤ 20%	0.6%	0.6%	0.6%
	Portfolio value[d]	≥ €10bn	€18.2bn	€18.5bn	€19.4bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.9%	0.9%	0.8%

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

9

EPRA PERFORMANCE INDICATORS

As a result of the lockdowns due to the Covid-19 pandemic, the movements in certain EPRA indicators are significant, in some cases rendering meaningful year-on-year comparison impossible.

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 37 EPRA summary table[(a)]

	06/30/2021	12/31/2020	06/30/2020	See section
EPRA Earnings *(in millions of euros)*	202.1	583.7	380.6	9.1
EPRA Earnings per share *(in euros)*	0.71	2.04	1.33	9.1
EPRA NRV *(in millions of euros)*	9,654	10,184	11,238	9.2.2
EPRA NRV per share *(in euros)*	33.80	35.70	39.40	9.2.2
EPRA NTA *(in millions of euros)*	8,489	8,957	9,942	9.2.2
EPRA NTA per share *(in euros)*	29.70	31.40	34.90	9.2.2
EPRA NDV *(in millions of euros)*	7,261	7,300	8,497	9.2.2
EPRA NDV per share *(in euros)*	25.40	25.60	29.80	9.2.2
EPRA Net Initial Yield Shopping centers	5.4%	5.3%	5.1%	9.3
EPRA "Topped-up" Net Initial Yield Shopping	5.7%	5.6%	5.3%	9.3
EPRA Vacancy Rate	5.8%	4.8%	3.8%	9.4
EPRA Cost Ratio (including direct vacancy costs)	34.4%	26.1%	15.2%	9.5
EPRA Cost Ratio (excluding direct vacancy costs)	31.4%	24.3%	13.4%	9.5

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

9.1 EPRA Earnings

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

Exhibit 38 EPRA Earnings

Group share *(in millions of euros)*	**06/30/2021**	**06/30/2020**
Net income as per IFRS consolidated statement of comprehensive income	**111.1**	**(163.5)**
Adjustments to calculate EPRA Earnings:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(456.2)	(638.6)
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	0.5	3.0
(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	(112.8)	(1.9)
(vi) Changes in fair value of financial instruments and associated close-out costs	(4.1)	(11.5)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments[(a)]	360.2	35.8
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	37.5	(38.8)
(x) Non-controlling interests in respect of the above	84.0	107.9
EPRA EARNINGS	**202.1**	**380.6**
Company-specific adjustments to calculate net current cash flow:		
> Employee benefits, stock option expense and non-current operating expenses	0.0	0.2
> Depreciation, amortization and provisions for contingencies and losses	4.8	11.3
NET CURRENT CASH FLOW	**206.9**	**392.1**
Average number of shares [(b)]	*285,539,909*	*286,430,401*
Per share *(in euros)*		
EPRA EARNINGS	**0.71**	**1.33**
NET CURRENT CASH FLOW	**0.72**	**1.37**

(a) *In the first half of 2021, this item includes €412,3 million in deferred tax, -€43,9 million in non-current taxes and -€8.2 million related to the application of IFRIC 21 (i.e., property tax annualization).*
(b) *Excluding treasury shares.*

9.2 EPRA Net Asset Value metrics

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

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

9.2.1 Application by Klépierre

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

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

(i) Assets that the Company does not plan to sell in the long run: 100% of deferred taxes as per IFRS are added back in addition to 50% of RETT optimization;
(ii) Assets that may be sold in share deals: 50% of deferred taxes as per IFRS and RETT optimization are added back; and
(iii) Assets that may be sold through asset deals: 50% of deferred taxes as per IFRS are added back, but there is no restatement for RETT.

Exhibit 39 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	11,604	64%	100%
Portfolio subject to partial deferred tax and to tax structuring	4,090	22%	42%
Other portfolio	2,513	14%	50%
TOTAL PORTFOLIO	**18,207**		

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

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

9.2.2 Calculation of EPRA Net Asset Value

Exhibit 40 EPRA Net Asset Values as of June 30, 2021

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,009**	**8,009**	**8,009**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,009	8,009	8,009
Include:			
ii) Revaluation of IP (if IAS 40 cost option is used)	0	0	0
Exclude:			
iii) Deferred tax in relation to fair value gains of IP	975	795	0
iv) Fair value of financial instruments	5	5	0
v) Goodwill as a result of deferred tax	(249)	(249)	(249)
vi) Goodwill as per IFRS statement of financial position	(231)	(231)	(231)
Include:			
vii) Fair value of fixed-rate debt	0	0	(269)
viii) Revaluation of intangible assets at fair value	292	0	0
ix) Real estate transfer tax	853	160	0
NAV	**9,654**	**8,489**	**7,261**
Fully diluted number of shares	*285,612,518*	*285,612,518*	*285,612,518*
NAV PER SHARE *(in euros)*	**33.8**	**29.7**	**25.4**

Exhibit 41 EPRA Net Asset Values as of December 31, 2020

Group share *(in millions of euros)*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,182**	**8,182**	**8,182**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,182	8,182	8,182
Include:			
ii) Revaluation of IP (if IAS 40 cost option is used)	0	0	0
Exclude:			
iii) Deferred tax in relation to fair value gains of IP	1,438	1,216	0
iv) Fair value of financial instruments	9	9	0
v) Goodwill as a result of deferred tax	(358)	(358)	(358)
vi) Goodwill as per IFRS statement of financial position	(233)	(233)	(233)
Include:			
vii) Fair value of fixed-rate debt	0	0	(291)
viii) Revaluation of intangible assets at fair value	300	0	0
ix) Real estate transfer tax	847	141	0
NAV	**10,184**	**8,957**	**7,300**
Fully diluted number of shares	*285,469,856*	*285,469,856*	*285,469,856*
NAV PER SHARE *(in euros)*	**35.7**	**31.4**	**25.6**

Exhibit 42 EPRA NTA – 6-month reconciliation per share[a]

In euros per share	
EPRA NTA at 12/31/2020	**31.40**
Cash flow	0.72
Like-for-like asset revaluation	(1.11)
Dividend	(1.00)
Forex and others	(0.31)
EPRA NTA at 06/30/2021	**29.70**

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

EPRA NTA per share amounted to €29.70 at the end of June 2021, versus €31.40 six months earlier[20]. This decrease reflects the generation of net current cash flow (€0.72 per share), which was more than offset by a decrease in the value of the like-for-like portfolio (€1.11 per share) and the dividend payment (€1.00 per share). Foreign exchange and other items had a negative impact of €0.31 per share.

9.3 EPRA Net Initial Yield

EPRA Net Initial Yield (NIY) is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step-up rents). See section 7.1.2 "Valuation" for the geographical breakdown of EPRA NIY.

Exhibit 43 EPRA Net Initial Yields

In millions of euros	Shopping centers	Other retail properties	Total
Investment property - Wholly owned	16,723	213	16,937
Investment property - Share of joint ventures/funds	1,270	0	1,270
Total portfolio	**17,994**	**213**	**18,207**
Less: Developments, land and other	(1,110)	0	(1,110)
Completed property portfolio valuation (B)	**16,884**	**213**	**17,097**
Annualized cash passing rental income	1,023	22	1,046
Property outgoings	(104)	(5)	(110)
Annualized net rents (A)	**919**	**17**	**936**
Notional rent expiration of rent free periods or other lease incentives	37	0	38
Topped-up net annualized rent (C)	**956**	**17**	**974**
EPRA NET INITIAL YIELD (A/B)	**5.4%**	**8.0%**	**5.5%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**5.7%**	**8.2%**	**5.7%**

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

9.4 EPRA Vacancy Rate

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

Exhibit 44 EPRA Vacancy Rate[a]

In millions of euros	Estimated rental value of vacant space (A)	Total estimated rental value (B)	EPRA Vacancy Rate (A/B)
France	33	493	6.6%
Italy	10	288	3.4%
Scandinavia	11	176	6.4%
Iberia	10	143	7.3%
CE & Other	6	90	6.3%
Netherlands	3	69	4.4%
Germany	3	38	7.0%
TOTAL	**76**	**1,297**	**5.8%**

(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, 2021, are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: Échirolles (Grenoble, France), Nailloux Village (Toulouse, France), Cholet La Seguiniere outlet (Cholet, France), and Økern (Oslo, Norway). Strategic vacancies are also excluded.*

9.5 EPRA Cost Ratio

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

Exhibit 45 EPRA Cost Ratio

In millions of euros	06/30/2021	06/30/2020
Administrative and operating expenses[a]	(150.9)	(98.7)
Net service charge costs[a]	(41.4)	(33.1)
Net management fees[a]	31.1	34.9
Other net operating income intended to cover overhead expenses[a]	4.6	7.2
Share of joint venture expenses[b]	(8.0)	(7.3)
Exclude (if part of the above):		
Service charge costs recovered through rents but not separately invoiced	3.9	3.9
EPRA Costs (including vacancy costs) (A)	**(160.7)**	**(92.9)**
Direct vacancy costs	(14.1)	(10.8)
EPRA Costs (excluding vacancy costs) (B)	**(146.5)**	**(82.2)**
Gross rental income less ground rents[a]	440.9	577.4
Less: service fee/cost component of gross rental income	(3.9)	(3.9)
Add: share of joint ventures (gross rental income less ground rents)[b]	30.4	38.9
Gross rental income (C)	**467.4**	**612.4**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**34.4%**	**15.2%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**31.4%**	**13.4%**

(a) *As per the IFRS consolidated statements of comprehensive income.*
(b) *For more information, see section 5.1 "Contribution of equity-accounted investments."*

Over the first half of 2021, the increase in the EPRA Cost Ratio was mainly attributable to the impact of provisions set aside for credit losses, which increased administrative and operating expenses by €44 million, while the gross rental income was reduced by €112 million of rent abatements.

9.6 EPRA Capital Expenditure

Investments in the first half of 2021 are presented in Section 6 "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 46 EPRA Capital Expenditure

	06/30/2021			06/30/2020
In millions of euros	Group (excl. Joint Ventures)	Joint Ventures (proportionate share)	Total Group	Total Group
Acquisitions	0.3	-	0.3	-
Development	23.3	0.8	24.1	46.2
Investment properties	30.4	0.9	31.3	43.7
Incremental lettable space	-	-	-	-
No Incremental lettable space	22.9	0.8	23.7	31.9
Tenant incentives	4.3	0.1	4.4	7.3
Other material non-allocated types of expenditure	3.2	0.0	3.2	4.6
Capitalized interest	1.2	-	1.2	1.7
Total CAPEX	**55.2**	**1.7**	**56.9**	**91.6**
Conversion from accrual to cash basis	3.5		3.5	-7.5
TOTAL CAPEX ON CASH BASIS	**58.7**	**1.7**	**60.4**	**84.1**

9.6.1 Developments

Development capital expenditure includes investments related to new constructions and large extensions of existing assets. Over the period, these investments amounted to €24.1 million, mainly relating to the extension of Gran Reno (Bologna, Italy), the Hoog Catharijne redevelopment (Utrecht, Netherlands) and the Créteil Soleil (Paris region, France) and Grand Place (Grenoble, France) projects.

9.6.2 Investment properties

Capital expenditure on the operational investment property portfolio mainly comprises investments to maintain or enhance standing assets without creating additional leasing space, incentives provided to tenants (mainly fit-out contributions) and eviction costs. Over the first six months of 2021, these investments totaled €31.3 million, breaking down as follows:

> €23.7 million in refurbishments, consisting of renovation work, mainly to common areas, without incremental lettable space and technical maintenance capital expenditure. Most of this expenditure was invoiced to tenants;

> €4.4 million in tenant incentives, mainly in connection with stores and other leasable units, including fit-out contributions and eviction costs; and

> €3.2 million in other types of expenditure, including restructuring costs for re-leasing and initial leasing.

9.6.3 Capitalized interest

Capitalized interest amounted to €1.2 million over the first half of 2021.

10

OUTLOOK

Since the reopening of our malls, footfall and retailer sales have rebounded firmly. Since then, the coronavirus Delta variant has spread rapidly across Europe, causing some European countries to impose new restrictions and possibly triggering additional ones in other countries. At this stage, it is not possible to assess the potential impact of these measures on our malls' operations during the second half of the year.

Assuming no more store closures or severe restrictions in the second half of 2021, the Group maintains its net current cash flow guidance at €1.80 per share[(21)] for 2021 and will update the market as and when the situation warrants.

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