Universal Registration Document 2021

INCLUDING
THE ANNUAL
FINANCIAL
REPORT

KLEPIERRE

CONTENTS

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KLEPIERRE

Universal Registration Document

2021

INCLUDING
THE ANNUAL
FINANCIAL
REPORT

This Universal Registration Document was filed on March 30, 2022 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of said regulation. This is a translation into English of the Universal Registration Document of the Company issued in French. The universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if supplemented by a securities note and, if applicable, a summary and any amendments to the universal registration document. The whole document is approved by the AMF in accordance with Regulation (EU) 2017/1129. This Universal Registration Document is available on Klépierre's website, www.klepierre.com and on the website of the AMF, www. amf-france.org.

This Universal Registration Document including the Annual Financial Report is a reproduction of the official version which has been prepared in ESEF format and is available on the issuer's website www.klepierre.com.

1

Group overview

1

Group overview

Jean-Marc JESTIN
CHAIRMAN OF THE EXECUTIVE BOARD

> "Klépierre remains the European leader in shopping malls with a portfolio of more than 100 prime centers."

2021 was a challenging year, marked in particular by the equivalent of 2.5 months of store closures in our shopping centers. Despite these challenges, we demonstrated great resilience and posted solid results in 2021 with 10.6% growth in net current cash flow per share, exceeding the target we announced in October 2021. Since stores reopened in June 2021 and through December 2021, all of our operational indicators have neared or exceeded pre-pandemic levels, as evidenced by the recovery of our leasing activity, the improvement in our occupancy rate and the uptick in our merchants' revenues. During the year, we also successfully sold nearly €880 million in non-strategic retail properties and significantly reduced our debt by more than €1 billion.

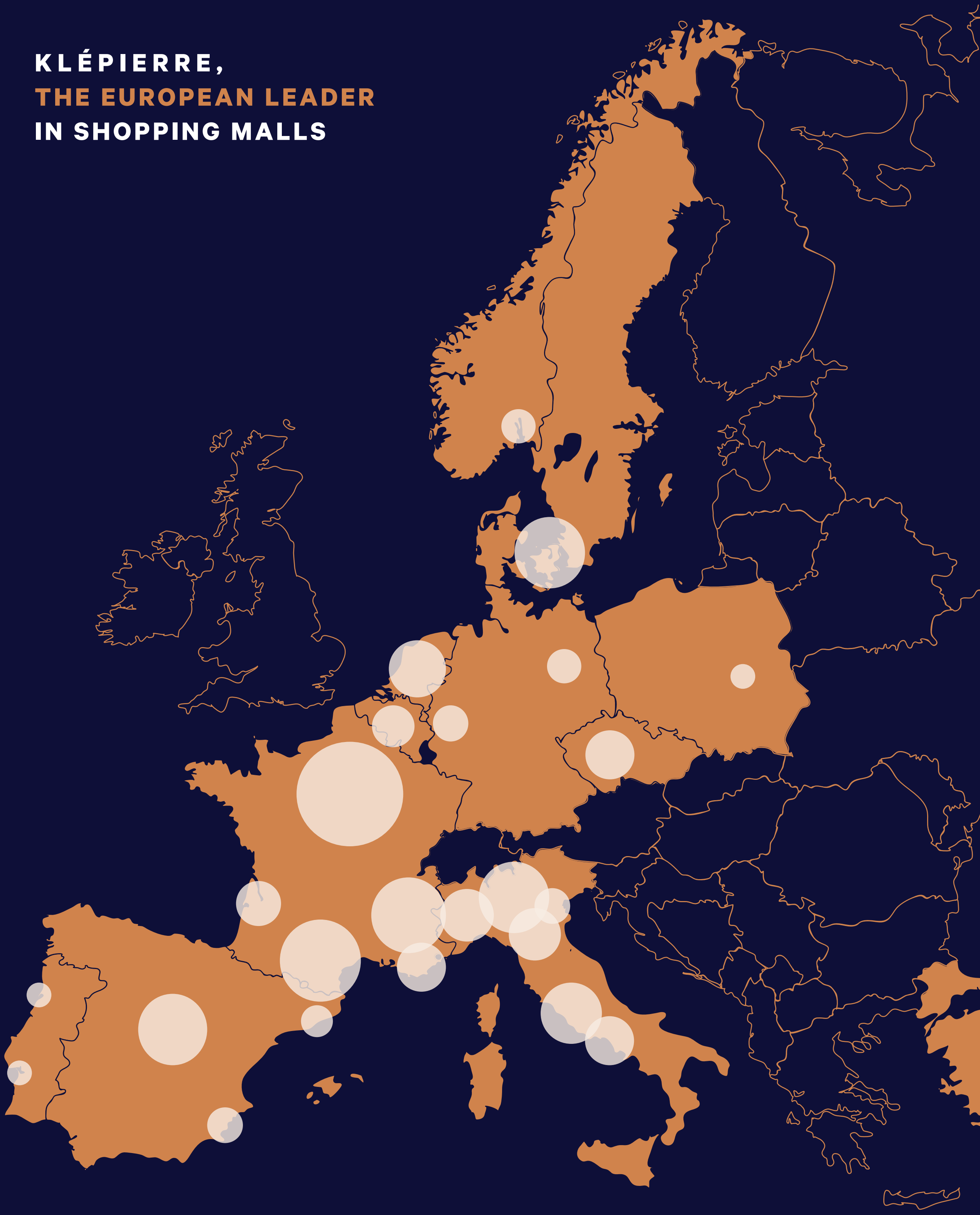
I am very grateful to all Klépierre teams for their tremendous commitment at every stage of this crisis. In a fast changing environment, they ensured that we could keep providing retailers with an unrivaled platform of leading malls to support them as they grow their business. We successfully adapted to the restrictions imposed by the health crisis, while continuing to offer a fun, enjoyable shopping experience in a safe, secure environment.

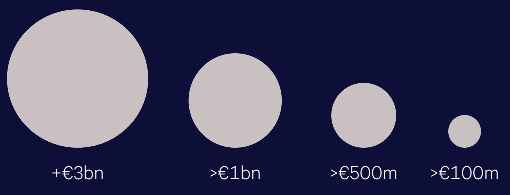
Our operational excellence and our development, lease and asset management expertise are increasingly informed by a deep commitment to sustainable development, which ensures that Klépierre makes a positive contribution to the environment, to its host communities and to people. Non-financial rating agencies have praised Klépierre's international leadership, awarding it excellent ratings for its CSR strategy.

Backed by our strategic refocusing on assets located in fast growing metropolitan areas and by our innovative vision for shopping centers, we act to bring physical retail to a whole new level. Klépierre remains the European leader in shopping malls with a portfolio of more than 100 prime centers that attract hundreds of millions of visitors every year.

Today, we are facing the war in Ukraine. We immediately responded by allocating our resources to collecting food and basic necessities to help our Ukrainian neighbors. I would like to commend the extraordinary dedication of our teams, and know that I can rely on the strength of our Group to face this new challenge with determination.

KLÉPIERRE,
THE EUROPEAN LEADER
IN SHOPPING MALLS





The size of the circle is proportionate to the value of Klépierre's portfolio in each region.

€21bn
total portfolio value

€1.1bn
in revenue

10,300
leases

3,700
retailers

1,100
employees

4.3m
sq.m. rentable floor area

12 COUNTRIES
in continental Europe

100+
LEADING SHOPPING MALLS IN CONTINENTAL EUROPE

Key dates in Klépierre's history

1990

Klépierre is created.

1998

Merger with Compagnie Foncière. Portfolio value triples.

2000

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

2005

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

2008

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

2012

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

2014

Disposal of 126 malls adjoining Carrefour hypermarkets.

2015

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

2019

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

2021

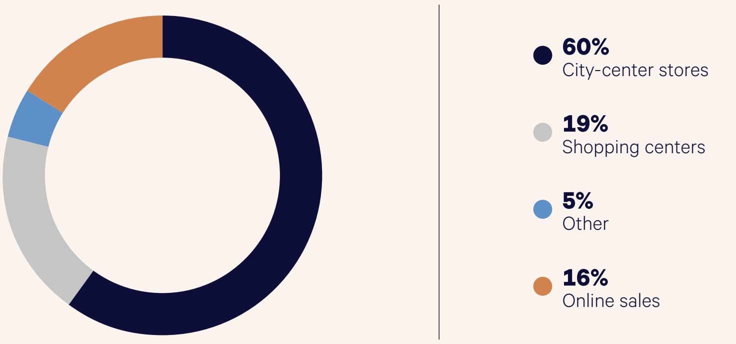
Sale of assets in Norway, France and Germany.

Retail, a highly fragmented industry largely dominated by brick-and-mortar stores

The retail industry is largely dominated by physical stores, which account for 84% of retail sales in continental Europe, compared with 16% for online sales *(chart #1)*. In a constantly shifting environment, online sales have risen sharply in Europe in recent years, by 10% to 18% depending on the country, with a penetration rate varying widely from one country to the next *(chart #2)*. Nevertheless, Klépierre has successfully driven continuous growth in recent years. This performance has been led by the Group's strategic focus on the shopping center segment, whose strong consumer appeal and highly modular features make it the clear preference of major international retail chains when they decide to open new stores *(chart #3)*. Today, Klépierre is one of the few shopping mall companies with critical mass in continental Europe *(chart #4)*.

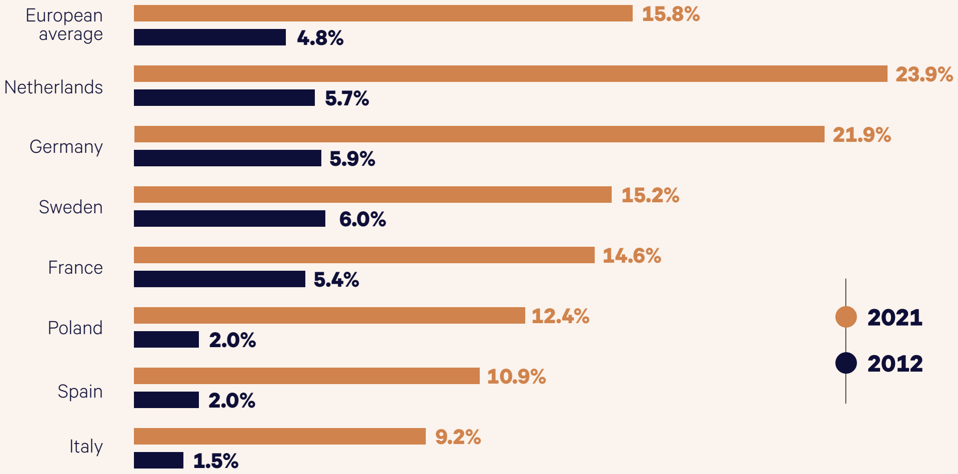
SEGMENTATION OF THE RETAIL INDUSTRY IN 2021
chart #1

Source: PwC Strategy& study on shopping malls in Continental Europe; Klépierre estimates.



PENETRATION RATE OF ONLINE SALES BY COUNTRY
chart #2

Source: Centre for Retail Research.



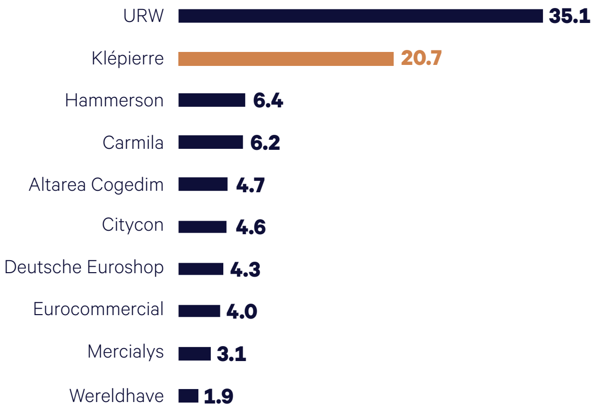
THE COMPETITIVE ADVANTAGES OF SHOPPING MALLS

chart #3

VALUE OF THE EUROPEAN RETAIL PROPERTY PORTFOLIO OF THE MAIN LISTED RETAIL REITS AT YEAR-END 2021

(in billions of euros, total share, including transfer taxes)

chart #4



Source: Company disclosures.
URW: non-US portfolio, proportional value of the portfolio.
Hammerson: proportional value of the portfolio.
Carmila: Group share.
Deutsche Euroshop: data as of September 30, 2021.
Eurocommercial: proportional value of the portfolio.

SHOP. MEET. CONNECT. ®

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

> "Shopping malls are open, living environments where all types of communities, both physical and digital, come together to meet and connect."

JEAN-MARC JESTIN

CHAIRMAN OF THE EXECUTIVE BOARD

SHOP.

Because Klépierre deeply believes that physical retail will continue to expand, led by an appealing and constantly refreshed offering.

MEET.

Because our centers are lifestyle environments where people meet and interact, and not just an e-tailer webpage. Customers come here to enjoy an experience full of excitement and fun.

CONNECT.

Because our shopping centers offer a unique service that blends the physical and the digital into a single universe. Connected to the city and its residents, they are seamlessly integrated into the omnichannel retailer platforms and offer visitors an array of digital services.

A vision and a strategy aligned with the changing world of retail

Over the past ten years the Group has refocused its operations on markets sought-after by retailers and on top-tier assets located in the most vibrant cities in Europe. Our unmatched operational expertise enables us to support customers as they grow their business and to regularly refresh the retail mix in our malls, which is a core driver of the promised visitor experience. This customer-centric approach is designed to make shopping fun and to offer shoppers unrivaled excitement and emotion.
Lastly, being the European leader in shopping centers is both a source of pride and a great responsibility, which is why we are engaged in a multitude of daily initiatives that help to positively address today's environmental and social challenges.

EMBRACING THE RETAIL TRANSFORMATION

CONTINUING TO INVEST IN PRIME CENTERS IN THE HEART OF EUROPE'S LARGEST CITIES

Over the years, the Group has developed a unique portfolio of leading shopping centers in the most affluent, densely populated and fastest growing catchment areas in Europe. Its selection of assets is also aligned with the positioning and expansion plans of the leading national and international retailer chains, giving it a decisive competitive advantage in responding to the retail transformation.

REFRESHING THE RETAIL MIX AND SUPPORTING **RETAILER GROWTH**

Leveraging its operational expertise and special relationship with the world's leading retail chains, the Group is constantly modernizing the retail mix in its centers and agilely responding to retailers' business development needs by offering them opportunities to expand in their latest formats.

OFFERING VISITORS THE **FINEST CUSTOMER EXPERIENCE**

To enhance the shopping experience in its malls, Klépierre is strengthening its marketing initiatives and paying careful attention to each center's architecture and interior design. This approach is embodied by two concepts: Let's Play® and Clubstore®. In addition, to respond more effectively to environmental, societal and social challenges, in late 2017, Klépierre deployed the Act for Good® CSR program, aimed at ensuring that its operations make a positive contribution in addressing today's pressing issues.

A PORTFOLIO OF LEADING SHOPPING CENTERS IN CONTINENTAL EUROPE'S MAJOR CITIES

In order to incorporate a "phygital" dimension into their value creation model, retail chains are deploying omnichannel strategies aimed at forging an ecosystem out of their brick-and-mortar stores and digital offerings. As a result, retailers are becoming increasingly discerning in selecting their store locations. In recent years, Klépierre has kept pace with this trend by refocusing on destinations sought after by retailers.

Val d'Europe
Paris – France

Créteil Soleil
Paris – France

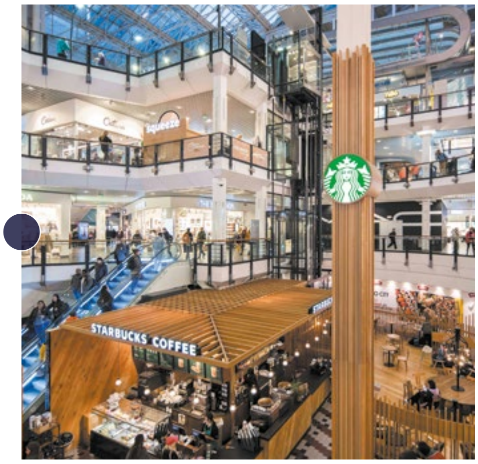
Porta di Roma
Rome – Italy

Field's
Copenhagen – Denmark

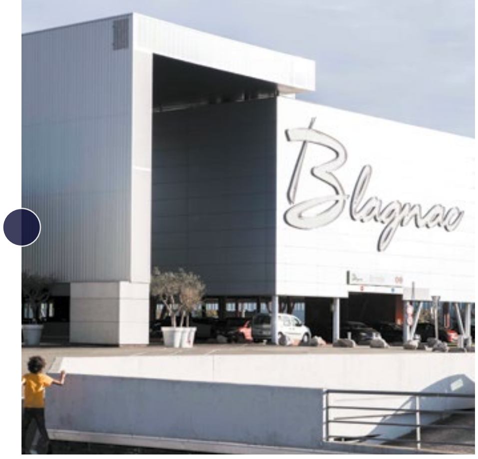
Portfolio value is highly concentrated in the leading European cities

72%

OF OUR PORTFOLIO IS CONCENTRATED ON REGIONAL CITIES WITH POPULATIONS OF MORE THAN 1 MILLION PEOPLE


Oslo City
Oslo
Norway


Emporia
Malmö
Sweden

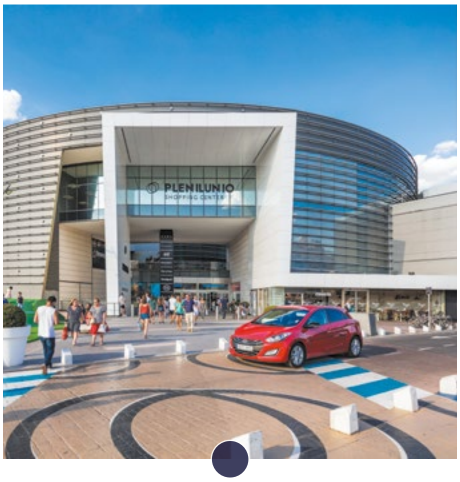

Blagnac
Toulouse
France


Campania
Naples – Italy

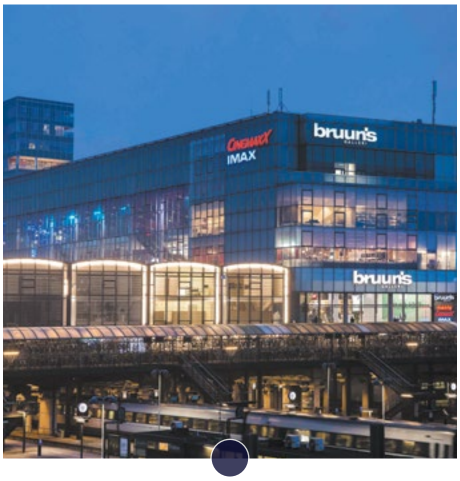

Novy Smichov
Prague – Czech Republic


Shopville Le Gru
Turin – Italy

La Gavia
Madrid – Spain



Plenilunio
Madrid – Spain



Bruun's
Aarhus – Denmark

The top 20 and the top 50 Group assets represent

54%

AND

82%

OF TOTAL PORTFOLIO VALUE, RESPECTIVELY

Nueva Condomina
Murcia – Spain

Rives d'Arcins
Bordeaux – France

Saint-Lazare
Paris – France

Les Passages
Paris – France

Belle Épine
Paris – France

Odysseum
Montpellier – France

L'Esplanade
Louvain-La-Neuve – Belgium

Jaude
Clermont-Ferrand – France

Hoog Catharijne
Utrecht – Netherlands

THE AVERAGE VALUE OF A CENTER HAS TRIPLED SINCE 2012

Since 2012, the Group has disposed of more than 150 assets, for total proceeds of €7.3 billion, and acquired/developed assets in an aggregate amount of €6.8 billion. These transactions have tripled the average value of a Klépierre shopping center.

A Klépierre mall

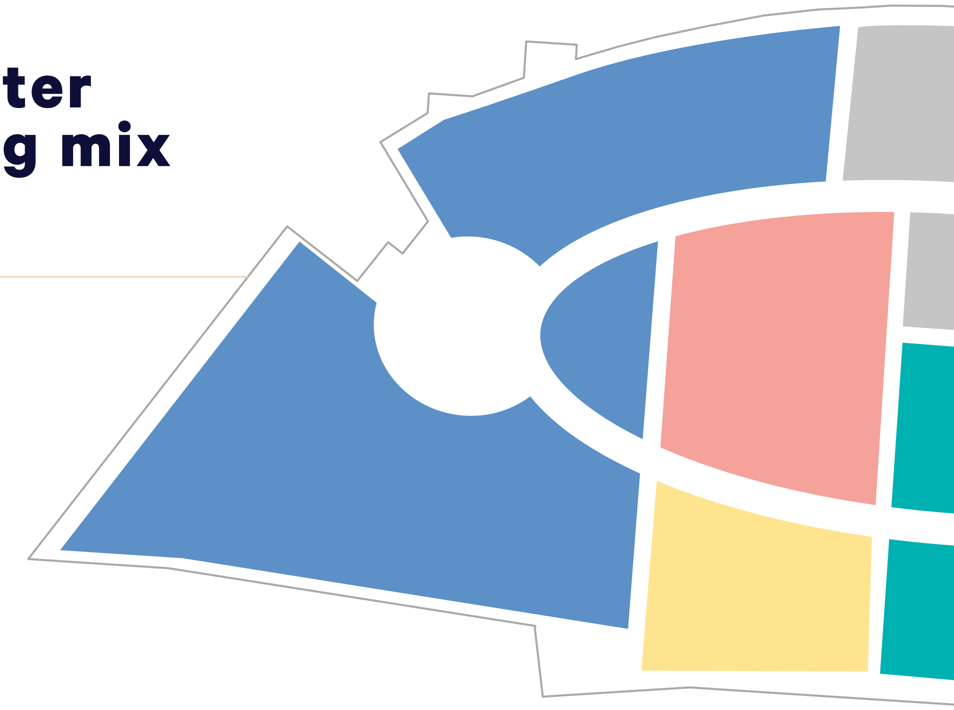
Average key figures for Klépierre’s top 50 assets representing 82% of total portfolio value.

120+
STORES

66,000 sq.m.
TOTAL SALES AREA

Shopping center merchandising mix

(in % of total GLA)

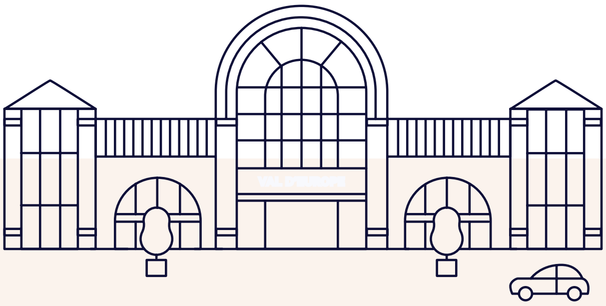


32%
FASHION

10%
HOUSEHOLD GOODS
Household products,
DIY and gardening

6%
HEALTH & BEAUTY
Perfumery & beauty, optics,
pharmacy, hair & body,
and medical centers

11%
CULTURE, GIFTS & LEISURE
Sporting goods, toys & gifts, jewelry,
telephones, cultural products
and tobacco



12M(1)
VISITORS A YEAR

€366M
AVERAGE VALUE

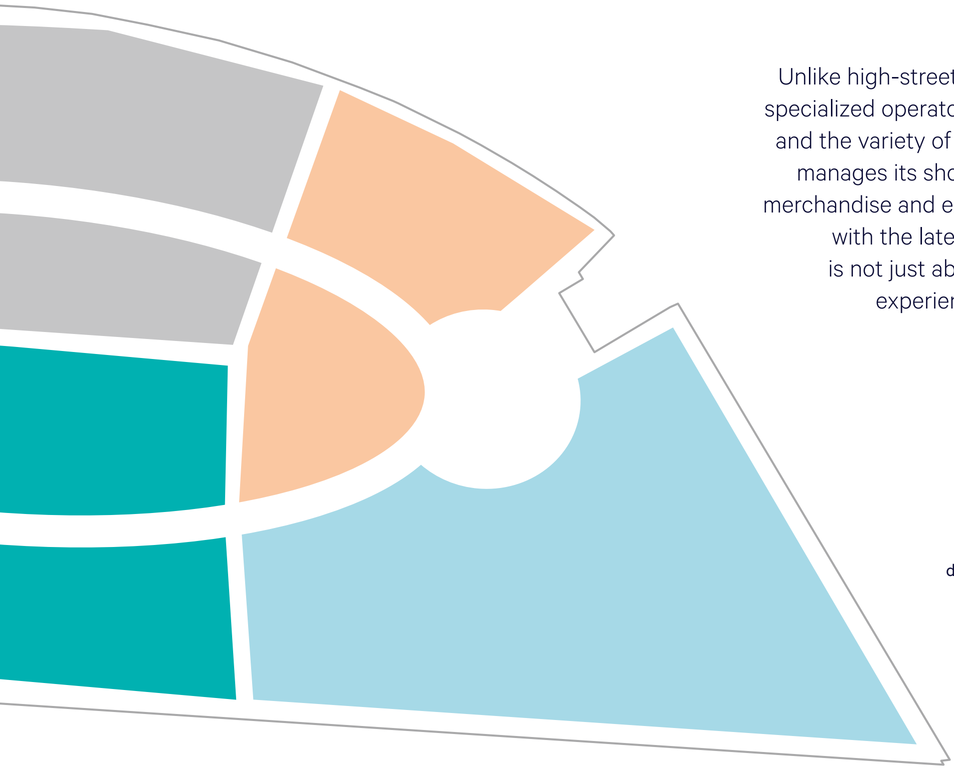
13%(2)
OCCUPANCY COST RATIO

80 kWh/sq.m.
ENERGY INTENSITY

94%
OF WASTE RECOVERED

97%
OF SERVICES SOURCED FROM LOCAL PROVIDERS

Unlike high-street stores, shopping malls are managed by a single, specialized operator that takes care to ensure both the consistency and the variety of the retail mix. In this way, the Group designs and manages its shopping centers so that they always offer the right merchandise and experience for each catchment area and resonate with the latest shopping trends. At Klépierre, a shopping mall is not just about shopping; it is a comprehensive, high quality, experiential environment where people can enjoy dining, entertainment, self-care and even sports.



9%
OTHER
Movie theaters, gyms, department stores and other

8%
FOOD & BEVERAGE

24%
HYPERMARKET/ SUPERMARKET

---

(1) *Figure presented at 12/31/2019. As the 2021 data have been affected by numerous mall closures, they are not representative of Klépierre's typical assets.*

(2) *Occupancy cost ratio. OCR represents the ratio of collected rents to retailer sales (including closure periods).*

RETAIL FIRST®
focused on the offering

To attract visitors, our malls have to offer a comprehensive retail mix that resonates fully with shopper expectations. To do so, the Group leverages its unmatched platform of shopping centers, which has enabled it to forge close relationships and long-term partnerships with most leading and prestigious international retail chains. From pop-ups to small boutiques to flagships, Klépierre supports retailers as they grow their business and offers them just the right size format for their positioning.

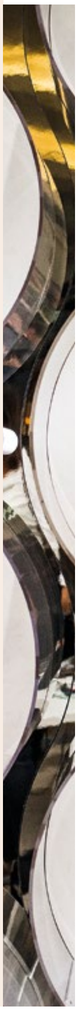
The diversity of these opportunities and the emphasis on exclusive brands means that we can devise an entirely modern and attractive retail offering.

NUMBER OF STORES PER RETAIL BRAND

as of December 31, 2021

BESTSELLER	86
CALZEDONIA	155
DOUGLAS	54
FNAC DARTY	40
Foot Locker	51
GrandVision	126
GROUPE ROCHER	76
H&M	74
INDITEX	211
JD Group	48
M	71
Levi's	47
orange	41
PANDORA	51
PRIMARK	12
SEPHORA	58
THOM	105
RITUALS	43
vodafone	41

An unrivaled selection with international brands



LET'S PLAY® the exciting side of physical shopping

For customers, our shopping centers are more than a place to shop; they are lifestyle environments where you can meet up, have fun and share great experiences with family and friends. Klépierre has responded to this expectation with Let's Play®, a marketing program designed to transform every trip to the mall into an exciting game, as seen in our latest campaign.

This approach, which offers shoppers the enhanced emotional appeal and just plain fun that online shopping lacks, is structured around three core vectors: events, the phygital experience and social media.

EVENTS AND RETAILTAINMENT
Cultural exhibitions, concerts, sports competitions, blockbuster events by global entertainment giants (Nickelodeon, Marvel Disney, etc.).

PHYGITAL
Synergies between physical and digital retailing with promotional deals announced on social media, click & collect, information services, etc.

SOCIAL MEDIA
Playful, immersive shopper activities to foster closer ties and create communities around the shopping center.

NEW CAMPAIGN
LAUNCHED IN 2021

KEY FIGURES FOR THE LAUNCH OF THE NEW LOYALTY PROGRAM

SHOPPING CENTER LOYALTY PROGRAM LAUNCHED IN
SEPTEMBER 2021

200,000+
DOWNLOADS OF THE APP SINCE SEPTEMBER 2021

25
SHOPPING CENTERS ALREADY INVOLVED

1.
Odysseum
Montpellier
France

2.
Shopville Le Gru
Turin
Italy

3.
Aqua Portimão
Portimão
Portugal

LOYALTY PROGRAM


1.


2.


2.

A digital loyalty program offering its members:

- exclusive offers from retailers and partner brands;
- invitations to events;
- exclusive complimentary services;
- the chance to take part in prize draws.


3.


3.

EVENTS


1.


2.


3.

1.
Shopville Le Gru
Turin
Italy

2.
Novy Smichov
Prague
Czech Republic

3.
La Gavia
Madrid
Spain

CLUBSTORE® hospitality the Klépierre way

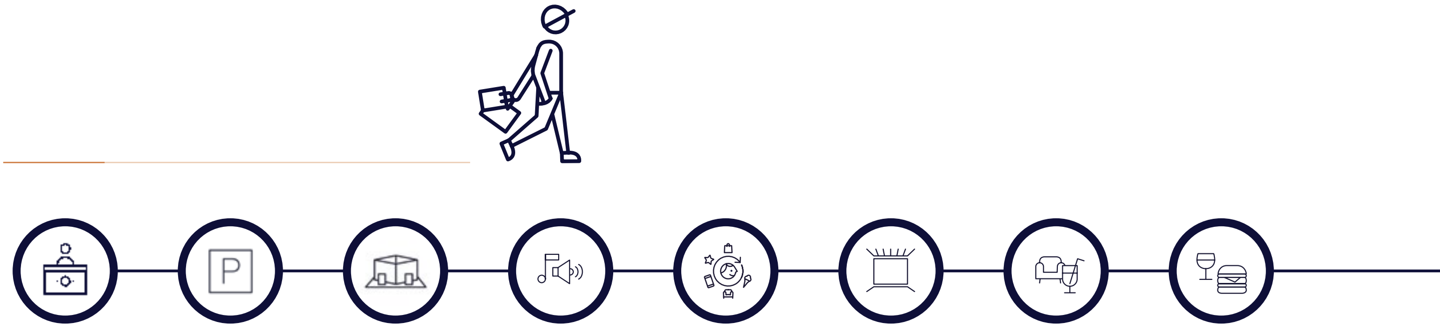
With its careful attention to making visitors feel welcome, Klépierre has designed a seamless, personalized, constantly enhanced customer journey.

The journey is built around 16 critical points in the customer experience, from digital access through websites and apps to center greeters, from amenities to ambient sounds and scents, from the parking lot to the storefronts.

All of these aspects help to nurture an increasingly smooth, simple, personal experience in a shopping center whose architecture and interior design exude comfort and well-being.

This is how Clubstore® expresses hospitality the Klépierre way. Applied across the portfolio, these standards are constantly being enhanced by integrating best practices and the increasingly granular knowledge of our visitors derived from regular satisfaction surveys.

Knowing our visitors plays a critical role in enhancing the shopping experience in Klépierre malls. The more than 18-point increase in the Net Promoter Score (NPS) from 2017 to 2021 attests to the real-world improvements deployed for visitors over the period. The indicator enables us to measure shopper satisfaction and the likelihood that a visitor will recommend a shopping center to friends and family.



GETTING THERE
opening hours, online information about the mall, etc.

PARKING & SIGNAGE

ENTRANCES AND FAÇADES
iconic façades

MULTISENSORY EXPERIENCE
acoustics and aromatic design

GUEST SERVICES
signage, assistants, guest services desk, helmet checkroom, etc.

LOOK & FEEL
design and ergonomics

LOUNGE AREAS
design, connected spaces with charging stations, etc.

DESTINATION RESTAURANTS

HIGH-QUALITY WINDOW DISPLAYS
windows of all heights, signage, etc.

ENVIRONMENTALLY FRIENDLY
lighting

CUSTOMER E-SERVICES AND MESSAGES

RESTROOMS
access, cleanliness, etc.

EVENTS
versatile, hybrid event spaces

WOW EFFECT
iconic, sharable features: lighting, touch screens, design aspects

KIDS' ENTERTAINMENT
children's play area, services

POP-UP STORES
versatile, hybrid event spaces




ACT FOR GOOD®

Launched in 2017 and co-designed with external stakeholders, Act for Good® seeks to amplify operational excellence while addressing environmental, societal and social challenges. It is based on objectives for 2022 and ambitions for 2030, organized around three main pillars(1):

Located in the heart of cities and communities, our malls should contribute to environmental stewardship, to the development of their host regions and to the well-being of their visitors and employees.
This, in essence, is our approach to sustainable development.

ACT FOR THE PLANET

Ensure that Klépierre
has a positive impact
on the environment.

ACT FOR TERRITORIES

Broaden and deepen our
shopping centers' local roots
and contribute to the development
of our host communities.

ACT FOR PEOPLE

Build every initiative
around people to create
value for everyone.

---

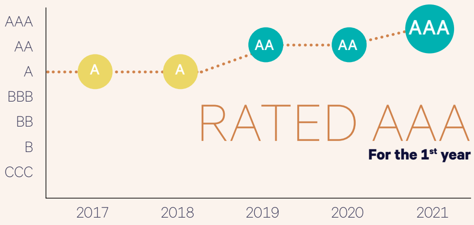
(1) Our commitments for 2022 and outcomes in 2021 are described in detail in chapter 3 "Sustainable Development".

LEADERSHIP WIDELY RECOGNIZED BY EXTERNAL STAKEHOLDERS

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

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

CLIMATE CHANGE STRATEGY
CERTIFIED WITH THE HIGHLIGHT TARGET CLASSIFICATION (BELOW 1.5°C)
Klépierre is one of 30 REITs in Europe to have been approved at this level.



RATED AAA
For the 1st year

2021
LEADERSHIP
A List Climate

Integration of Klépierre shares into the
EURONEXT
CAC40 ESG INDEX

2021 GOLD
AWARD
For the 10th year in a row

Mall shopping, a virtuous channel

Industry analyses show that mall shopping represents a virtuous purchasing channel from an environmental and socioeconomic perspective(1), especially when compared to online shopping with home delivery.

Consumers tend to optimize their journey to the mall by purchasing non-food items and often include other activities such as errands, commutes, workouts, entertainment, etc., all of which helps mitigate the environmental impact. As leisure venues and social hubs with deep local roots, shopping malls also contribute strongly to the development and revitalization of local economies and communities.

> “Mall shopping is more virtuous than online shopping with home delivery in most cases.”

USE OF RESOURCES

10x less(2)
cardboard packaging consumed

1.5x less(2)
plastic consumed

PROTECTION OF BIODIVERSITY

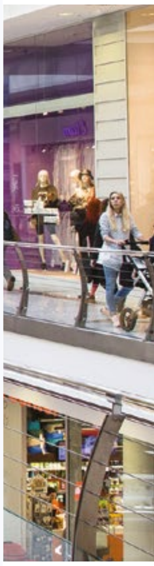
4.2x less(2)
environmental pollution

10x less(2)
impact on soil use

LOCAL DEVELOPMENT

+20%
jobs created
per €m in revenue

Greater contribution
to communities through local taxation



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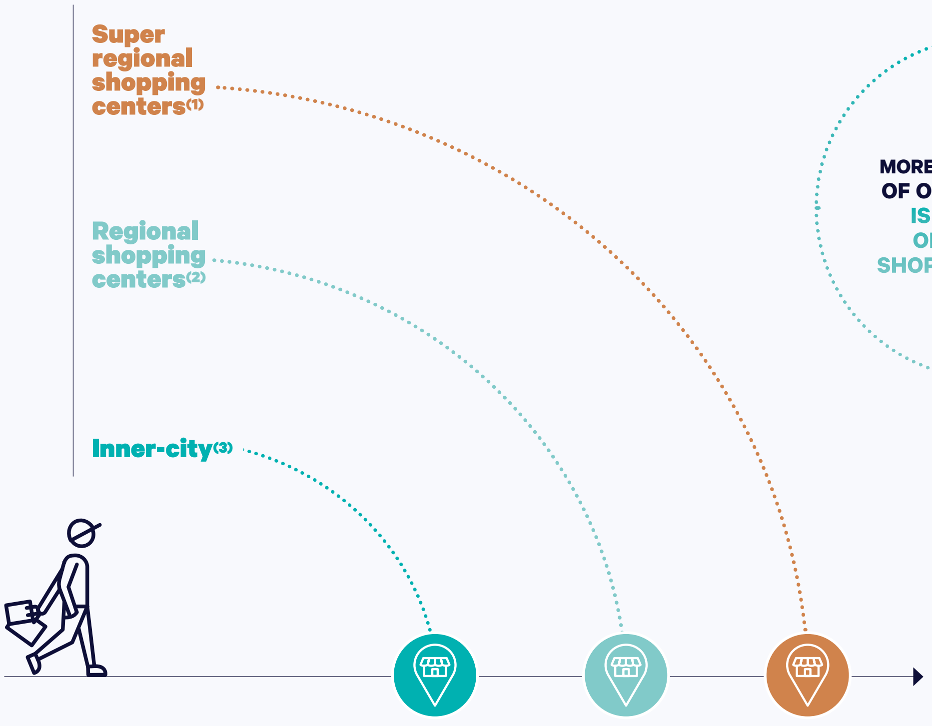
(1) Source: EY and CNCC (Centre National des Centres Commerciaux) comparative study on the environmental impact of purchasing behaviors in France (Évaluation comparée de l'impact environnemental et social de plusieurs parcours d'achat).

(2) Based on an average basket of 4 non-food products in France.

CARBON EMISSIONS



Super regional shopping centers(1)

Regional shopping centers(2)

Inner-city(3)

MORE THAN 80% OF OUR PORTFOLIO IS INNER-CITY OR REGIONAL SHOPPING CENTERS

ALWAYS MORE VIRTUOUS than online shopping with home delivery

More virtuous when **4+** products purchased

More virtuous when **9+** products purchased

In France, consumers purchase an average of

6.3 non-food items(4)

during their mall trips, with the environmental footprint of travel by internal combustion engine vehicle lower in most cases than that caused by carbon emissions from shopping online with home delivery.

---

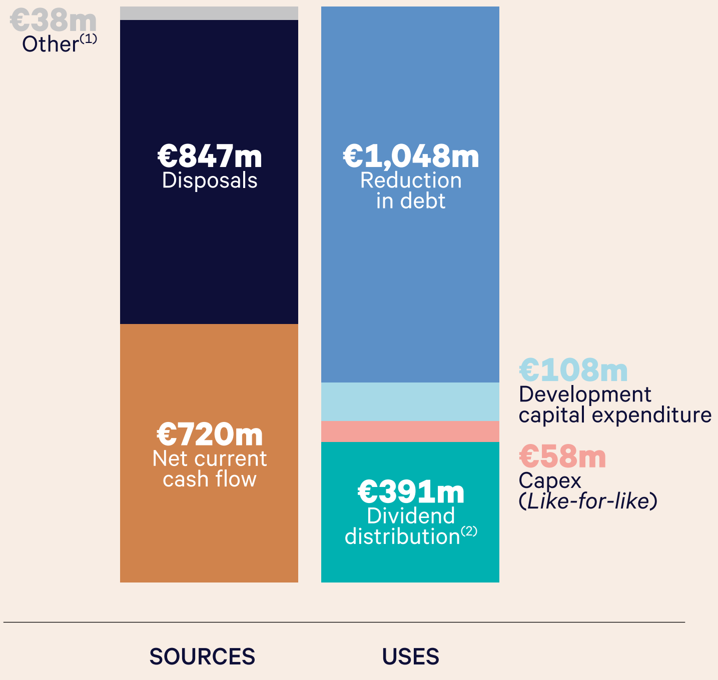
(1) Based on a maximum 20-kilometer one-way trip using an internal combustion engine vehicle.
(2) Based on a maximum 5-kilometer one-way trip using an internal combustion engine vehicle.
(3) Based on a maximum 1-kilometer one-way trip using soft mobility (walking, cycling, public transport, etc.).
(4) Source: EY and CNCC (Centre National des Centres Commerciaux) comparative study on the environmental impact of purchasing behaviors in France (Étude comparée de l'impact environnemental et social de plusieurs parcours d'achat).

No long-term performance without financial discipline

We believe that long-term performance depends on the judicious use of borrowings. This financial discipline is materialized in:

- very robust financial indicators and BBB+ rating (stable outlook), renewed by Standard & Poor's in November 2021 (*chart #2*);
- optimal access to capital markets over the past three years and abundant liquidity covering all refinancing needs until the end of 2024; and
- a sharp decline in debt (by more than €1 billion), thanks to strong cash flow and asset disposals that have funded both dividend payments and capital expenditure (*charts #3 and #4*).

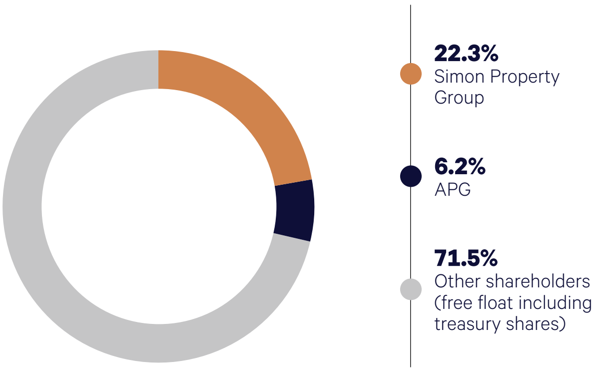
SOURCES AND USES OF FUNDS: A SHARP DECLINE IN DEBT
chart #3



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

A REFERENCE SHAREHOLDER THAT IS THE GLOBAL LEADER IN THE SHOPPING CENTER INDUSTRY

(as of December 31, 2021)
chart #1



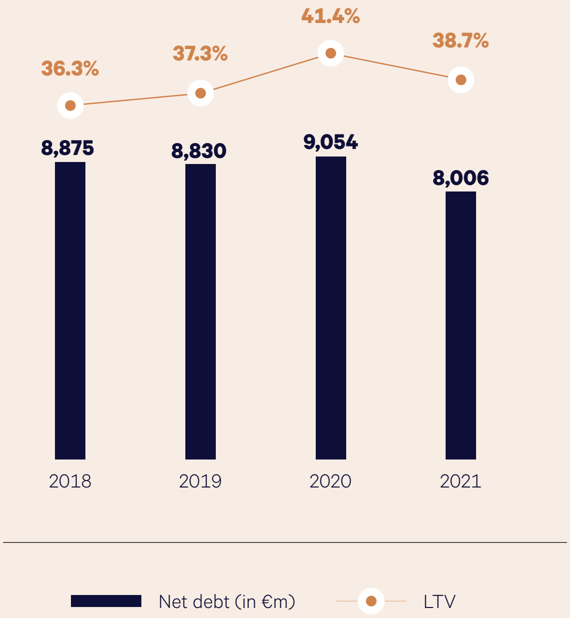
MAIN COVENANTS

(as of December 31, 2021)
chart #2

INTEREST COVERAGE RATIO	**8.3x**
NET DEBT TO EBITDA	**8.8x**
S&P RATING	**BBB+** **(stable outlook)**

NET DEBT AND DEBT-TO-EQUITY RATIO (LTV) (2018-2021)

chart #4



Business model

TRENDS

Shifting consumer practices, with the rise in online shopping, short channels and sustainable shopping

Growing urbanization in Europe

Resources

FINANCIAL

- €20.7bn in assets
- €8.0bn in net debt
- €6.0bn in market capitalization

BUSINESS AND CORPORATE

- 3,700 retailers

HUMAN AND INTELLECTUAL

- 1,100 employees
- 33% women in the top 100 management positions

NATURAL

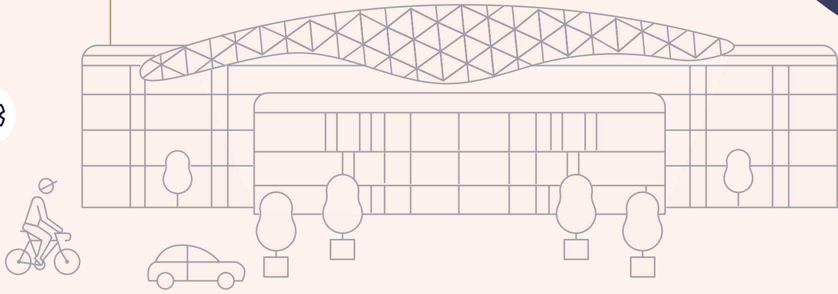
- 78.9 kWh/sq.m in annual energy use
- 2.3m cu.m. in water consumption
- 95% of electricity from renewable sources

INFRASTRUCTURE & TECHNOLOGY

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

OPERATING

100+ leading malls in Europe



Rising importance of environmental issues

Liquidity of the retail real estate investment market

Increasingly competitive job market

Value creation

ACQUIRING AND SELLING

€20.7bn
in portfolio value
at 12/31/21

DEVELOPING AND REFURBISHING

€1.5bn pipeline
of extension
and renovation
projects

FINANCIAL

- €720m in net current cash flow
- €285m distributed to shareholders in respect of fiscal year 2020
- €115m in financial interests

BUSINESS AND CORPORATE

- 1,570 new leases
- For every Klépierre job created, 2.2 jobs are created in the local economy
- 100% of centers having donated space to a local initiative
- Net Promoter Score up 18 points versus 2017
- €87m in local taxes

HUMAN AND INTELLECTUAL

- 31% internal promotion
- 100% of employees with access to training
- 100% of young graduates have been given the opportunity to receive personalized career guidance

NATURAL

- 87% reduction in carbon intensity versus 2013
- 45% reduction in energy intensity versus 2013
- 100% of shopping centers environmentally certified
- 98% of recovered waste

Stakeholders

Visitors

Employees

Retailers

Suppliers

Investors

Local communities

Public organizations

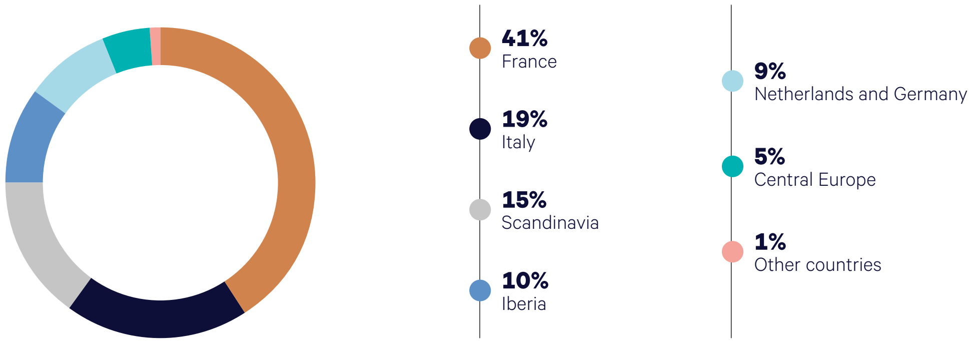
FINANCIAL PERFORMANCE

INCOME STATEMENT	2017	2018	2019	2020	2021
Gross rental income *(in millions of euros)*	1,236.0	1,252.2	1,242.3	1,062.4	1,006.4
Net rental income *(in millions of euros)*	1,105.6	1,119.0	1,130.6	846.2	879.5
EBITDA *(in millions of euros)*	1,012.2	1,025.7	1,053.2	797.2	806.8
Cost of debt *(in millions of euros)*	(169.8)	(151.6)	(122.2)	(108.6)	(115.3)
Net current cash flow *(Group share, in millions of euros)*	760.6	793.7	830.3	586.9	622.3
Net current cash flow per share *(in euros)*	2.48	2.65	2.82	2.05	2.18
Dividend per share *(in euros)*	1.96	2.10	2.20	1.00	1.70(1)
OPERATING INDICATORS					
Reversion	12.9%	11.1%	8.2%	4.5%	0.9%
Occupancy cost ratio	12.2%	12.3%	12.4%	13.2%	12.6%
EPRA vacancy rate	3.2%	3.2%	3.0%	4.8%	5.3%
Bad debt rate(2)	1.5%	1.7%	1.6%	16.0%	13.3%
Change in retailer sales (like-for-like)	2.1%	0.9%	1.8%	-11.0%	10.1%
TOTAL PORTFOLIO VALUE					
Portfolio (total share) *(in millions of euros, including transfer taxes)*	24,419	24,440	23,673	21,859	20,713
EPRA net initial yield	4.9%	4.9%	5.0%	5.3%	5.2%
EPRA NTA per share *(in euros)*	N/A	N/A	36.90	31.40	31.20
FINANCIAL INDICATORS					
Net debt *(in millions of euros)*	8,979	8,875	8,830	9,054	8,006
Cost of debt	1.8%	1.6%	1.5%	1.2%	1.2%
Interest coverage ratio	6.3x	7.0x	8.0x	7.3x	8.3x
Loan-to-value (LTV)	36.8%	36.3%	37.3%	41.4%	38.7%
Net debt to EBITDA	8.6x	8.3x	8.0x	10.8x	8.8x

(1) Submitted to a vote of the shareholders at their April 26, 2022 Meeting. For more information, see chapter 2 "Business of the year".
(2) Bad debt rate corresponds to: 1 - expected collection rate.

PORTFOLIO VALUE BY COUNTRY

(in % of the total at December 31, 2021)

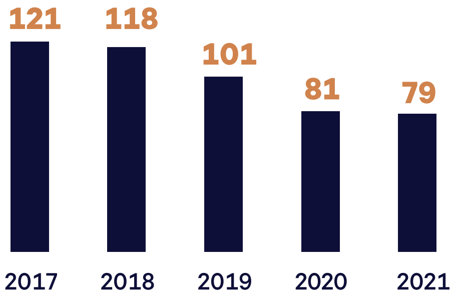


NON-FINANCIAL(1) PERFORMANCE

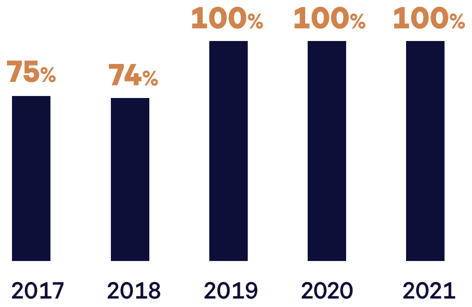
	2018	2019	2020	2021
ACT FOR THE PLANET				
Reduction in energy consumption for common and serviced areas(2)	-17%	-29%	-43%	-45%
Percentage of electricity coming from renewable sources in the total consumption of electricity of common and serviced areas	73%	93%	93%	95%
Percentage of recovered waste	90%	93%	96%	98%
Percentage of centers that have a sustainable development certification *(by value)*	74%	100%	100%	100%
ACT FOR TERRITORIES				
Percentage of centers that have contributed to local employment *(by value)*	48%	85%	95%	100%
Percentage of centers that have made space available for a local initiative *(by value)*	76%	97%	98%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer in the center *(by value)*	53%	79%	98%	98%
ACT FOR PEOPLE				
Increase in the Group's Net Promoter Score (NPS) versus 2017	+2 pts	+10 pts	+8 pts	+18 pts
Rate of access to training for Group employees	92%	98%	100%	100%
Percentage of centers that have promoted health and well-being *(by value)*	56%	89%	99%	100%

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

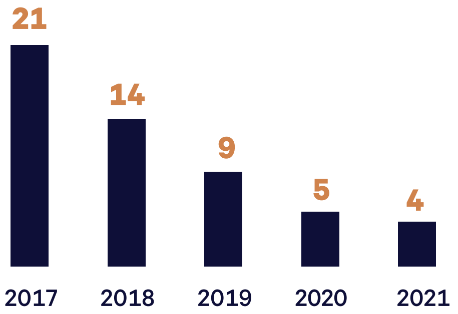
ENERGY INTENSITY IN COMMON AND SERVICED AREAS
(in kWh/sq.m., reported scope)



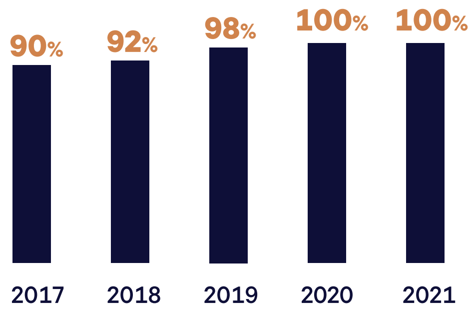
PERCENTAGE OF CENTERS WITH A SUSTAINABLE DEVELOPMENT CERTIFICATION
(in % of value, reported scope)



DIRECT GREENHOUSE GAS EMISSIONS INTENSITY
(Scopes 1 & 2) (in kgCO₂/sq.m., market-based, reported scope)



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



2

Business of the year

2

Business of the year

2.1 BUSINESS OVERVIEW

2.1.1 Economic environment

2021 was characterized by additional pandemic waves with the reimposition of severe and lengthy restrictions across various countries at different periods, predominantly during the first half of the year. Nonetheless, the easing of restrictions following the vaccine rollout spurred a solid rebound with **eurozone** GDP growth projected at 5.2% in 2021 and 4.3% in 2022. Growth was supported by strong consumption, with households using excess savings and higher investments supported by national and European recovery plans. As a result, unemployment is expected to decrease to 7.7% in 2021 and to sink at pre-pandemic levels by 2022 before falling even further in 2023. In parallel, the rapid business resumption gave rise to supply chain bottlenecks and higher energy prices, pushing inflation up to 2.4% in 2021 and 2.7% in 2022. This sharp increase in inflation is expected to translate into wage increases, which will ultimately lead to an increase in private consumption.

The ECB's favorable financing conditions for public and private borrowers, coupled with exceptional fiscal measures in most countries, served as shock absorbers during the crisis. On top of these schemes, many European countries provided companies with **financial support and subsidies**. Germany, for example, is providing assistance to small and medium-sized companies in 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, continental Europe faced multiple new waves of the Covid-19 pandemic during the year. Significant increases in case numbers and hospitalizations prompted governments to reintroduce lockdowns and restrictions principally in the first half of 2021, which hampered Klépierre's activities, disrupted retail operations and inconvenienced shoppers. However, the vaccination rollout is progressing well and more than 70% of the European population had received at least one shot by the year end. A booster got underway in late summer and is in the process of being rolled out across the entire population of Europe. In addition, as the latest variants, – especially Omicron – are perceived by the European health authorities as being less severe than their predecessors, restrictions have been eased across Europe. After two years of significant disruption caused by the pandemic, **Klépierre's operations proved to be extremely resilient.**

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	−6.5%	5.2%	4.3%	7.9%	7.7%	7.2%	0.3%	2.4%	2.7%
France	**−8.0%**	**6.8%**	**4.2%**	**8.1%**	**7.8%**	**7.6%**	**0.5%**	**2.1%**	**2.3%**
Italy	**−9.0%**	**6.3%**	**4.6%**	**9.3%**	**9.6%**	**8.9%**	**−0.1%**	**1.8%**	**2.2%**
Scandinavia									
Norway	−0.7%	4.1%	4.6%	4.4%	4.9%	3.9%	1.3%	3.4%	2.0%
Sweden	−2.9%	4.3%	3.4%	8.3%	8.8%	7.6%	0.5%	2.0%	2.6%
Denmark	−2.7%	4.7%	2.4%	5.6%	4.9%	4.2%	0.4%	1.8%	2.6%
Iberia									
Spain	−10.8%	4.5%	5.5%	15.5%	15.0%	14.2%	−0.3%	2.9%	3.2%
Portugal	−8.4%	4.8%	5.8%	7.0%	6.9%	6.7%	−0.1%	0.8%	1.7%
Netherlands & Germany									
Netherlands	−3.8%	4.3%	3.2%	3.8%	3.4%	3.5%	1.1%	2.4%	3.1%
Germany	−4.9%	2.9%	4.1%	3.9%	3.6%	3.2%	0.4%	3.1%	2.8%
Central Europe									
Czech Republic	−5.8%	2.5%	3.0%	2.5%	2.9%	2.6%	3.2%	3.8%	6.1%
Poland	−2.5%	5.3%	5.2%	3.2%	2.6%	3.4%	3.4%	4.8%	6.2%

Source: OECD Economic Outlook, December 2021.

2.1.2 Operating context

Over 2021, continental Europe faced multiple waves of Covid-19, translating into 2.5 months of full closure of the Group's portfolio versus 2.1 months in 2020.

2021 has been a tale of two halves:

- **Over the first half of the year,** Europe faced several fresh pandemic waves as the number of cases 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 – longer than last year when malls were closed for 1.6 months on average during the first half of 2020. Depending on the intensity of the wave, governments opted for full or partial lockdowns with varying restrictions.
- **Over the second half of the year,** with the resurgence in new cases due to the spread of the delta variant in the summer, additional though less restrictive measures were enforced. Klépierre did not face any store closures across the board except in the Netherlands from December 19, 2021 to January 14, 2022. Nevertheless, many other restrictions were introduced that had a measurable impact on footfall and retailer sales. In some countries, including France, governments restricted access to shopping malls larger than 20,000 sq.m to vaccination certificate holders (from August 9 until the end of September). This measure was gradually lifted as the incidence rate declined below 200 cases per 100,000 inhabitants. In mid-December, new measures were implemented in some countries such as the Netherlands, Germany (with the "2G" and "3G" strategy governing entry to stores), and the Czech Republic with working from home encouraged and non-essential stores closing earlier than usual at 5 p.m. Vaccination certificate checks at restaurants, leisure activities and public events were reintroduced in some European countries (Norway, Denmark, Germany, Italy). By way of comparison, over the second half of 2020, Klépierre experienced 0.5 months of closure.

CLOSURE PERIOD DURATION IN MONTHS *(weighted by rents and charges)*

In months	Average closure period in 2021	Average closure period in 2020
France	2.9	2.5
Italy	2.5	2.6
Scandinavia	1.5	0.5
Iberia	0.7	2.1
Netherlands & Germany	4.4	1.1
Central Europe	2.1	2.3
Other countries	0.0	0.7
TOTAL	**2.5**	**2.1**

As of February 15, 2022, there were no current store closure mandates, although some restrictions remained in force in many countries in which Klépierre operates, such as work-from-home recommendations and health certificate checks on entry to certain venues including restaurants, leisure venues, and movie theaters.

2.1.3 Retailer sales and footfall

In 2021, **retailer sales** were up 10% compared to 2020. However, as operations were significantly affected by store closures, the following comments on retailer sales only focus on the open periods in 2021 (i.e., June to December) compared to 2019, i.e., the last 7-month undisturbed period.

Since reopening, from June to December 2021, retailer sales rebounded strongly, reaching 95% of the 2019 pre-Covid business levels. **Footfall** also benefited from the business restart, albeit at a slower pace, coming out at 80% of 2019 levels on average and continuing to be hindered by the remaining restrictions in certain countries. The performance was weaker in the Group's few malls located in business districts or dependent on tourist traffic or commuters. The omicron variant, which gave rise to historically high contamination levels, weighed on footfall towards the end of the year. Nevertheless, in what remained a challenging environment, the overall performance underscores the strength of the business resumption, notably fueled by high transformation rates and average basket sizes.

CHANGE IN RETAILER SALES *(by region)*

	Change in retailer sales(a)		
Country	**Full-year 2021 vs. Full-year 2020**	**June-December 2021 vs. June-December 2019**	**Share** *(in total reported retailer sales)*
France	+2%	−5%	36%
Italy	+23%	−6%	26%
Scandinavia	+1%	−2%	15%
Iberia	+28%	−13%	10%
Netherlands & Germany	−3%	-9%(b)	6%
Central Europe	+15%	−7%	4%
Other countries	n.s.	n.s.	3%
TOTAL	**+10%**	**−5%**	**100%**

(a) Change is on a same-store basis, excluding the impact of asset sales and acquisitions.
(b) Restated for restricted trading in the Netherlands in December.

By **geographic region**, Scandinavia and France posted the strongest performances over the last seven months of 2021 at 98% and 95% of 2019 levels, respectively. Similarly, Italian and Central European retailers experienced a fairly robust resumption with sales reaching 94% and 93% of pre-Covid levels, respectively. Despite an undeniable improvement, the recovery tended to be slower in Iberia (87% of 2019 levels), due to the dearth of tourists.

CHANGE IN RETAILER SALES *(by segment)*

	Change in retailer sales[a]		
	Full-year 2021 vs. Full-year 2020	June-December 2021 vs. June-December 2019	Share *(in total reported retailer sales)*
Fashion	+16%	−5%	38%
Culture, Gifts & Leisure	+7%	−1%	20%
Health & Beauty	+5%	−5%	14%
Food & Beverage	+11%	−16%	9%
Household Equipment	+9%	+3%	13%
Other	+1%	−15%	7%
TOTAL	**+10%**	**−5%**	**100%**

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

By **segment,** household equipment led the pack and exceeded pre-Covid levels (up 3% compared to June-December 2019), followed by culture, gifts & leisure (99% of 2019 level), both posting a sustained recovery. Fashion posted a sharp rebound mainly during June to October in which it recorded sales at 95% of pre-Covid levels, with a comparable performance at health & beauty. Meanwhile, food & beverage remained below 2019 levels (down 16% between June and December), mainly due to the restrictions still in place for restaurants.

2.1.4 Rent collection

As during the government-mandated lockdowns in 2020, Klépierre's teams worked closely with tenants during the year to provide them with the necessary flexibility, notably by adapting payment deadlines and granting partial rent waivers to ease their cash positions. While Klépierre's management is of the view that rents remain contractually due during closure periods, it engaged negotiations with retailers to offer rent abatements, where appropriate, in exchange for lease extensions.

In 2021, €1,355 million in rents and service charges were invoiced at Group level. As of February 7, 2022, before rent abatements and provisions for credit losses, Klépierre had collected €1,161 million, corresponding to 85.7% of invoiced rents and charges. The Group expects to ultimately achieve a collection rate of at least 86.7%.

The balance of uncollected amounts (13.3%) breaks down as (i) rent abatements (7.5% – i.e., the equivalent of 0.9 months for 2.5 months of closure), (ii) provisions for bankrupt and insolvent tenants (3%), and (iii) additional provisions for credit losses booked pending the final outcome of the negotiations with retailers (2.8%), that will ultimately translate into either rent abatements or cash collection.

By way of comparison, the ultimate collection rate for rents and service charges invoiced in 2020 (as of December 31, 2021) was 86.7%. The balance of uncollected amounts (13.3%) broke down as rent abatements (10.0% – i.e., the equivalent of 1.2 months for 2.1 months of closure) and provisions for credit losses (3.3%).

2.1.5 Net rental income

Net rental income amounted to €879.5 million in 2021, up 3.9% compared to 2020 and 6.9% on a like-for-like basis after the impacts of asset disposals and foreign exchange. The change in net rental income stemmed mainly from the decrease in abatements and in provisions for credit losses.

RECONCILIATION BETWEEN INVOICED RENTS AND CHARGES AND NET RENTAL INCOME *(on a total share basis)*

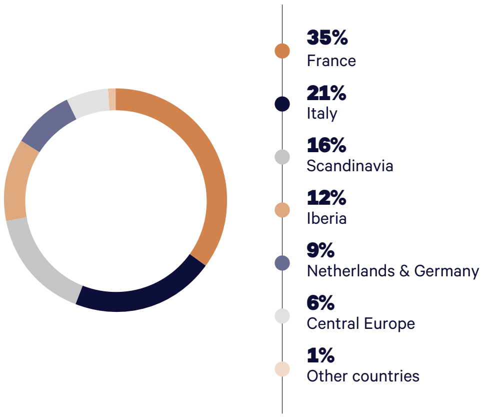
In millions of euros	12/31/2021	12/31/2020
Invoiced rents and Charges	1,354.6	1,381.8
Charges	(244.0)	(241.9)
Rent abatements (cash)[a]	(104.8)	(116.0)
Straight line-amortization of rent abatements[a]	10.1	24.3
Other	(9.5)	14.2
GROSS RENTAL INCOME	1,006.4	1,062.4
Rental and building expenses	(126.9)	(216.2)
NET RENTAL INCOME	**879.5**	**846.2**

(a) In connection with Covid-19.

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

In millions of euros	2021	2020	Reported change	Change excl. disposals and forex
France	298.7	308.7	−3.2%	+0.6%
Italy	177.8	128.3	+38.5%	+38.5%
Scandinavia	139.4	148.5	−6.1%	−1.4%
Iberia	106.1	95.5	+11.1%	+11.2%
Netherlands & Germany	79.5	89.9	−11.6%	−11.5%
Central Europe	51.1	54.2	−5.7%	−5.7%
Other countries	10.8	9.1	+17.7%	+42.1%
TOTAL SHOPPING CENTERS	863.4	834.3	+3.5%	+6.3%
Other retail properties	16.1	11.9	+35.3%	+58.0%
TOTAL	**879.5**	**846.2**	**+3.9%**	**+6.9%**

BREAKDOWN OF SHOPPING CENTER NRI BY REGION FOR THE YEAR ENDED DECEMBER 31, 2021
(on a total share basis)



2.1.6 Leasing update

Leasing activity bounced back in 2021, with 1,570 leases signed, up 65% compared to 2020 and in line with pre-Covid levels in absolute terms. In what remains a challenging environment, reversion on the 1,240 renewals and re-lettings was positive at 0.9%, demonstrating the attractiveness of Klépierre's malls and its sustainable rents and charges. One of the main objectives of the year was to optimize occupancy, with Klépierre capitalizing on the upturn in retailer demand, supported by its strong relationship with emblematic retailers and local players. The Group's relentless leasing efforts led to occupancy remaining high at 94.7% (marginally below the pre-Covid level of 97%), which represents an improvement of 50 basis points compared to June 30, 2021.

Leasing highlights included deals in the most **dynamic segments** such as **sports**, **health & beauty** or **innovative** retail. The leasing flow was dense with sneaker retailers Courir (8 deals), Snipes (5 leases), Foot Locker (5 leases), Sidestep (3 deals), Skechers (3 deals) and JD Sports (3 deals) while French street fashion retail chain FootKorner (8 deals) continued to expand and Adidas, Hummel and Intersport joined Klépierre's malls. Several **beauty** retailers such as Sephora, Rituals and Kiko also expanded their presence. Among innovative banners, the digital native optician Mister Spex, the value-for-money specialists Normal, Action, Pepco and Dealz opened new stores and high-tech brands Hubside, Samsung, LG and Xiaomi continued to expand in Europe.

Klépierre also seized opportunities with best-in-class **fashion** retailers, leveraging its relationships with its key accounts, notably Inditex, Calzedonia Group, Mango and H&M. In addition, the Group signed an important deal with United Colors of Benetton for four new stores in Italian shopping centers (Shopville Le Gru, Milanofiori, Globo and Grandemilia) while Tommy Hilfiger, Calvin Klein and Guess unveiled new flagships during the year. The Group also further broadened its **food & beverage** offering with the rollout of its Destination Food® concept, signing with international chains such as T.G.I. Fridays, KFC, Dunkin' Donuts and Poke House, as well as with dynamic local brands. Klépierre also signed deals with premium food brands such as Pierre Hermé over the year.

Lastly, still prioritizing the rejuvenation of its retail offering, Klépierre has developed a new contract model built around **partnerships** and shared investments through joint ventures designed to give innovative retail players access to its shopping centers. The first partners to open stores and restaurants in Klépierre malls using this innovative approach include anti-waste grocery brand NOUS anti-gaspi, Lobsta, Von Dutch (Advanced Retail), Pataugas and Gémo Kids. Based on tailored agreements, this strategy is enabling Klépierre to explore new territories and welcome new players, boosting the appeal and competitive edge of its centers.

KEY PERFORMANCE INDICATORS

Geography	Renewed and re-let leases *(in millions of euros)*	Reversion *(in %)*	Reversion *(in millions of euros)*	OCR(a)	Occupancy rate
France	59.0	+4.4%	1.9	12.6%	94.3%
Italy	47.9	+0.1%	0.0	10.9%	96.7%
Scandinavia	18.7	−3.2%	(0.5)	12.3%	92.9%
Iberia	11.7	+9.7%	0.9	14.2%	93.8%
Netherlands(b) & Germany	9.3	−12.3%	(1.1)	14.9%	94.9%
Central Europe	12.0	+2.6%	0.3	15.8%	96.3%
Other countries	2.7	−13.1%	(0.3)	16.3%	92.1%
TOTAL	**161.3**	**+0.9%**	**1.3**	**12.6%**	**94.7%**

All assets (including equity-accounted companies) are presented on a 100% share basis.
(a) Occupancy cost ratio. Due to the unprecedented situation, OCR represents 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.

2.1.7 Lease expiration schedule

SHOPPING CENTER LEASE EXPIRATION SCHEDULE *(as a percentage of minimum guaranteed rents)*

Geography	≤ 2021	2022	2023	2024	2025	2026	2027	2028	2029+	Total	WALT(b)
France	14.5%	7.2%	10.4%	6.9%	6.7%	8.5%	9.0%	10.0%	26.7%	100.0%	4.8
Italy	11.0%	9.8%	13.3%	11.3%	11.6%	11.3%	6.5%	7.7%	17.4%	100.0%	4.3
Scandinavia(a)	13.6%	18.0%	17.2%	16.7%	15.2%	8.1%	1.7%	1.8%	7.6%	100.0%	3.0
Iberia	0.8%	7.5%	11.0%	13.1%	7.2%	11.0%	9.5%	7.4%	32.5%	100.0%	5.6
Netherlands & Germany	2.5%	6.4%	6.9%	6.3%	2.8%	4.9%	7.0%	13.7%	49.5%	100.0%	6.7
Central Europe	3.9%	18.2%	17.8%	12.7%	9.5%	17.2%	6.3%	4.4%	10.1%	100.0%	3.8
Other countries	1.7%	26.4%	14.3%	7.2%	20.2%	14.9%	4.8%	0.9%	9.6%	100.0%	3.5
TOTAL	**10.5%**	**9.5%**	**11.9%**	**9.7%**	**8.6%**	**9.6%**	**7.5%**	**8.4%**	**24.3%**	**100.0%**	**4.7**

(a) Under Danish law, lease contracts are open-ended.
(b) Weighted average lease term (in number of years).

2.2 BUSINESS ACTIVITY BY REGION

2.2.1 France (34.6% of net rental income)

NRI AND OCCUPANCY RATE IN FRANCE

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
FRANCE	**78.6%**	**298.7**	**308.7**	**94.3%**	**94.9%**

After the macroeconomic destabilization during 2020, from mid-March to mid-May in 2021, the Group was once again affected by restrictions including curfews and regional and national lockdowns. Following the high take-up of the vaccination campaign – in part thanks to Klépierre's active contribution through various initiatives in its malls – and the decrease in Covid-19 cases over the spring, the authorities eased health restrictions over the summer, and **French** GDP is projected to rebound by 6.8% in 2021. Given this context, domestic demand increased strongly, with inflation expected to reach 2.1%, and unemployment decreased to 7.8% in 2021. Since the start of the Covid-19 outbreak, the authorities have taken extensive measures – from support for small firms to substantial recovery plans. These support packages are likely to shrink as the recovery gains traction. Provided that the spread of further variants remains under control, GDP growth is projected to remain high in 2022 at 4.2%, and at 2.1% in 2023.

The French government implemented a support package for retailers to cover rents and charges of shops ordered to close between February and May 2021, not covered by other financial aid measures, to lessen the burden of the fixed-cost structure of their businesses. This subsidy is expected to be disbursed to retailers in 2022.

Restrictions were lifted from May 19, 2021 and all Klépierre's malls reopened. Notwithstanding the enforcement of visitor limits in some centers and the health pass over the summer, France has experienced a rapid recovery. From June to December 2021, **retailer sales** reached 95% of their 2019 level, slightly higher than the Group average, supporting the improvement in collection rates over the year. By **segment**(1), household equipment outpaced 2019 by 1% while culture, gifts & leisure was in line with pre-Covid levels. Fashion and health & beauty also performed well at 96% of their 2019 levels. Conversely, food & beverage, still held back by health restrictions, registered lower sales.

Over 2021, **net rental income** came out at €298.7 million, a €10.0 million decrease mainly explained by an increase in vacancy (up 60 basis points), with higher rent abatements offset by stronger collection rates for 2020 rents (at 83%, higher than the 80% initially expected collection rate) leading to a reversal of provisions for credit losses. As of February 7, 2022, rent collection rate stood at 78.6%.

Leasing activity was strong in 2021, with 511 leases signed in France, outpacing pre-Covid levels (up 13% compared to 2019) and translating into a 4.4% positive reversion. Over the period, the Group consolidated its long-standing partnerships with key accounts such as Inditex which unveiled its full offering at Jaude (Clermont-Ferrand) with new Zara, Pull & Bear and Stradivarius stores in their latest format. Sport retailers continued to expand as demonstrated by four deals with FootKorner and three each with Foot Locker and Snipes. Klépierre also continued to ride the wave of innovative banners' success with the opening of stores with Danish retailer Normal and value retailer Action. Lastly, in the vein of the renovation initiated in 2019, the transformation of Blagnac, the leading retail destination in the Toulouse area, continued with the signing of more than 24 deals during the year, including with banners such as Calzedonia and Lego. Its positioning will be further strengthened with the extension of Zara over more than 3,200 sq.m slated to open in 2022 and offering an entirely novel experience for shoppers.

2.2.2 Italy (20.6% of net rental income)

NRI AND OCCUPANCY RATE IN ITALY

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
ITALY	91.4%	177.8	128.3	96.7%	97.6%

In 2021, the **Italian** government opted for more targeted measures to contain the pandemic. These included the closure of malls and other comparable spaces at weekends and bank holidays (including the day before), coupled with the closure of malls during the week in regions considered at high risk, especially during the first half of the year. However, after a massive vaccination campaign and a sharp decline in Covid cases, these restrictions eased from mid-May, enabling a gradual return to normal. Tourism also rebounded, although tourist levels remained below those recorded in 2019. Against this backdrop, fiscal policy remained supportive and GDP is set to rebound by 6.3% in 2021, while inflation is expected to reach 1.8%, fueled mainly by energy price increases. The recovery of the job market is likely to take more time, and unemployment is forecast to remain high at 9.6% in 2021. Despite this encouraging recovery, the omicron outbreak led authorities to introduce a vaccination pass that came into effect in early December and that could weigh on business in 2022.

After the partial lockdown that hindered performance until mid-May, Klépierre's Italian malls posted a sharp recovery as restrictions were lifted. Over the last seven months of 2021, **retailer sales** reached 94% of their 2019 level and were up 23% year on year. By **segment**(1), household equipment and culture, gifts & leisure were back to pre-Covid levels, while fashion recovered steadily to hit 95% of 2019 levels. Conversely, food & beverage, movie theaters and entertainment venues remained significantly impacted by health restrictions, recording sales representing 71% of 2019 levels and bringing down the overall performance.

Net rental income in Italy amounted to €177.8 million, a €49.5 million increase compared to 2020 largely explained by higher than expected rent collection in 2020 (at 86%, significantly higher than the 75% initially projected) leading to a reversal of provisions for credit losses relating to 2020 rents. As of February 7, 2022, rent collection rate stood at 91.4%.

In 2021, **401 leases** were signed in Italy, up 9% in volume terms compared to 2019 while occupancy remained high at 96.7%, demonstrating the attractiveness of Klépierre's Italian platform for retailers. The main leasing operations included the unveiling of two Snipes stores at Campania (Naples) and Romagna (Bologna), 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 leveraged its partnerships with emblematic banners, as illustrated by the opening of four United Colors of Benetton stores (Shopville Le Gru, Milanofiori, Globo and Grandemilia) and three deals with Tommy Hilfiger (Campania, Nave de Vero and Le Vele Millennium). Lastly, an 800 sq.m Bershka store opened at Porta di Roma in December, featuring a brand-new concept showcasing high technology and services for shoppers. The Group also continued to strengthen the tenant mix of this iconic Roman mall by wrapping up deals with Adidas and Swatch.

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(1) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

2.2.3 Scandinavia (16.1% of net rental income)

NRI AND OCCUPANCY RATE IN SCANDINAVIA

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
SCANDINAVIA	**94.9%**	**139.4**	**148.5**	**92.9%**	**93.1%**

Overall, the impact of the Covid-19 pandemic was felt less keenly in **Scandinavia** than in other regions. After localized restrictions in Norway over the first half of the year, especially in Oslo, social distancing recommendations in Sweden and a full lockdown in Denmark until mid-April 2021, the **Scandinavia** economies reopened and posted robust rebounds, supported by high vaccination rates, resilient household confidence and public support measures. Against this backdrop, GDP growth is expected to range between 4.1% to 4.7% in 2021 thanks to supportive monetary and fiscal policies, as well as higher oil prices, especially in Norway.

The shorter closure periods compared to the rest of the portfolio and generally lighter-touch restrictions provided a platform for a sustained recovery over June to December 2021, with **retailer sales** bouncing back to 98% of 2019 levels. The performance was led by Norway, where sales were up 3%, while Denmark was in line with pre-Covid levels and Sweden lagged behind at 93% of 2019 levels. By **segment**(1), household equipment, culture, gifts & leisure and health & beauty were notable outperformers, with retailer sales up 4%, 2.3% and 2.1% over the period compared to 2019, respectively. Food & beverage remained impacted by health restrictions, except in Norway where it posted sales 12% higher than 2019 levels.

Notwithstanding high collection rates, **net rental income** was down €9.1 million year on year at €139.4 million, mainly due to the disposal of five Norwegian assets, tempered slightly by a positive forex impact. As of February 7, 2022, rent collection rate stood at 94.9%.

On the **leasing** front, the Group signed 205 renewals/re-leasings/re-lettings, ensuring a broadly stable occupancy rate at 92.9%. Additionally, Metro (Lørenskog, Norway) is set to welcome Gigaboks in the first quarter of 2022, a brand-new bulk discount concept launched by Norway's leading grocer, NorgesGruppen. In Denmark, Field's (Copenhagen) welcomed Danish retailer Hummel which will also be joining Brunn's Galleri (Aarhus) in July. Lastly, the Group finalized a deal with XXL in Kupolen (Borlänge, Sweden) for a store slated to open in the second half of 2022, while Emporia continued to attract innovative banners such as digital native optician Mister Spex, and iconic motoring brand MG, now focused on new energy vehicles, which has elected to open its first store in the foremost retail destination in Malmö.

2.2.4 Iberia (12.3% of net rental income)

NRI AND OCCUPANCY RATE IN IBERIA

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
IBERIA	**90.8%**	**106.1**	**95.5**	**93.8%**	**94.1%**

In **Spain,** GDP is expected to grow by 4.5% in 2021, accelerating to 5.5% in 2022. The recovery of private consumption is expected to be stronger in the coming months and become the main driver of growth in 2022, fueled by pent-up demand and boosted by the €70 billion in Next Generation EU funds earmarked for Spain. High vaccination coverage (80% of the total population was fully vaccinated by mid-November) and the fall in cases is set to drive consumer confidence. Spanish GDP is expected to recover to pre-Covid levels by the third quarter of 2023, slightly later than other European countries, mainly due to an only gradual return to normal for international tourism.

In **Portugal,** GDP rebounded more strongly than expected in the second and third quarters of 2021, mainly driven by private consumption, while most restrictive sanitary measures have been lifted progressively. Domestic demand, supported by favorable fiscal policy (including buffers regarding negative effects in rising energy prices), is set to enable GDP to overpass pre-Covid level mid-2022 thanks to a 5.8% growth in 2022 (after a 4.8% growth in 2021).

Retailer sales in Klépierre's Iberian malls remained at 87% of 2019 level, over the last seven months of 2021, showing a more gradual improvement than in other regions. 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 continued to dampen overall footfall and sales performance. Nevertheless, by **segment**(1), Portugal recovered faster than Spain with culture, gifts & leisure on a par with 2019 levels. Food & beverage, household equipment, fashion and health & beauty remained below pre-Covid levels by double-digit margins.

Net rental income came to €106.1 million, and was positively impacted by higher collection rates for 2021 and 2020 rents (up 150 basis points versus the initially expected collection rate, giving rise to a reversal of provisions), partly offset by the negative impact of the increase in the vacancy rate (up 30 basis points), especially in Spain. As of February 7, 2022, rent collection rate stood at 90.8%.

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(1) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

On the **leasing** side, the Group signed 133 leases in Iberia, a comparable level to 2019 in absolute terms when restated for disposals made over the last two years. The vigorous leasing performance translated into the highest regional reversion rate, at a positive 10%. The sports segment continued its growing momentum, notably through new partnerships with Base and Decimas – two local Spanish sports retailers – which opened four new stores, while Sidestep, a Foot Locker brand, unveiled its new concept at Plenilunio (Madrid) and La Gavia (Madrid). Meanwhile, sneaker retailer Snipes rounded out the offering at Parque Nascente (Porto) where high-tech retailer Xiaomi inaugurated its first store in the Klépierre's Portuguese portfolio. Two deals were signed with fast-expanding banner Hubside to open its maiden stores in the Group's Iberian malls, while value retailers Pepco and Dealz continued to expand with forthcoming openings at Nueva Condomina (Murcia). In the health & beauty segment, Rituals opened a brand-new relocated store at La Gavia while Primor (one of Spain's leading cosmetics stores) completed its expansion initiated in 2020 in Klépierre's Portuguese portfolio with the opening of a store at Parque Nascente. Lastly, Poke House unveiled three new restaurants in Madrid at La Gavia, Plenilunio and Principe Pio, and Taco Bell opened restaurants at Principe Pio, Meridiano and Aqua Portimão as part of Klépierre's Destination Food® strategy.

2.2.5 Netherlands & Germany (9.2% of net rental income)

NRI AND OCCUPANCY RATE IN THE NETHERLANDS AND GERMANY

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
NETHERLANDS & GERMANY	**85.5%**	**79.5**	**89.9**	**94.9%**	**95.2%**

After the prolonged second wave and restrictions enforced until April 2021, the Dutch economy is projected to grow robustly in 2021 with GDP up 4.3% and 3.2% in 2022. As a result of strong domestic demand and a jump in energy prices, inflation is projected to remain high at 2.4% in 2021 and 3.1% in 2022. Nevertheless, on the back of rising cases and hospitalizations, stricter measures were reintroduced from mid-December 2021 to mid-January 2022, notably including the closure of non-essential stores, generating downside economic risks. **German** GDP is projected to expand by 2.9% in 2021 and 4.1% in 2022. During the first half, the authorities enforced stringent measures to combat the virus before easing restrictions from early June. A supportive monetary policy turbocharged the restart even though the relatively low vaccination rate forced the government to pass the "2G" law, limiting access from November to certain activities to people who were vaccinated or otherwise recovered from Covid-19. In parallel, supply bottlenecks are expected to translate into price increases with inflation projected at 3.1% in 2021 and 2.8% in 2022.

In 2021, **retailer sales** were squeezed by the 4.4-month closure period. The gradual reopening from June translated into a relatively softer recovery compared to the rest of the Group, with retailer sales coming out at 91%(1) of their 2019 level over the last seven months of the year. The overall performance was hampered by malls with significant exposure to the food & beverage offering and those located close to transport hubs, while the curfew and lockdown enforced in December also negatively impacted the Dutch performance. On a **segment** basis(1), culture, gifts & leisure and household equipment were back to pre-Covid levels while food & beverage, health & beauty and fashion were hardest hit by the health situation.

In 2021, **net rental income** amounted to €79.5 million, down 12% year on year, mainly due to longer closure periods in both countries (4.4 months in 2021 versus 1.1 months in 2020) as well as a higher vacancy rate (up 30 basis points). As of February 7, 2022, rent collection rate stood at 85.5%.

On the **leasing** side, Klépierre managed to finalize several significant deals in 2021. At Hoog Catharijne (Utrecht), the iconic shopping center's offering is set to be enhanced by the first Skechers store in the Group's Dutch portfolio in March, and by an entirely new H&M Home in the second half of 2022. These newcomers will complement the opening of the Asian supermarket Amazing Oriental (1,200 sq.m.), the unveiling of an Intertoys flagship and the 2021 upgrading of Rituals to a premium store format. Meanwhile, leasing was dynamic in Germany, especially at Centrum Galerie (Dresden), with the opening of a Scotch & Soda store and a deal with digital native optician Mister Spex. In July, at Forum Duisburg, multi-brand fashion retailer Sinn Leffers joined the mall over a 3,000 sq.m. unit while home decoration specialist Depot strengthened the household equipment offering. Over the period, several deals were also signed across the region in the food & beverage segment with KFC, T.G.I. Fridays and fast-growing Dutch concept De Beren.

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(1) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis. Restated for disturbed periods in the Netherlands in December.

2.2.6 Central Europe (5.9% of net rental income)

NRI AND OCCUPANCY RATE IN CENTRAL EUROPE

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
CENTRAL EUROPE	**87.8%**	**51.1**	**54.2**	**96.3%**	**96.6%**

The **Central European** countries (Czech Republic and Poland) faced a tough beginning of 2021 with restrictions and low level of vaccination (less than 60% at year-end). Measures were progressively eased, however, and the economy restarted in both countries thanks to sustained recourse to savings and the disbursement of EU funds, mainly in **Poland** where GDP surpassed the pre-pandemic level with 5.3% growth slated for 2021. Nonetheless, in the **Czech Republic,** the end of supportive monetary policies in June 2021 put pressure on the national economy, with GDP expected to grow by 2.5% in 2021. Both economies are projected to bounce back during 2022, especially in the second half, on the back of widespread vaccination and boosted by excess household savings. The **Czech Republic** and **Poland** are expected to post GDP growth of 3.0% and 5.2%, respectively, in 2022.

Retailer sales(1) in Central Europe were slightly below the Group average over the last seven months of 2021 at 93% of their 2019 level, due in particular to the performance of malls located close to transport hubs or large business districts, and the restrictions enforced in the Czech Republic on the food & beverage segment towards the end of the year. On a **segment** basis(1), household equipment performed close to pre-Covid levels in the region, and was up 22% compared to 2020 in the Czech Republic. Culture, gifts & leisure also posted a fairly robust performance (97% of the 2019 level between June and December 2021) while food & beverage continued to suffer.

Against this backdrop, **net rental income** in the Central Europe region amounted to €51.1 million, down €3.1 million, mainly due to slightly higher vacancy rates (up 30 basis points). As of February 7, 2022, rent collection rate stood at 87.8%.

In 2021, **leasing** activity was strong in Central Europe, with 119 leases signed, outpacing pre-Covid levels and generating 3% positive reversion. Highlights for the period included enriching the fashion offering at Nový Smíchov (Prague) with the opening of Mango and Tezenis stores, as well as the unveiling of a brand new 2,000 sq.m. Reserved store. Electronic cigarette vendor IQOS also joined the mall while Rituals chose to enlarge its existing boutique in March 2022, shifting the retail mix at Prague's leading retail destination further upmarket. Lastly, the Group signed a deal for the enlargement of a Sephora store and the opening of the first Rituals boutique in Klépierre's Polish malls at Sadyba Best Mall (Warsaw).

2.2.7 Other countries (1.2% of net rental income)

NRI AND OCCUPANCY RATE IN OTHER COUNTRIES

	Collection rate	Reported portfolio NRI		Occupancy rate	
In millions of euros	Actual	12/31/2021	12/31/2020	12/31/2021	12/31/2020
OTHER COUNTRIES	**77.3%**	**10.8**	**9.1**	**92.1%**	**91.9%**

This segment mainly includes assets located in Turkey.

Retailer sales(1) largely exceeded pre-Covid levels, on the back of high inflation (18.7%), with double-digit growth over the last seven months of 2021 compared to the same period in 2019 in local currency. By **segment**(1)**,** Household Equipment and Fashion were the best performers. Recovery in the Food & Beverage segment was more sluggish due to the progressive easing of health restrictions.

In light of the above, **net rental income** amounted to €10.8 million, impacted by lower rent abatements compared to 2020. As of February 7, 2022, rent collection rate stood at 77.3%.

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(1) Change in retailer sales from June to December 2021 compared to June to December 2019, on a same-store basis.

2.3 NET CURRENT CASH FLOW

NET CURRENT CASH FLOW AND EPRA EARNINGS

	12/31/2021	12/31/2020	Change
Total share *(in millions of euros)*			
Gross rental income	1,006.4	1,062.4	−5.3%
Rental and building expenses	(126.9)	(216.2)	−41.3%
Net rental income	879.5	846.2	+3.9%
Management and other income	74.5	89.2	−16.4%
General and administrative expenses	(147.2)	(138.2)	+6.5%
EBITDA	806.8	797.2	+1.2%
Adjustments to calculate operating cash flow:			
• Depreciation charge for right-of-use assets(a)	(8.4)	(8.5)	
• Employee benefits, stock option expense and non-current operating expenses/income	3.3	(7.2)	
• IFRIC 21 impact	-	-	
Operating cash flow	801.7	781.5	+2.6%
Cost of net debt	(115.3)	(108.6)	+6.2%
Adjustments to calculate net current cash flow before taxes:			
• Amortization of Corio debt mark-to-market	(2.8)	(16.9)	
• Financial instrument close-out costs	2.6	5.2	
Current cash flow before taxes	686.1	661.3	+3.7%
Share in earnings of equity-accounted companies	49.6	35.9	+37.9%
Current tax expense	(16.7)	(7.4)	+125.6%
Net current cash flow	718.9	689.9	+4.2%
Group share			
Net current cash flow	622.3	586.9	+6.0%
Add-back adjustments to calculate EPRA Earnings:			
• Employee benefits, stock option expense and non-recurring operating expenses /income	(3.3)	7.3	
• Depreciation, amortization and provisions for contingencies and losses	(8.5)	(10.5)	
EPRA Earnings	610.4	583.7	+4.6%
Average number of shares(b)	285,860,024	286,072,515	−0.1%
Per share *(in euros)*			
NET CURRENT CASH FLOW – IFRS	**2.18**	**2.05**	**+6.1%**
IFRS 16 straight-line amortization	0.00	(0.08)	
NET CURRENT CASH FLOW – ADJUSTED	**2.18**	**1.97**	**+10.6%**
EPRA EARNINGS	**2.14**	**2.04**	**+4.7%**

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

- **Net rental income** came out at €879.5 million in 2021, up 3.9% year on year, including €104.8 million in rent abatements and €22.1 million net provisions, vs. €116.0 million and €123.4 million in 2020, respectively. Factoring in the impact of the asset disposals, net rental income is up 6.9% on a like-for-like basis.
- **Operating cash flow** amounted to €801.7 million, up €20.2 million (up 2.6%) year on year. In 2021, management and other income decreased by €14.7 million (down 16.4%) mainly due to lower development fees. General and administrative expenses increased slightly by €9.0 million (up 6.5%) compared to 2020, although operating costs were still down a hefty 13% on 2019.
- **The cost of net debt** came out at €115.3 million on a total share basis, down 3.9%. The cost of debt was stable at 1.2% (see section 2.7.3 “Cost of debt”).
- **Current tax expense** amounted to €16.7 million on a total share basis, a €9.3 million increase compared to 2020. Excluding the positive one-off impact of the reversal of provisions in Germany in 2020, current tax expense was broadly stable (down €0.4 million).

In view of the above factors, net current cash flow per share reached €2.18 (up 10.6%) compared to €1.97 in 2020 excluding IFRS 16 straight-lining, or €2.05 including IFRS 16 straight-lining. Regarding the straight-lining of IFRS 16 abatements, the impact in 2021 is neutral: the straight-lining of abatements granted in 2020 is offset by the ones granted in 2021.

See section 2.8.1 for the reconciliation of net current cash flow to EPRA Earnings and net income.

2.3.1 Contribution of equity-accounted companies

The contribution of equity-accounted companies[1] to net current cash flow amounted to €49.6 million for the twelve months ended December 31, 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) and Città Fiera (Udine; 49% equity interest);
- **Norway:** Økernsenteret (Oslo; 50% equity interest), Metro Senter (Oslo; 50% equity interest) and Nordbyen (Larvik; 50% equity interest) sold on July 8, 2021;
- **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.

CONTRIBUTION OF EQUITY-ACCOUNTED COMPANIES

GROSS RENTAL INCOME

In millions of euros	12/31/2021	12/31/2020
France	21.4	22.5
Italy	34.9	34.6
Norway[a]	6.4	7.0
Portugal	2.9	2.3
Turkey	5.1	4.8
TOTAL	**70.6**	**71.1**

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

NET RENTAL INCOME

In millions of euros	12/31/2021	12/31/2020
France	15.8	14.4
Italy	33.3	22.4
Norway[a]	5.2	5.7
Portugal	2.4	2.0
Turkey	3.9	3.6
TOTAL	**60.6**	**48.1**

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

EBITDA

In millions of euros	12/31/2021	12/31/2020
France	15.7	14.2
Italy	33.1	22.2
Norway[a]	5.2	5.7
Portugal	2.4	2.0
Turkey	3.6	3.2
TOTAL	**59.9**	**47.2**

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

NET CURRENT CASH FLOW

In millions of euros	12/31/2021	12/31/2020
France	13.0	11.6
Italy	27.5	15.3
Norway[a]	5.2	5.7
Portugal	(0.3)	(0.6)
Turkey	4.2	3.9
TOTAL	**49.6**	**35.9**

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

NET INCOME[b]

In millions of euros	12/31/2021	12/31/2020
France	(8.8)	(32.3)
Italy	79.0	(16.3)
Norway[a]	4.5	(0.5)
Portugal	(0.3)	(5.7)
Turkey	9.9	2.5
TOTAL	**84.3**	**(52.3)**

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

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

2.4 INVESTMENTS, DEVELOPMENTS AND DISPOSALS

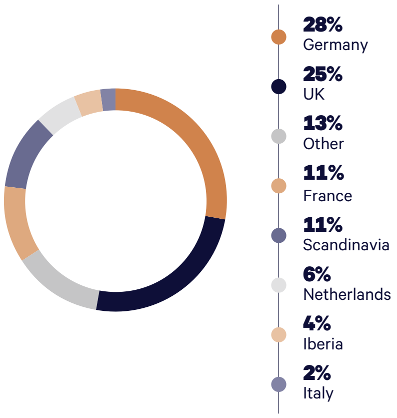
2.4.1 Investment market

Over the twelve months ending September 2021, retail property investment volumes decreased by 8% to €30 billion compared to the same year-ago period. This slowdown is mostly explained by a sluggish first half of the year (down 16% versus first-half 2020), while transaction volumes picked up in the third quarter (up 12% versus third quarter 2020). By geographic area, Scandinavian investment volumes doubled thanks to renewed interest from institutional investors for retail assets, available bank financing and the lesser impact of the Covid crisis on retailers. German investment volumes were broadly stable, mostly thanks to transactions for retail parks and supermarkets. Lastly, France and Spain registered lower volumes year on year, against a high comparison basis that was boosted by large transactions.

Against this backdrop, European prime yields increased by 40 basis points, reflecting mostly risk-free rate expansion and recent UK transactions. Excluding the UK, the yield on European prime shopping centers increased by 15 basis points to 5.2%(1).

After a strong third quarter, the recovery of the investment market appears sustained. While in late 2021 and early 2022, prime shopping center transactions only concerned Scandinavia, Germany and Poland, more prime assets are currently being marketed, suggesting a further recovery in the investment market supported by high spreads between retail and other real estate asset classes.

EUROPEAN RETAIL TRANSACTIONS FROM THIRD-QUARTER 2020 TO THIRD-QUARTER 2021



2.4.2 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 extension and refurbishment of Gran Reno in Bologna (Italy), slated to open in the second quarter of 2022;
- The refurbishment and extension of Grand Place in Grenoble (France), scheduled for completion at the end of 2023;
- The refurbishment of Créteil Soleil in the Paris region (France), scheduled for completion in the first half of 2022; and
- The completion of the redevelopment of Hoog Catharijne in Utrecht (Netherlands).

Overall, €101.3 million was allocated to the development pipeline.

On the **standing portfolio** (excluding investments in extensions), €65.3 million was expensed (compared to €81.5 million in 2020; see section 2.8.6).

Overall, total capital expenditure in 2021 amounted to €169.6 million (including €0.3 million in acquisitions and €2.6 million in capitalized interest), 6.5% below the 2020 level (€181.3 million), (see section 2.8.6 for more details).

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(1) Weighted average of third-quarter 2020 – third-quarter 2021 transaction volumes with mall prime yields (Source: CBRE).

2.4.3 Development pipeline

As of December 31, 2021, the Group's pipeline included the four main **committed development projects**(1) (Gran Reno, Grand Place, Créteil Soleil and Hoog Catharijne), representing €0.5 billion worth of investments, of which €290 million has already been cashed out, with an average expected yield of 6.7%. **Controlled development projects**(2) represented €1.0 billion worth of potential investments. Development projects also include **alternative mixed-use opportunities** representing €1.3 billion in potential investments.

On a Group share basis, the total pipeline represented €1.2 billion, of which €0.4 billion committed and €0.8 billion controlled.

In 2021, the Group focused its development investments on its main geographies (France, Italy and the Netherlands). Accordingly, over the period, €101.3 million was spent on the pipeline.

DEVELOPMENT PIPELINE AS OF DECEMBER 31, 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)
Gran Reno	Italy	Bologna	Ext. – refurb.	24,876	2022	100.0%	143	97	
Grand Place	France	Grenoble	Ext. – refurb.	16,200	2021-2023	100.0%	70	20	
Créteil Soleil	France	Paris region	Ext. – refurb.	11,400	2019-2022	80.0%	139	135	
Hoog Catharijne Phase 3	Netherlands	Utrecht	Ext. – refurb.	7,512	2024	100.0%	27	5	
Other projects				34,875			72	33	
Total committed projects				**94,863**			**451**	**290**	**6.7%**
Le Gru(c)	Italy	Turin	Ext. – refurb.	24,316	2022-2024	100.0%	120	12	
Maremagnum	Spain	Barcelona	Ext. – refurb.	13,640	2023-2025	100.0%	60	1	
Odysseum(c)	France	Montpellier	Ext. – redev.	15,300	2023-2026	100.0%	52	8	
Porta di Roma(d)	Italy	Rome	Extension	4,880	2025	50.0%	14	0	
Val d'Europe	France	Paris region	Extension	9,000	2026	55.0%	61	1	
Blagnac	France	Toulouse region	Ext. – refurb.	3,520	2024	53.6%	12	1	
Grand Ouest	France	Écully	Ext. – refurb.	4,300	2024	83.0%	23	0	
L'Esplanade	Belgium	Brussels region	Extension	19,475	2026	100.0%	131	15	
Økernsenteret(e)	Norway	Oslo	Redevelopment	64,650	2026	56.1%	154	49	
Viva	Denmark	Odense	New dev.	28,200	2026	56.1%	117	29	
Alexandrium	Netherlands	Rotterdam	Extension	7,000	2027	100.0%	44	1	
La Gavia	Spain	Madrid region	Extension	15,000	2025	100.0%	39	3	
Rives d'Arcins	France	Bordeaux region	Extension	2,180	2024	52.0%	9	0	
Mondeville	France	Caen	Extension	4,000	2024	100.0%	9	0	
Le Vele & Millenium	Italy	Cagliari	Extension	7,500	2025	100.0%	50	0	
Parque Nascente	Portugal	Porto	Extension	16,000	2024	100.0%	41	0	
Other projects				15,600			69	1	
Total controlled projects				**254,561**			**1,005**	**123**	
TOTAL				**349,424**			**1,457**	**413**	

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

2.4.3.1 Extension and refurbishment of Gran Reno (Bologna, Italy)

The extension works of this major regional mall in Bologna started in April 2019 and are due to completion in the second quarter of 2022.

Besides the refurbishment works completed since September 2021, the 16,700 sq.m extension will offer visitors a completely new shopping experience. As of today, as a percentage of projected net rental income, 99% of the new extension is already let (77%) or under advanced negotiation (22%). Attractive new brands such as Zara, Bershka, Pull & Bear, Stradivarius, H&M, Tommy Hilfiger, Nike, New Balance, Napapijri, JD Sports, Snipes, Lush and Signor Vino 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. Simultaneously, Klépierre is also continuing to transform the first floor to host Primark, with the opening scheduled for July 2022.

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

(2) 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).

2.4.3.2 Extension and refurbishment of Grand Place (Grenoble, France)

In the leading retail destination in Grenoble, the construction of the 16,200 sq.m extension started in July. This project will completely remodel the mall with best-in-class up-to-date design and customer-oriented standards. Pre-leasing is progressing well, with 82% of the projected net rental income signed (56%) or under advanced negotiations (27%). This new development will host the first Primark store in the region. As part of Klépierre's Destination Food® strategy, 14 new restaurants including KFC, Poke House and Black & White, will open with indoor and outdoor terraces offering customers a great dining experience.

In parallel, refurbishment works at the existing center are ongoing with a delivery scheduled in March 2022.

2.4.3.3 Extension and refurbishment of Créteil Soleil (Paris region, France)

The refurbishment works at Créteil Soleil, one of Klépierre's major historical malls, are almost complete. On top of the 11,400-sq.m extension inaugurated in November 2019, the transformation work will provide the 21 million annual visitors with a completely overhauled shopping experience and will further strengthen this leading mall's dominant position in the South of Paris.

2.4.3.4 New Primark stores in Italy and France

In 2020, Klépierre launched restructuring operations for the purpose of hosting new Primark stores, notably in Italy at Le Gru (Turin) and Campania (Naples) for openings in the second half of 2022 and in Nave de Vero (Venice) in first-quarter 2023 and in France at Centre Deux (Saint-Étienne), slated to open in the second half of 2022.

ALTERNATIVE MIXED-USE DEVELOPMENT OPPORTUNITIES AS OF DECEMBER 31, 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	48
Viva	Denmark	Odense	Mixed use	90,100	2024	56.1%	332	29
Blagnac	France	Toulouse region	Mixed use	111,987	2025-2030	53.6%	215	10
L'Esplanade	Belgium	Brussels region	Mixed use	22,000	2026	100.0%	75	15
Nancy	France	Nancy	Mixed use	30,800	2025-2028	35.0%	49	9
Field's	Denmark	Copenhagen	Mixed use	67,500	2026	56.1%	209	42
Val d'Europe	France	Paris region	Mixed use	15,000	2026	55.0%	54	0
TOTAL				**439,887**			**1,318**	**153**

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

To capture the benefits of the urbanization megatrend and rising demand in new sectors, mainly residential, a selection of projects is under study to create mixed-use developments that would replace certain retail projects already listed in the "Controlled" section of the development pipeline. This alternative development plan aims at transforming the potential of building rights in Økernsenteret (Oslo, Norway), Viva (Odense, Denmark), Blagnac (Toulouse, France), L'Esplanade (Brussels, Belgium), Nancy (France), Field's (Copenhagen, Denmark) and Val d'Europe (France).

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

2.4.4 Disposals

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
Bègles (Bordeaux, France)	43,671		12/16/2021
Boulevard Berlin (Berlin, Germany)	71,129		12/17/2021
Shopping centers	235,919	779.7	
Other retail properties	N/A	93.9	
TOTAL DISPOSALS	**N/A**	**873.6**	

(a) Excluding transfer taxes, total share.

Since January 1, 2021, the Group has completed disposals totaling €874 million[(1)], including the sale of:

- **Seven shopping centers:** five in Norway (Vinterbro Senter in Ås, Amanda in Haugesund, Nerstranda in Tromsø, Farmandstredet in Tønsberg and Nordbyen in Larvik), one in Germany (Boulevard Berlin in Berlin) and one in Slovakia (Danubia in Bratislava);
- **A retail park** of 22 retail units in Bordeaux in France, close to Bègles Rives d'Arcins; and
- **Other retail properties** throughout France, Scandinavia and the Netherlands.

In the context of the Group's portfolio streamlining, these transactions constitute positive signs of the rebound in the investment market and prove investors' appetite for the shopping center asset class. They also illustrate Klépierre's ability to leverage its pan-European presence to manage high value creation through capital recycling.

Overall, assets were sold in line with appraised values (−0.4%) for a blended EPRA Net Initial Yield of 5.4%. As of December 31, 2021, considering sales under promissory agreements, total Group disposals amounted to €891 million.

2.5 PARENT COMPANY EARNINGS AND DIVIDEND

2.5.1 Summary earnings statement for the parent company, Klépierre SA

EARNINGS STATEMENT FOR KLÉPIERRE SA

In millions of euros	2021	2020
Operating income	31.8	36.3
Operating expenses	(46.8)	(47.1)
Net operating income (expense)	(15.0)	(10.8)
Share of income from joint operations	76.0	68.4
Net financial expense	(11.5)	(221.1)
Net income (loss) from ordinary operations before tax	49.5	(163.5)
Net non-recurring income (expense)	9.0	(7.9)
Income tax benefit	1.6	1.2
NET INCOME (LOSS)	**60.2**	**(170.1)**

Klépierre SA recorded **net income** of €60.2 million in 2021, versus a net loss of €170.1 million in 2020. The €230.3 million increase was attributable to the combined effect of:

- A €209.6 million improvement in net financial expense, mainly due to lower impairments of equity investments compared to the prior year and an increase in dividends from equity investments and premium distributions received;
- A positive €16.9 million in change in non-recurring items, mainly reflecting gains on disposals of equity investments and losses on disposals of treasury shares.

2.5.2 Dividend

2.5.2.1 Distribution in respect of 2021

KLÉPIERRE SA NET DISTRIBUTABLE INCOME

In millions of euros	2021
Net income	60.2
Retained earnings (accumulated losses)	(147.1)
NET DISTRIBUTABLE INCOME	**(86.9)**

In 2021, Klépierre's net distributable income was a negative €86.9 million (2021 net profit of €60.2 million plus negative retained earnings of €147.1 million). Accordingly, from a legal standpoint, Klépierre is not able to pay a "dividend" *per se*, and the distribution in respect of 2021 will be deducted from available equity premiums.

The Supervisory Board will recommend that the shareholders, at the Annual General Meeting to be held on April 26, 2022, approve a distribution in respect of fiscal year 2021 of €1.70 per share, representing 78% of the net current cash flow on a Group share basis.

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(1) Total share, excluding transfer taxes.

2.5.2.2 SIIC distribution obligations

Under the regulations applicable to French real estate investment trusts (*sociétés d'investissement immobilier cotées* – SIIC), Klépierre's mandatory distribution is determined based on annual net income for tax purposes, of which Klépierre must distribute 95% of earnings from SIIC sector rental properties, 100% of profits received from SIIC sector subsidiaries and 70% of real estate capital gains arising in France. However, the aggregate amount of these distribution obligations may not exceed the net distributable income of Klépierre SA, corresponding to annual net income for accounting purposes, as recorded in the statutory financial statements of the holding company under French GAAP, plus retained earnings.

As set out in section 2.5.2.1, in 2021 the net distributable income of Klépierre SA was negative, preventing Klépierre from fulfilling the distribution obligation.

In application of SIIC distribution requirements, the mandatory distribution for 2021 was €160.7 million. Therefore, this amount will be added to the obligation that was not satisfied in 2020 (€170.2 million) and deferred until the next year the Company records positive net distributable income.

2.6 PORTFOLIO VALUATION

2.6.1 Property portfolio valuation

2.6.1.1 Property portfolio valuation methodology

2.6.1.1.1 Scope of the portfolio as appraised by external appraisers

As of December 31, 2021, 99% of the value of Klépierre's property portfolio, or €20,508 million (including transfer taxes, on a total share basis)(1), 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(2); 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 other development projects are measured internally at fair value.

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	20,508
Acquisitions	0
Investment property at cost	78
Other internally-appraised assets (land, assets held for sale, etc.)	127
TOTAL PORTFOLIO	**20,713**

2.6.1.1.2 Methodology used by external appraisers

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

Further to a tender process, Klépierre selected BNP Paribas Real Estate, CBRE, Cushman & Wakefield and Jones Lang LaSalle as appraisers.

BREAKDOWN BY APPRAISER OF THE APPRAISED PROPERTY PORTFOLIO AS OF DECEMBER 31, 2021

Appraiser	Countries covered	Share of total portfolio *(in %)*
Cushman & Wakefield	• France, Norway, Sweden, Denmark, Belgium and Poland	43%
CBRE	• France, Spain, Italy, Netherlands, Czech Republic and Portugal	37%
Jones Lang LaSalle	• Italy, Turkey and Greece	17%
BNP Paribas Real Estate	• Germany and France (other retail properties)	4%
TOTAL		**100%**

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(1) *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.*

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

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

To calculate the value of each asset, appraisers use the discounted cash flow (DCF) method over a 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 December 31, 2021, experts removed the "material uncertainty clause" they had included in their reports since June 30, 2020 for all countries in which Klépierre has operations. The valuer's disclaimer now states that property markets are functioning properly. However, considering the still uncertain health environment, appraisers highlight "the importance of the valuation date".

2.6.1.2 Valuation

2.6.1.2.1 Change in appraisers' assumptions

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

- In an investment market that is both, reopening progressively but still exposed to an uncertain health crisis outcome, discount rates up by 10 basis points and exit rates were flat, translating into a 0.7% negative **market effect**;
- On the back of inflation, indexation was revised upwards while estimated rental values remained in line with the latest appraisal campaign, notably supported by numerous leasing transactions. Both metrics, combined with an improving health environment, ultimately resulted in a 1.3% **cash flow effect**.

ASSUMPTIONS USED BY APPRAISERS FOR DETERMINING THE SHOPPING CENTER PORTFOLIO VALUATION AS OF DECEMBER 31, 2021(a)

Geography	Discount rate(b)	Exit rate(c)	NRI CAGR(d)
France	6.2%	5.1%	2.5%
Italy	7.2%	6.0%	2.1%
Scandinavia	6.9%	4.9%	2.5%
Iberia	7.7%	6.1%	2.6%
Netherlands & Germany	5.9%	5.2%	2.3%
Central Europe	6.8%	6.7%	0.2%
Other countries	15.5%	8.8%	7.5%
TOTAL	**6.8%**	**5.5%**	**2.4%**

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

LIKE-FOR-LIKE 6-MONTH CHANGE IN SHOPPING CENTER PORTFOLIO VALUATION: MARKET AND CASH FLOW EFFECTS(a)

Geography	LFL change	Market effect	Cash flow effect
France	−0.2%	−0.9%	+0.7%
Italy	+0.9%	−1.4%	+2.2%
Scandinavia	+1.3%	−0.4%	+1.7%
Iberia	+1.6%	−0.2%	+1.8%
Netherlands & Germany	−0.5%	−0.2%	−0.4%
Central Europe	+1.1%	−0.2%	+1.3%
Other countries	+13.9%	0.0%	+13.9%
TOTAL SHOPPING CENTERS	**+0.6%**	**−0.7%**	**+1.3%**

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

Overall, the shopping center portfolio valuation was broadly flat on a like-for-like basis (up 0.6%) compared to the previous six months (down 1.8%).

2.6.1.2.2 Property portfolio valuation

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

In millions of euros	
Portfolio at 12/31/2020	21,859
Disposals	(946)
Acquisitions/developments	117
Like-for-like change	(278)
Forex	(39)
PORTFOLIO AT 12/31/2021	**20,713**

Including transfer taxes, the value of the portfolio stood at €20,713 million on a total share basis as of December 31, 2021, down 5.2% or €1,146 million on a reported basis compared to December 31, 2020. This decrease reflects:

- A €946 million negative impact from disposals completed in France, in Scandinavia and in Germany;
- A €117 million positive impact from acquisitions and developments;
- A €278 million like-for-like valuation decrease (down 1.3%); and
- A €39 million negative foreign exchange impact in Turkey and Scandinavia.

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

			Change over 6 months			Change over 12 months		
In millions of euros	12/31/2021	% of total portfolio	06/30/2021	Reported	LfL(b)	12/31/2020	Reported	LfL(b)
France	8,240	39.8%	8,345	−1.3%	−0.2%	8,535	−3.5%	−2.4%
Italy	4,003	19.3%	3,945	+1.5%	+0.9%	3,930	+1.8%	−0.7%
Scandinavia	3,132	15.1%	3,536	−11.4%	+1.3%	3,641	−14.0%	−0.9%
Iberia	2,133	10.3%	2,103	+1.4%	+1.6%	2,125	+0.4%	+0.5%
Netherlands & Germany	1,895	9.1%	2,179	−13.0%	−0.5%	2,199	−13.8%	−1.9%
Central Europe	960	4.6%	950	+1.1%	+1.1%	966	−0.6%	−0.6%
Other countries	156	0.8%	199	−21.9%	+13.9%	227	−31.5%	+13.2%
TOTAL SHOPPING CENTERS	20,518	99.1%	21,257	-3.5%	+0.6%	21,623	-5.1%	-1.3%
TOTAL OTHER RETAIL PROPERTIES	195	0.9%	213	-8.8%	-3.2%	236	-17.5%	-4.5%
TOTAL PORTFOLIO	**20,713**	**100.0%**	**21,471**	**-3.5%**	**+0.5%**	**21,859**	**-5.2%**	**-1.3%**

(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 (€1,284 million as of December 31, 2021; total share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,295 million.

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

Overall, as of December 31, 2021, the average EPRA NIY(1) for the shopping center portfolio(2) stood at 5.2%, down 10 basis points compared to December 31, 2020.

CHANGE IN EPRA NET INITIAL YIELD OF THE SHOPPING CENTER PORTFOLIO(3)
(on a Group share basis, including transfer taxes)

Country	12/31/2021	06/30/2021	12/31/2020
France	4.6%	4.8%	4.8%
Italy	5.8%	5.8%	5.8%
Scandinavia	4.5%	5.1%	4.9%
Iberia	5.8%	6.0%	6.0%
Netherlands & Germany	4.8%	5.2%	5.2%
Central Europe	6.4%	6.5%	6.4%
Other countries	7.4%	10.2%	9.3%
TOTAL SHOPPING CENTERS	**5.2%**	**5.4%**	**5.3%**

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(1) EPRA Net Initial Yield is calculated as the annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the market value of the property (including transfer taxes).

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

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

2.6.1.2.3 Other information related to December 31, 2021 valuation

VALUATION RECONCILIATION WITH THE STATEMENT OF FINANCIAL POSITION *(on a total share basis)*

In millions of euros	
Investment property at fair value as per statement of financial position	**18,729**
Right-of-use asset relating to ground leases	(353)
Investment property at cost(a)	78
Fair value of property held for sale	16
Leasehold and lease incentives	43
Transfer taxes	946
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	1,254
TOTAL PORTFOLIO	**20,713**

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

SHOPPING CENTER PORTFOLIO VALUATION: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE AND EXIT RATE *(on a total share basis, including transfer taxes)*

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

	Discount rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+7.2%	+3.4%	+1.6%	−2.0%	−3.8%	−7.1%
Italy	+7.6%	+3.7%	+1.8%	−1.8%	−3.5%	−6.9%
Scandinavia	+7.6%	+3.8%	+1.9%	−1.7%	−3.5%	−6.8%
Iberia	+7.5%	+3.7%	+1.8%	−1.8%	−3.5%	−6.8%
Netherlands & Germany	+10.2%	+5.0%	+2.4%	−2.4%	−4.7%	−9.1%
Central Europe	+7.2%	+3.5%	+1.7%	−1.7%	−3.4%	−6.6%
Other countries	+6.2%	+3.0%	+1.5%	−1.5%	−3.0%	−5.7%
TOTAL SHOPPING CENTERS	**+7.7%**	**+3.7%**	**+1.8%**	**−1.9%**	**−3.7%**	**−7.2%**

	Exit rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+15.2%	+6.5%	+3.0%	−3.2%	−5.7%	−10.3%
Italy	+12.0%	+5.4%	+2.6%	−2.4%	−4.6%	−8.4%
Scandinavia	+16.5%	+7.3%	+3.4%	−3.1%	−5.9%	−10.7%
Iberia	+11.6%	+5.3%	+2.5%	−2.3%	−4.4%	−8.2%
Netherlands & Germany	+18.0%	+8.0%	+3.8%	−3.4%	−6.5%	−11.9%
Central Europe	+11.1%	+5.0%	+2.4%	−2.2%	−4.3%	−7.9%
Other countries	+5.5%	+2.6%	+1.3%	−1.2%	−2.3%	−4.4%
TOTAL SHOPPING CENTERS	**+14.4%**	**+6.3%**	**+3.0%**	**−2.9%**	**−5.4%**	**−9.8%**

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

			Change over 6 months			Change over 12 months		
In millions of euros	**12/31/2021**	**% of total portfolio**	**06/30/2021**	**Reported**	**LfL(b)**	**12/31/2020**	**Reported**	**LfL(b)**
France	6,640	37.6%	6,725	−1.3%	−0.4%	6,878	−3.5%	−2.6%
Italy	3,979	22.5%	3,920	+1.5%	+0.9%	3,905	+1.9%	−0.7%
Scandinavia	1,757	9.9%	1,984	−11.4%	+1.3%	2,043	−14.0%	−0.9%
Iberia	2,133	12.1%	2,103	+1.4%	+1.6%	2,125	+0.4%	+0.5%
Netherlands & Germany	1,865	10.6%	2,123	−12.1%	−0.5%	2,155	−13.5%	−1.9%
Central Europe	960	5.4%	950	+1.1%	+1.1%	966	−0.6%	−0.6%
Other countries	148	0.8%	188	−21.4%	+14.6%	215	−31.4%	+13.2%
TOTAL SHOPPING CENTERS	17,481	98.9%	17,994	−2.8%	+0.5%	18,286	-4.4%	−1.3%
TOTAL OTHER RETAIL PROPERTIES	195	1.1%	213	−8.8%	−3.2%	236	−17.5%	−4.5%
TOTAL PORTFOLIO	**17,676**	**100.0%**	**18,207**	**−2.9%**	**+0.4%**	**18,522**	**−4.6%**	**−1.4%**

(a) Investments in equity-accounted assets are included based on the fair value of the equity owned by the Group in the companies holding the assets, taking into account receivables and facilities granted by the Group (€1,218 million as of December 31, 2021; Group share, including transfer taxes). The corresponding gross asset value of these assets stands at €1,231 million.

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

2.6.2 Management service activities

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

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

The fair market value of the Klépierre Group management service activities as of December 31, 2021 stood at €318.2 million on a total share basis (€316.8 million, Group share) compared to €331.2 million as of December 31, 2020 (€327.6 million, Group share), mainly reflecting the disposal of assets in Norway and Germany (see section 2.4.4 "Disposals").

2.7 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. Thanks to a strong cash-flow generation, an active asset rotation policy and a selective approach to investments, Klépierre managed to reduce its net debt in 2021 by more than €1 billion, bringing it down below its pre-pandemic level to €8 billion. The Group's liquidity position is strong and covers all refinancing needs until the end of 2024.

With a 7-year average debt maturity and a low cost of funding, the Group operates with one of the most solid balance sheets in the industry and remains committed to operating with conservative leverage metrics.

2.7.1 Financial resources

2.7.1.1 Change in net debt

As of December 31, 2021, consolidated net debt totaled €8,006 million compared to €9,054 million at the end of 2020, down €1,048 million versus year-earlier figure. The main movements during the year were as follows:

- Cash inflows from operations and other items (foreign exchange, changes in working capital), amounting to €758 million;
- Cash outflows in respect of distributions for €391 million, including the €1.00 per share 2020 distribution to shareholders (€285 million) and distributions to non-controlling interests (€106 million);
- Cash outflows in respect of capital expenditure for €166 million (see section 2.8.6 "EPRA capital expenditure"); and
- Cash inflows from disposals of €847 million.

2.7.1.2 Debt ratios

As of December 31, 2021, the Loan-to-Value (LTV) ratio stood at 38.7%, a 270 basis-point decrease compared to December 31, 2020.

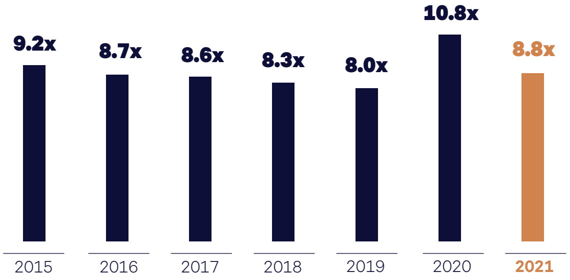
LOAN-TO-VALUE CALCULATION AS OF DECEMBER 31, 2021 *(as per covenant definitions, on a total share basis)*

In millions of euros	12/31/2021	12/31/2020
Current financial liabilities	1,893	2,382
Bank facilities	16	9
Non-current financial liabilities	6,815	7,244
Revaluation due to fair value hedge and cross currency swap	0	(31)
Fair value adjustment of debt[(a)]	(2)	(5)
Gross financial liabilities excluding fair value hedge	**8,722**	**9,600**
Cash and cash equivalents[(b)]	(716)	(546)
Net debt	**8,006**	**9,054**
Property portfolio value (incl. transfer taxes)	20,713	21,859
LOAN-TO-VALUE RATIO	**38.7%**	**41.4%**

(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.

Due to the improved operating conditions over the second half of the year and lower debt, Klépierre was able to restore the net debt to EBITDA ratio, which stood at 8.8x as of December 31, 2021 compared to 10.8x at end 2020.

NET DEBT TO EBITDA



2.7.1.3 Available resources

At the end of December 2021, Klépierre's liquidity position(1) stood at €2.8 billion. It mainly comprises €1.8 billion in unused committed revolving credit facilities (net of commercial paper), €0.4 billion in uncommitted credit facilities and €0.6 billion in cash and equivalents. The current liquidity position remains strong and covers all of the Group's refinancing needs for the next two years.

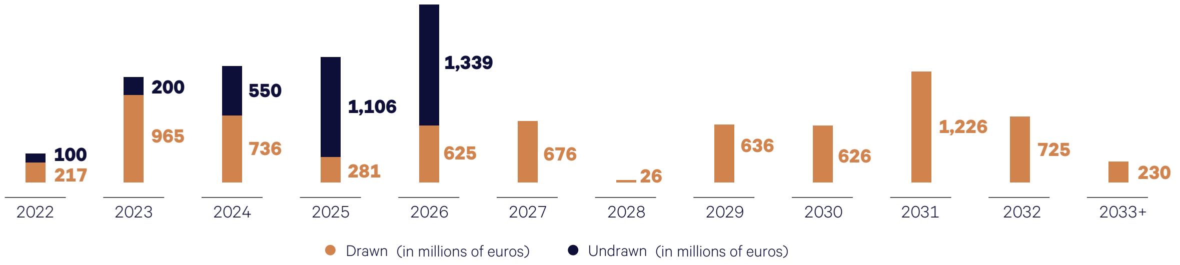
In January 2022, Klépierre launched a tender offer on two of its shortest public bonds maturing in April 2023 (€750 million bearing a 1% coupon) and November 2024 (€630 million bearing a 1.75% coupon). This transaction is aimed at reducing the excess cash position. At the end of the offer, €297 million worth of notes were tendered, €226 million in April 2023 and €71 million in November 2024. The notes were repurchased and canceled on January 18, 2022.

2.7.1.4 Debt structure

As of December 31, 2021, the share of financing sourced from capital markets in total debt stood at 92%, 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 7.0 years at end-December 2021.

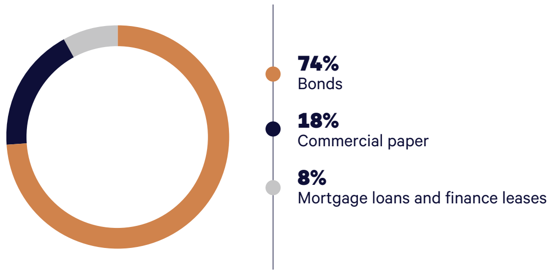
Klépierre's debt exposure to foreign currencies is adjusted to mirror that of its assets – except for the Czech Republic, Poland and Turkey. Considering the limited exposure of the Group's portfolio to these countries(2) and the high cost of currency hedging, especially over long durations, the Group has decided not to hedge these positions.

DEBT MATURITY SCHEDULE AS OF DECEMBER 31, 2021 *(% of authorized debt)*



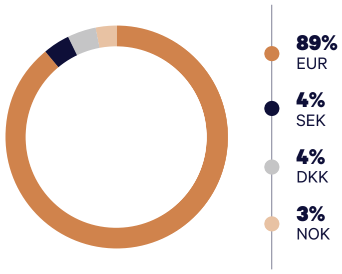
FINANCING BREAKDOWN BY TYPE OF RESOURCE AS OF DECEMBER 31, 2021

(utilizations, total share)



FINANCING BREAKDOWN BY CURRENCY AS OF DECEMBER 31, 2021

(utilizations, total share)



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

(2) *On a total-share basis, including transfer taxes, the Czech Republic represented 3.1% of the total Klépierre portfolio, Poland 1.5% and Turkey 0.7%.*

2.7.2 Interest rate hedging

In 2021, Klépierre strengthened its hedging profile by rolling over €400 million in maturing caps and switching €600 million of its short-term debt from fixed to variable but capped debt. The Group also lengthened its hedging duration by subscribing €247 million equivalent of payer forward-start swaps denominated in NOK, SEK & DKK. As of December 31, 2021, the proportion of fixed-rate debt (including hedging instruments) was 91%, while its average maturity remained close to five years (4.7 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.

Based on the interest rate yield curve as of December 31, 2021, the Group's annual cash-cost-at-risk stood at €1.5 million on a Group share basis. In other words, the annual loss resulting from short-term interest rate movements would be less than €1.5 million 99% of the time. This calculation does not factor in any assumptions regarding changes in credit spreads.

2.7.3 Cost of debt

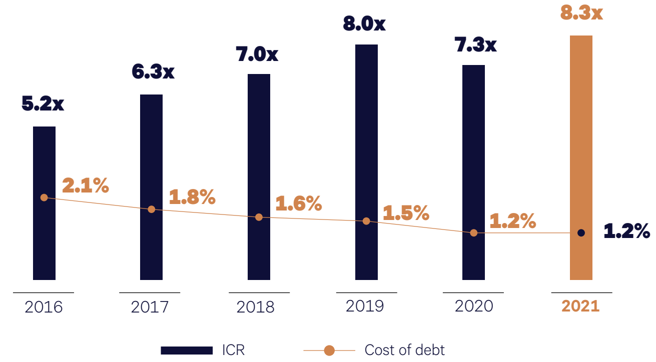
The Group's average cost of debt remained stable at 1.2% throughout 2021. Very low interest rates combined with the upswing in EBITDA during the second half of the year, brought the interest coverage ratio (ICR) back above the pre-pandemic level, peaking at 8.3x for full year 2021.

BREAKDOWN OF COST OF DEBT

In millions of euros	12/31/2021	12/31/2020
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	115.3	108.6
Non-recurring items	1.8	(0.2)
Non-cash impact	3.7	13.3
Interest on advances to associates	9.8	10.3
Liquidity cost	(7.6)	(5.7)
Interest expense on lease liabilities[a]	(12.9)	(8.2)
Cost of debt (used for cost of debt calculations)	110.1	118.2
Average gross debt	8,947.8	9,616.0
COST OF DEBT *(in %)*	**1.2%**	**1.2%**

(a) *As per IFRS 16.*

INTEREST COVERAGE RATIO AND COST OF DEBT(1)



2.7.4 Credit ratings and covenants

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

COVENANTS APPLICABLE TO KLÉPIERRE SA FINANCING

Financing	Ratios/covenants	Limit[a]	12/31/2021	06/30/2021	12/31/2020
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	38.7%	42.6%	41.4%
	EBITDA/Net interest expense[b]	≥ 2.0x	8.3x	6.5x	7.3x
	Secured debt/Portfolio value[c]	≤ 20%	0.6%	0.6%	0.6%
	Portfolio value[d]	≥ €10bn	€17.7bn	€18.2bn	€18.5bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.8%	0.9%	0.9%

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

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(1) *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 (€910.7 million), to net interest expenses (€109.8 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.*

2.8 EPRA PERFORMANCE INDICATORS

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

EPRA SUMMARY TABLE[(a)]

	12/31/2021	06/30/2021	12/31/2020	See section
EPRA Earnings *(in millions of euros)*	610.4	202.1	583.7	2.8.1
EPRA Earnings per share *(in euros)*	2.14	0.71	2.04	2.8.1
EPRA NRV *(in millions of euros)*	10,033	9,654	10,184	2.8.2.2
EPRA NRV per share *(in euros)*	35.10	33.80	35.70	2.8.2.2
EPRA NTA *(in millions of euros)*	8,912	8,489	8,957	2.8.2.2
EPRA NTA per share *(in euros)*	31.20	29.70	31.40	2.8.2.2
EPRA NDV *(in millions of euros)*	7,741	7,261	7,300	2.8.2.2
EPRA NDV per share *(in euros)*	27.10	25.40	25.60	2.8.2.2
EPRA Net Initial Yield Shopping centers	5.2%	5.4%	5.3%	2.8.3
EPRA "Topped-up" Net Initial Yield Shopping centers	5.4%	5.7%	5.6%	2.8.3
EPRA Vacancy Rate	5.3%	5.8%	4.8%	2.8.4
EPRA Cost Ratio (including direct vacancy costs)	19.9%	34.4%	26.1%	2.8.5
EPRA Cost Ratio (excluding direct vacancy costs)	17.5%	31.4%	24.3%	2.8.5

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

2.8.1 EPRA Earnings

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

EPRA EARNINGS

Group share *(in millions of euros)*	12/31/2021	12/31/2020
Net income as per IFRS consolidated statement of comprehensive income	544.7	(785.7)
Adjustments to calculate EPRA Earnings:		
(i) Changes in value of investment properties, development properties held for investment and other interests	402.5	1,575.9
(ii) Profit or losses on disposal of investment properties, development properties held for investment and other interests	(8.8)	(3.5)
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	-	-
(iv) Tax on profits or losses on disposals	-	-
(v) Negative goodwill/goodwill impairment	104.8	16.8
(vi) Changes in fair value of financial instruments and associated close-out costs	0.2	18.3
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	-
(viii) Deferred tax in respect of EPRA adjustments[(a)]	(329.8)	(78.7)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(34.7)	88.2
(x) Non-controlling interests in respect of the above	(68.5)	(247.5)
EPRA EARNINGS	**610.4**	**583.7**
Company-specific adjustments to calculate net current cash flow:		
• Employee benefits, stock option expense and non-current operating expenses	3.3	(7.3)
• Depreciation, amortization and provisions for contingencies and losses	8.5	10.5
NET CURRENT CASH FLOW	**622.3**	**586.9**
Average number of shares[(b)]	*285,860,024*	*286,072,515*
Per share *(in euros)*		
EPRA EARNINGS	**2.14**	**2.04**
NET CURRENT CASH FLOW	**2.18**	**2.05**

(a) In 2021, this item includes €361.3 million in deferred tax and -€31.5 million in non-current taxes.
(b) Excluding treasury shares.

2.8.2 EPRA Net Asset Value metrics

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

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

2.8.2.1 Application by Klépierre

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

EPRA Net Tangible Assets 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.

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	11,518	65%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,969	22%	43%
Other portfolio	2,189	12%	50%
TOTAL PORTFOLIO	**17,676**		

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

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

2.8.2.2 Calculation of EPRA Net Asset Value

EPRA NET ASSET VALUES AS OF DECEMBER 31, 2021

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

EPRA 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.a) Revaluation of IP (if IAS 40 cost option is used)	0	0	0
ii.b) Revaluation of IPUC (if IAS 40 cost option is used)	0	0	0
ii.c) Revaluation of other non-current investments	0	0	0
iii) Revaluation of tenant leases held as finance leases	0	0	0
iv) Revaluation of trading properties	0	0	0
Diluted NAV at fair value	8,182	8,182	8,182
Exclude:			
v) Deferred tax in relation to fair value gains of IP	1,438	1,216	0
vi) Fair value of financial instruments	9	9	0
vii) Goodwill as a result of deferred tax	(358)	(358)	(358)
viii) Goodwill as per IFRS statement of financial position	(233)	(233)	(233)
Include:			
ix) Fair value of fixed-rate debt	0	0	(291)
x) Revaluation of intangible assets to fair value	300	0	0
xi) 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)*	**35.70**	**31.40**	**25.60**

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

In euros per share	
EPRA NTA AT 12/31/2020	**31.40**
Cash flow	2.18
Like-for-like asset revaluation	(0.84)
Dividend	(1.00)
Forex and other	(0.54)
EPRA NTA AT 12/31/2021	**31.20**

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

EPRA NTA per share amounted to €31.20 at the end of December 2021, versus €31.40 one year earlier(1). This slight decrease reflects the generation of net current cash flow (€2.18 per share), which was partly offset by a decrease in the value of the like-for-like portfolio (€0.84 per share) and the distribution payment (€1.00 per share). Foreign exchange and other items had a negative impact of €0.54 per share.

2.8.3 EPRA Net Initial Yield

EPRA Net Initial Yield (NIY) is calculated as annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent-free periods and step-up rents). See section 2.6.1.2 "Valuation" for the geographical breakdown of EPRA NIY.

EPRA NET INITIAL YIELDS

In millions of euros	Shopping centers	Other retail properties	Total
Investment property – Wholly owned	16,263	195	16,457
Investment property – Share of joint ventures/funds	1,218	0	1,218
Total portfolio	17,481	195	17,676
Less: Developments, land and other	(147)	0	(147)
Completed property portfolio valuation (B)	17,334	195	17,528
Annualized cash passing rental income	1,006	16	1,022
Property outgoings	(110)	(1)	(111)
Annualized net rents (A)	896	15	911
Notional rent expiration of rent free periods or other lease incentives	39	0	39
Topped-up net annualized rent (C)	935	15	950
EPRA NET INITIAL YIELD (A/B)	**5.2%**	**7.5%**	**5.2%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**5.4%**	**7.7%**	**5.4%**

2.8.4 EPRA Vacancy Rate

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

EPRA VACANCY RATE[a]

In thousands of euros	Estimated rental value of vacant space (A)	Total estimated rental value (B)	EPRA Vacancy Rate (A/B)
France	28,788	504,902	5.7%
Italy	9,589	288,225	3.3%
Scandinavia	10,158	142,584	7.1%
Iberia	8,910	142,652	6.2%
Netherlands & Germany	4,907	95,890	5.1%
Central Europe	2,227	60,221	3.7%
Other countries	2,057	26,163	7.9%
TOTAL	**66,637**	**1,260,637**	**5.3%**

(a) Scope: all shopping centers, including those accounted for under the equity method, which are included based on a 100% share. The estimated rental values of leased and vacant spaces as of December 31, 2021, are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: Økern (Oslo, Norway). Strategic vacancies are also excluded.

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

2.8.5 EPRA Cost Ratio

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

EPRA COST RATIO

In millions of euros	12/31/2021	12/31/2020
Administrative and operating expenses[a]	(206.8)	(297.6)
Net service charge costs[a]	(78.4)	(68.7)
Net management fees[a]	65.1	68.4
Other net operating income intended to cover overhead expenses[a]	9.4	20.7
Share of joint venture expenses[b]	(10.1)	(23.1)
Exclude (if part of the above):		
Service charge costs recovered through rents but not separately invoiced	9.6	8.5
EPRA Costs (including vacancy costs) (A)	(211.1)	(291.8)
Direct vacancy costs	(26.2)	(20.7)
EPRA Costs (excluding vacancy costs) (B)	(184.9)	(271.0)
Gross rental income less ground rents[a]	999.3	1,054.4
Less: service fee/cost component of gross rental income	(9.6)	(8.5)
Add: share of joint ventures (gross rental income less ground rents)[b]	69.7	70.0
Gross rental income (C)	1,059.3	1,115.9
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**19.9%**	**26.1%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**17.5%**	**24.3%**

(a) As per the IFRS consolidated statements of comprehensive income.
(b) For more information, see section 2.3.1 "Contribution of equity-accounted investments."

Due to the impact of the lockdowns (rent abatements and provisions for credit losses), the EPRA cost ratio was adversely affected compared to pre-pandemic years. Nevertheless, over one year, the decrease is mainly attributable to the reduction in provisions for credit losses.

2.8.6 EPRA Capital Expenditure

Investments in 2021 are presented in section 2.4 "Investments, developments and disposals". This section presents Klépierre's capital expenditure based on EPRA financial reporting guidelines, taking into account the latest EPRA Best Practices Recommendations as updated in October 2019.

EPRA CAPITAL EXPENDITURE

	12/31/2021			12/31/2020
In millions of euros	**Group** *(excl. Joint Ventures)*	**Joint Ventures** *(proportionate share)*	**Total Group**	**Total Group**
Acquisitions	0.3	-	0.3	0.1
Development	99.3	2.0	101.3	96.3
Investment properties	63.7	1.6	65.3	81.5
Incremental lettable space	-	-	-	-
No incremental lettable space	49.4	1.5	50.9	63.3
Tenant incentives	8.6	0.1	8.7	11.9
Other material non-allocated types of expenditure	5.8	0.0	5.8	6.4
Capitalized interest	2.6	0.0	2.6	3.4
Total CAPEX	165.9	3.6	169.6	181.3
Conversion from accrual to cash basis	(4.0)	-	(4.0)	31.7
TOTAL CAPEX ON CASH BASIS	**162.0**	**3.6**	**165.6**	**213.0**

2.8.6.1 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. In 2021, these investments amounted to €101.3 million, mainly relating to the extension of Gran Reno (Bologna, Italy), the Hoog Catharijne redevelopment (Utrecht, Netherlands), and the Créteil Soleil (Paris region, France) and Grand Place (Grenoble, France) projects.

2.8.6.2 Investment properties

Capital expenditure on the operational investment property portfolio mainly comprises investments to maintain or enhance standing assets without creating additional leasing space and leasing incentives granted to tenants. In 2021, these investments totaled €65.3 million, breaking down as follows:

- €50.9 million: technical maintenance and refurbishment of common areas. Most of this expenditure is re-invoiced to tenants;
- €8.7 million: leasing incentives (including fit-out and eviction costs) paid to new tenants when releasing or to support store transformation by existing tenants when lease is renewed; and
- €5.8 million: hard and soft construction costs incurred in connection with leasing actions designed to split or merge stores and/or to comply with Group's technical standards.

2.8.6.3 Capitalized interest

Capitalized interest amounted to €2.6 million in 2021.

2.9 EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE(1)

On February 24, 2022, the Russian Federation invaded Ukraine, immediately throwing commodity and financial markets into turmoil. As at the date of this document, it is too early to measure the full extent of the impact of the geopolitical crisis, although it will undoubtedly hamper global growth. For more information on potential consequences of this event for Klépierre, see section 5.1.2.1 "Macro and exogenous risks" of this Universal Registration Document.

2.10 OUTLOOK

Since June 2021, the operating environment has improved with footfall, retailer sales and collection rates rebounding close to pre-pandemic levels. Assuming that the business resumption is not impacted in 2022 by further Covid-related disruptions on our clients' operations, in 2022 the Group expects to generate net current cash flow per share(2) of between €2.30 and €2.35, representing growth of 9.5% to 11.9%, on the €2.10 per share recorded in 2021, restated for the impact of disposals in 2021 (–€0.08). The main drivers are:

- Tenants sales at least at the level recorded since reopening in June 2021;
- Higher collection rates;
- Lower rent abatements;
- Higher variable income;
- Improved occupancy through sustained leasing activity;
- Partly offset by the disposals executed in 2021. The guidance does not include the potential impact of any disposals in 2022.

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(1) This section was not included in the management report as approved by the Executive Board on February 15, 2022.

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

3

Sustainable development

3 Sustainable development

3.1 ACT FOR GOOD®

ACT FOR GOOD® WITH KLÉPIERRE

Klépierre recognizes that its environmental and societal impacts are constantly evolving and that its relationship with the resources it relies on is fundamental to delivering sustainable financial returns, as well as ensuring a positive impact on its stakeholders and the planet. Act for Good® encompasses Klépierre's ambitious corporate social responsibility program, guiding its approach to delivering value for the national and international brands occupying its properties, the millions of consumers visiting its shopping centers, its shareholders and lenders, employees, and local communities. Through robust commitments and leading initiatives, Klépierre acts for good across the following three focus areas:

ACT FOR THE PLANET

Ensure that Klépierre has a positive impact on the environment

ACT FOR TERRITORIES

Contribute to our centers' territorial integration and to the development of local communities with which we are involved

ACT FOR PEOPLE

Put people at the heart of actions to create value for all

2021 performance highlights

ACT FOR THE PLANET

-45%

Reduction in energy intensity *vs* 2013 *(reported scope)*

-20%

Reduction in greenhouse gas emissions *vs* 2020 *(like-for-like, market-based, scope 1 & 2)*

100%

Shopping centers with a sustainable certification *(reported scope)*

ACT FOR TERRITORIES

98%

of centers are working exclusively with local service providers for daily operation *(reported scope)*

100%

Centers contributing to local employment *(reported scope)*

100%

Centers making space available for a local initiative *(reported scope)*

ACT FOR PEOPLE

100%

of employees concerned by work-life measures beyond legal requirement *(reported scope)*

+18pts

Increase in the Net promoter score *vs* 2017 *(reported scope)*

100%

Staff access to training *(reported scope)*

Participation in external initiatives and benchmarks

In order to track and assess its performance against peers and wider sustainability leaders, and report transparently to its stakeholders, Klépierre takes part in the following:

GRESB®	GRESB is the world's leading environmental, social and governance benchmark for real estate and infrastructure. Klépierre is recognised as a Global Retail Sector Leader in shopping malls and was ranked first in the "Global Retail Listed", "Retail Listed" and "Europe Listed" categories. In 2021, the Group maintained its five-star rating and achieved a score of 97.	97 out of 100
CDP DISCLOSURE INSIGHT ACTION	CDP is a global system that scores companies from A to D on their environmental impact and supports them to track and benchmark their progress against industry peers. Of the more than 13,000 companies who disclosed their data in 2021, Klépierre was one of only 12 real estate companies among the 200 businesses included in CDP's prestigious climate "A list".	A
MSCI	MSCI measures company's resilience to long-term material environmental, social and governance risks. The ESG ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC). In 2021, Klépierre's rating was upgraded from AA to the highest score possible: AAA.	AAA
EPRA sBPR GOLD	Klépierre received a "Gold" award from EPRA, which promotes, develops, and represents the European public real estate sector. EPRA actively participates in the debate on sustainability practices through different initiatives, including the development of Sustainability BPR (Best Practices Recommendations) and guidance for European listed real estate companies.	Gold

To promote consistent and transparent reporting and ensure it is aligned with the latest climate science, Klépierre has embedded the following external initiatives into its targets and processes:

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

3.1.1 Governing responsibly

Klépierre's sustainability strategy is embedded in the Group's management and governance structure, all areas of the business and all countries in which it operates, as well as the various external initiatives in which it participates. The strategy is supported by dedicated tools to track sustainability performance and managed through the governance structure set out below:

SUPERVISORY BOARD

Responsible overall for Klépierre's sustainability performance

SUSTAINABLE DEVELOPMENT COMMITTEE

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

EXECUTIVE BOARD

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

CSR COMMITTEE

Animated by Klépierre's Secretary General, the Committee supports the Executive Board in implementing the sustainability strategy by setting targets, approving action plans and reporting results. The Committee includes all other members of the Corporate Management Team, as well as members of the CSR team representing Group-level departments.

GENERAL SECRETARY

Responsible for CSR within the Corporate Management Team and animates the CSR Committee.

HUMAN RESOURCES DEPARTMENT

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

Two members of staff are dedicated to the implementation and continuous improvement of HR aspects of the Group's CSR policy.

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ENGINEERING & SUSTAINABILITY DEPARTMENT

Responsible for technical engineering in centers, operational investments, and sustainable development, and distributing environmental and societal policy across its portfolio.

Three members of staff are dedicated to sustainability matters

STAFF

SUPPORT FUNCTIONS

DEVELOPMENT

OPERATIONS

Key Act for Good® commitments are incorporated within the performance share allocation criteria for the Group's principal managers. Country managers, company heads, country technical directors and officers at regional and shopping center levels are responsible for implementing the Group's sustainability goals and policies, in line with local context, across the dozen markets. Each country determines its annual action plan, in terms of investment and management, for all technical and sustainable development issues shaping its performance level.

These annual action plans include setting tailored targets for individual assets in collaboration with the Corporate Engineering & Sustainability Department. They are supported by best practices guides which help define the appropriate actions a country can take, based on initiatives already implemented across the Group under each Act for Good® pillar.

The action plans are then discussed at an annual meeting that brings together the entire European network, before being presented to the Group's Chief Operating Officer.

This sustainability governance framework is supported by a network of 30 delegates who cover all Klépierre subsidiaries, carry out local actions and report on best practices. The delegates engage with the head office teams including the Engineering & Sustainability Department *via* regular monthly meetings which increases information sharing within the business and builds robust cross-functional teams.

Klépierre also embeds the Act for Good® strategy in all company communications, so all employees can ensure this is present in the day-to-day running of the business.

CO-CONSTRUCTION WITH STAKEHOLDERS

Klépierre developed the Act for Good® strategy following a comprehensive, multi-stakeholder materiality review in 2017.

A panel including retailers, investors, human resources and CSR experts, scientists, non-governmental organizations, and public authorities assessed various issues based on their materiality to Klépierre and ranked the top ten in terms of risks and opportunities. The panel then helped to develop a strategy that would: meet the expectations of Klépierre's stakeholders; see a positive correlation between sustainability and performance; focus on key impact areas; reflect the Group's operating content and feel meaningful for employees.

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

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

The risks identified in the 2017 materiality assessment are reviewed annually for accuracy by the CSR Committee, drawing on internal and external research.

For more information on Klépierre's stakeholders, see the business model in chapter 1 of Klépierre's 2021 Universal Registration Document. The materiality matrix in section 3.5.5 presents the initial CSR risks and opportunities analysis.

3.1.2 Managing key trends, risks, and opportunities

3.1.2.1 Understanding the environment in which Klépierre operates

Klépierre's business model is affected by several macro-trends, as laid out here. To continue creating value for its stakeholders, it is essential that Klépierre responds to these trends and effectively manages the resulting risks and opportunities to build the retail of the future.

The past year marked a period of accelerated commitments and action surrounding climate change, spanning industries and countries with climate resilience and the transition to net zero taking center stage in the lead up to the 26th United Nations Climate Change conference (COP26). With building operations responsible for 28% of annual global greenhouse gas emissions(a), and rising supply chain disruptions due to resource scarcity, Klépierre has a responsibility to mitigate its negative impact on the environment and embed resilience throughout its value chain and operations.

At the same time, increased consumer awareness on environmental issues and pressure from stakeholders in the form of rising standards and legislation, industry initiatives and investor requirements are pushing the private sector towards a more responsible approach to environmental, social and governance issues.

As the Covid-19 recovery lingers and we continue to shape a new normal, Klépierre must manage a heightened focus on health and well-being and increased socio-economic equality. The pandemic revealed the value of shopping centers as community hubs and their importance for providing essential goods and services to local communities. As urbanisation continues, shopping centers like Klépierre's have a unique opportunity to be at the heart of community cohesion, support the shift to a more equal society through employment opportunities and local procurement, and embed health and well-being and place-making into assets' design and services.

The pandemic also accelerated trends such as the shift to new modes of consumption including e-commerce and click and collect services. These are largely enabled by technological innovation which plays an increasing role in providing people with planet-friendly solutions such as touchless experiences and consumer apps.

Lastly, companies are operating in a competitive market when it comes to attracting and retaining talent, and will need to adapt and evolve on key issues such as diversity and inclusion and well-being to meet the changing needs of today's workforce.

(a) *https://www.worldgbc.org/embodied-carbon.*

3.1.2.2 Building resilience by managing key risks and opportunities

Social, environmental and governance risks affecting Klépierre's business model and core activities, in line with the trends identified above, are reviewed on an annual basis as part of the Group's overall risk assessment (described in detail in chapter 5).

In 2021, 11 material risks were identified at Group level: five relate to environmental, social and governance issues including health, safety and security, compliance, climate change, stakeholders, and human resources.

The following graphic outlines Klépierre's key non-financial risks, their importance to stakeholders and the gross risk they present to Klépierre before considering the mitigation measures the Group has put in place. It also details Klépierre's management approach and the key performance indicators used to track its progress.

ACT FOR THE PLANET

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

CLIMATE CHANGE (see section 3.2.1)

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

NATURAL RESOURCES AND CIRCULAR ECONOMY (see section 3.2.2)

Inadequate performance on waste management in operations	**MODERATE**	=	› **Tenants** › **Visitors** › **Providers**	• Piloting monthly internal digital tool for monitoring system deployed for all assets • Renegotiation of contracts with waste service providers to include performance targets (sorting, recovery, etc.) • Customer support and training • BREEAM In-Use certification of the entire portfolio • Pilot projects for certifications and innovative projects linked to the circular economy (Too Good To Go partnership, etc.)	Percentage of assets certified BREEAM In-Use Percentage of recovered waste Percentage of assets that have engaged their customers (brands) in a circular economy approach
Tension over materials needed for development projects	**MODERATE**	=	› **Providers** › **Suppliers** › **Public authorities**	• BREEAM New Construction certification (Excellent level minimum) • Use of environmentally friendly materials in construction projects • Pilot projects for certifications and innovative projects linked to the circular economy (Cradle to Cradle certification, Cycle Up partnership, etc.)	Proportion of development projects certified by BREEAM New Construction, minimum level Excellent

KEY: ↓ Decreasing = Stable ↑ Increasing

ACT FOR TERRITORIES

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

TERRITORIAL ANCHORING, LOCAL IMPACT (see sections 3.3.1 & 3.3.3)

1 NO POVERTY · 2 ZERO HUNGER · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES · 11 SUSTAINABLE CITIES AND COMMUNITIES · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 17 PARTNERSHIPS FOR THE GOALS

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

KEY: ↓ Decreasing = Stable ↑ Increasing

ACT FOR PEOPLE

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

HUMAN CAPITAL (see section 3.4.3)

Associated risks	Risk level	Change in risk level	Stakeholders	Management approach	Key performance indicators
Lack of staff engagement	**MODERATE**	↑	› **Employees**	• Priority given to internal mobility • Promotion of co-building of company's future • Flexible working negotiation	Happiness Index (staff component) Share of staff participating to co-building of company's future
Difficulty in attracting and retaining staff	**HIGH**	↑	› **Employees**	• Development of training policy • Individual development interviews campaign	Staff access to training Share of recent graduates who have been given the opportunity to receive personalized career guidance Staff turnover
Lack of diversity and gender equality	**MODERATE**	=	› **Employees**	• Objectives for the proportion of women on management bodies • Comprehensive gender diversity policy (training, personalized coaching, mentoring, etc.)	Share of women among managers
Mental ill-health	**LOW**	=	› **Employees**	• Free psychological support platform	Absenteeism rate

HEALTH SAFETY AND SECURITY (see section 3.4.2)

Assault (terrorist attack, armed robbery, etc.)	**LOW**	=	› **Visitors** › **Tenants** › **Providers**	• On-site internal and external audits • Anti ram car barriers • Alarm and/or 24/7 security agents • Video protection systems • Training • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Security level 4 incident alert messages
Fire	**LOW**	=	› **Visitors** › **Tenants** › **Providers**	• On-site internal and external audits • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	Fire safety level 3 and 4 incident alert messages
Non-compliance with regulations	**LOW**	=	› **Employees** › **Tenants** › **Providers**	• On-site internal and external audits • Structure audits every five years • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training • Legionella tests	Major incidents caused by building defaults

KEY: ↓ Decreasing = Stable ↑ Increasing

HEALTH SAFETY AND SECURITY (see section 3.4.2)

Pandemic	**MODERATE**	↑	› **Employees** › **Tenants** › **Service providers** › **Public authorities** › **Shareholders** › **Investors**	• Development and deployment of specific COVID-19 policies • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training	**Percentage of shopping centers audited and certified by Bureau Veritas in the context of the health crisis**
Building collapse	**LOW**	=	› **Visitors** › **Tenants** › **Providers**	• On-site internal and external audits • Structure audits every five years • Operational standards on all EHS risks, monitoring in the Komply IT tool • Training • Quarterly follow-up of incidents (country and regional levels) before consolidation by internal audit to prepare a remediation plan	**Major incidents caused by building defaults**

BUSINESS ETHICS (see section 3.4.4)

Bribery and non-compliance with regulations on advocacy	**LOW**	=	› **Employees** › **Public authorities** › **Tenants** › **Suppliers** › **Providers**	• Code of business ethics • Anti-corruption Code of Conduct • E-learning • Disciplinary sanctions provided within internal regulations • Multi-channel alert device (internal and external, phone and web)	**Percentage of employees aware/trained in the fight against corruption**
Money laundering	**LOW**	=	› **Tenants**	• Code of business ethics • Anti-corruption Code of Conduct • Internal accounting controls • E-learning • Disciplinary sanctions provided within internal regulations • Multi-channel alert device (internal and external, phone and web)	**Percentage of employees aware/trained in the fight against corruption**
Fraud and conflicts of interest	**LOW**	=	› **Employees**	• Code of business ethics • Anti-corruption Code of Conduct • E-learning • Disciplinary sanctions provided within internal regulations • Multi-channel alert device (internal and external, phone and web)	**Percentage of employees aware/trained in the fight against corruption** **Number of "key" employees trained in the fight against fraud**
Economic dependence of service providers	**LOW**	=	› **Suppliers** › **Providers**	• Code of business ethics • Anti-corruption Code of Conduct • Third-party evaluation procedures • Internal accounting controls • E-learning • Annual internal audit of the sourcing and monitoring of suppliers and service providers • Responsible Purchasing Charter • Multi-channel alert device (internal and external, phone and web)	**Percentage of employees aware/trained in the fight against corruption** **Share of service providers selected on the basis of CSR criteria** **Share of external stakeholders aware of business ethics**
Business partners with poor CSR practices	**LOW**	=	› **Suppliers** › **Providers**	• Code of business ethics • Anti-corruption Code of Conduct • Third-party evaluation procedures • E-learning • Annual internal audit of the sourcing and monitoring of suppliers and service providers • Prior checks of on-site workers • Responsible Purchasing Charter • Multi-channel alert device (internal and external, phone and web)	**Percentage of employees aware/trained in the fight against corruption** **Share of service providers selected on the basis of CSR criteria** **Share of external stakeholders aware of business ethics**

KEY: ↓ Decreasing = Stable ↑ Increasing

3.2 ACT FOR THE PLANET

Act for the Planet addresses the major environmental challenges and opportunities that Klépierre faces.

In 2021, Klépierre continued to make improvements in the environmental performance of its assets and progress against its 2022 targets, which remain in place despite challenging and evolving external factors. Efficiency processes put in place before the pandemic hit in early 2020, meant that although Klépierre's advancement was slowed, the Group progressed in terms of its commitments, largely thanks to the agility of teams dealing with Covid-19 at shopping center level.

The Group remains on track to accomplish its long-term targets. It has achieved BREEAM In-Use certification for its entire portfolio and fostered a culture of constructive engagement among key stakeholders, supported by robust internal reporting mechanisms to identify inefficiencies and put in place improvement plans. This approach is manifested in the successful "BOOST" interventions which have contributed to successive reductions in the Group's energy consumption and have been extended to support the Group's target of eliminating waste to landfill.

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

3.2.1 Act for a low-carbon future

The climate crisis is one of the most defining issues of our time, with concern on climate change at an all-time high amongst stakeholders in the form of growing legislation and standards, investor requirements and citizen activism.

As an industry leader and responsible business, Klépierre has a target to achieve a net-zero carbon footprint for its entire portfolio across Europe by 2030. Its low-carbon strategy and commitment to limiting global warming to well below 1.5°C was approved by the Science Based Targets initiative (SBTi) and it was once again included in the CDP's "A list" for its dedication to responding to the impacts of climate change.

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

3.2.1.1 Transitioning the portfolio to net-zero carbon by 2030(1)

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

Reducing energy consumption

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

Renewable energy supply

To reduce the carbon footprint of its energy consumption and reduce its dependence on fossil fuels, Klépierre is committed to using 100% of electricity produced from renewable sources in 2022. Current contracts are being re-negotiated, or new contracts are being signed with green energy suppliers.

On-site renewable energy production

Klépierre believes that sustainable solutions are even more meaningful when local. The Group is therefore developing its own on-site renewable energy production to provide direct access to renewable energy for shopping malls. In Europe, eight centers are already partially supplied by their own renewable energy production.

Carbon offsetting

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

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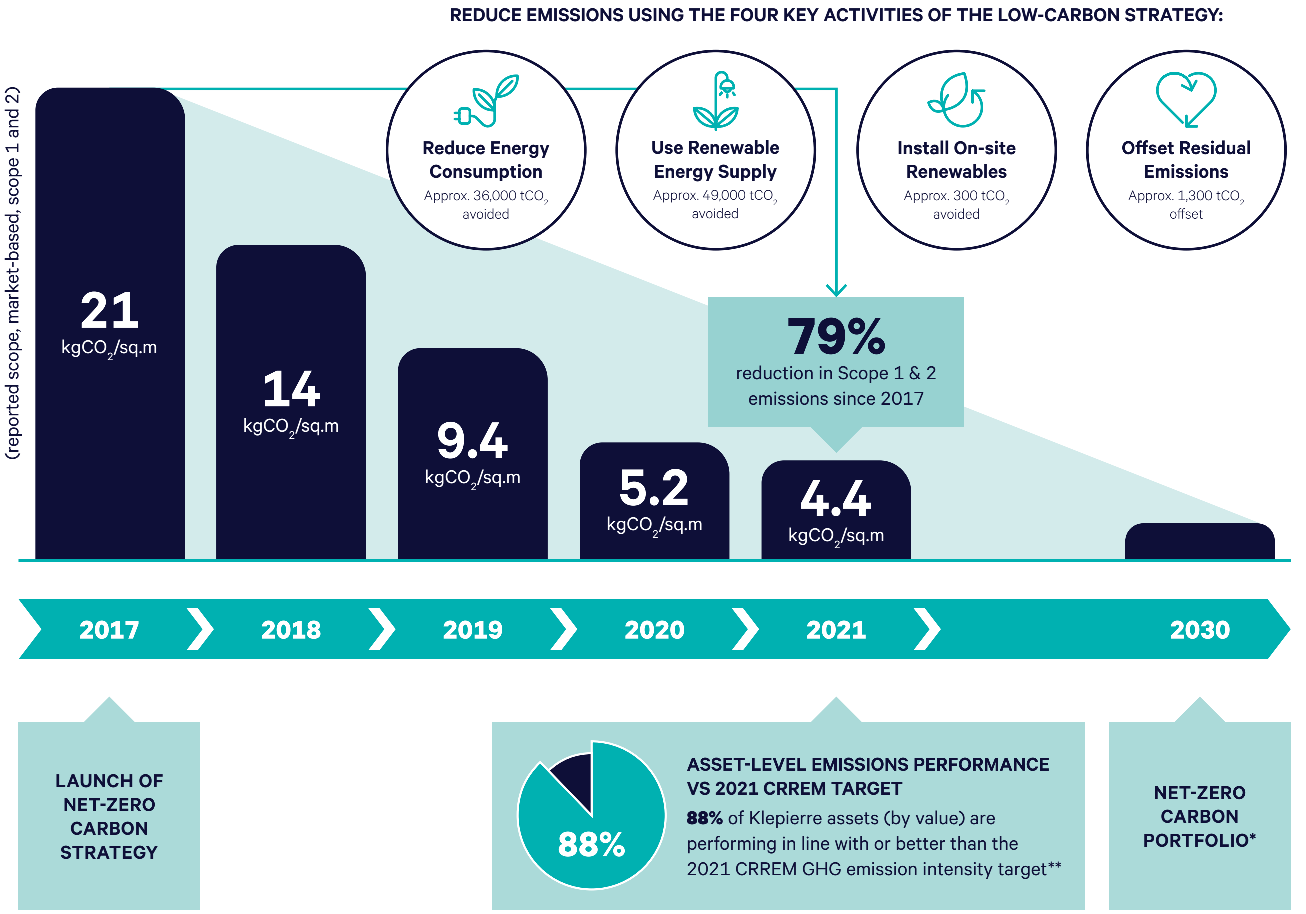
(1) Unless otherwise specified, all 2021 GHG emissions figures contained in this section apply to the following scope: 116/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.

To date, Klépierre has made significant progress towards its transition to net-zero carbon footprint, reducing carbon emissions intensity by 84% (Scopes 1 & 2, market-based, reported scope) compared to 2013. The net zero pathway below reflects this performance, along with the Group's roadmap to 2030.

NET-ZERO CARBON PORTFOLIO BY 2030 PATHWAY



* Residual emissions expected in 2030 will require offsetting.

** The 2021 performance of each asset in the Klépierre portfolio has been assessed against the national CRREM (Carbon Risk Real Estate Monitor) targets for shopping centers in 2021, under the most ambitious scenario of GHG 1.5°C. GHG emission intensity (in $kgCO_2eq$/sq.m) was calculated based on real data where available. Estimates were applied for tenants' energy consumption where real data was not available at asset level.

KLÉPIERRE'S NET-ZERO CARBON STRATEGY IN ACTION

By the end of 2021, 18 of Klépierre's shopping centers were net-zero carbon including four out of five of the biggest shopping centers. The five biggest centers chosen to be net-zero carbon by 2022 for Klépierre's commitment reflect a diverse range of climatic conditions, energy mixes and ages, providing an ideal testing ground and foundation to expand the Group's net-zero carbon program to cover all assets in its portfolio by 2030.

The four biggest centers that are net-zero carbon, located in Denmark, Sweden and France, have achieved significant energy reductions since 2013, purchase renewable energy and offset any residual emissions. They have achieved reductions in their energy intensity since 2013 (kWh/sq.m) of between 26% and 52%, and have purchased 100% renewable electricity since 2017, and in addition, 100% of natural gas in France since 2019.

One of these four assets has produced 37,000 kWh of renewable energy on-site. Lastly, a total of 435 tons of residual emissions (for the four assets) have been offset to achieve net-zero carbon footprints.

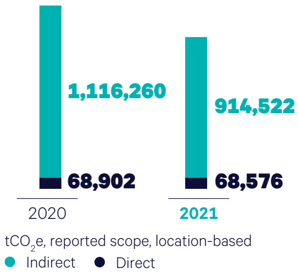
3.2.1.1.1 Managing direct GHG emissions performance: Scope 1 & 2

As part of its low-carbon strategy, approved by the SBTi, Klépierre aims to reduce its direct Scope 1 and 2 GHG emissions from centers by 80% per sq.m. between 2017 and 2030. In 2021, the Group reduced its Scope 1 & 2 emissions intensity (reported, market-based) from building energy consumption by 17% compared to 2020, achieving 4.4 $kgCO_2$/sq.m. The following graph reflects an overall Scope 1 and 2 emissions intensity reduction of 87% since 2013 (reported scope, market-based).

Klépierre tracks its direct greenhouse gas (GHG) emissions in accordance with Scopes 1 & 2 of the GHG Protocol, using both location- and market-based methods. The market-based calculation method enables energy bought through renewable energy tariffs to be counted as lower emissions, by applying the emission factor directly from the supplier, in comparison to the national average. This illustrates the impact of efforts to switch to renewable tariffs in Belgium, France, Germany, Italy, Norway, Poland, Portugal, Spain, Sweden and The Netherlands.

3.2.1.1.2 Managing the broader carbon footprint: Scope 3

SCOPE 3 GHG EMISSIONS



The Group has set an SBTi-approved target to reduce its indirect Scope 3 emissions associated with its retailers' energy consumption by 41% per sq.m. between 2017 and 2030.

Klépierre's measurement of Scope 3 emissions is amongst the most comprehensive in the industry. The Corporate Value Chain Standard for Scope 3 emissions published by the GHG Protocol identifies 15 broad categories of Scope 3 emissions. Klépierre reports nine of these, divided between those the Group has direct leverage over – investments, commuting, business trips, non-property fixed assets, goods/services purchased, waste – and those where it has indirect leverage. Scope 3 emissions with indirect leverage constitute the bulk of Klépierre's Scope 3 emissions consisting of 89%(1) for visitor travel and 11%(1) for downstream leasing (market-based, reported scope). Emissions from upstream leasing are not included in the Scope 3 calculations, but they represent a non-material share of Klépierre's global GHG emissions (assets for which Klepierre is a tenant).

Visitor travel constitutes the largest proportion of the Group's carbon footprint, totalling 819,931 tCO_2e in 2021 which is equal to 83% of the Group's Scope 3 emissions (market-based method, reported scope). GHG emissions are calculated using a survey on visitor travel habits (to and from shopping centers), extrapolated in line with the total number of visitors. The shift to more sustainable modes of mobility is a key priority for Klépierre: by 2022, it aims for 100% of its shopping centers to be accessible *via* public transport and equipped with electric vehicle charging stations (for more information see section 3.2.4).

Retailers' energy consumption is a second key focus. In 2021, this was 109,730 tCO_2e, equal to 11% of the Group's Scope 3 emissions (market-based, reported scope). Their emissions are calculated from available sources of information and extrapolated to cover retailers' overall footprints. Although this represents a notable proportion, Klépierre's influence over them is limited due to a lack of obligation on the part of tenants to share and reduce their consumption. However, this trend is changing. For example, pilot projects in various centers in France, Sweden and the Czech Republic, based on the Tertiary Decree(2), support Klépierre to receive consumption data from retailers, which is used to benchmark their performance at the shopping center level and drive collective energy efficiency improvements.

The Group favours a collaborative approach with its strategic retailers to achieve reductions in energy use. At the local level, shopping center teams are encouraged to engage retailers on their consumption and increase awareness on the steps they can take to reduce it. For example, BOOST action plans (see page 86) and operational guides are shared that detail best practice activities for improving energy efficiency in their stores, along with other environmental impacts including water consumption and waste management. In addition, sustainability clauses are included in all signed standard lease contracts for the Group's retailers across Europe, including requirements to share waste and utility data, integrate sustainability considerations into store fit-outs and design, and a commitment to adhere to practices that are consistent with each center's environmental management system and building certification.

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(1) Calculation based on total of indirect leverage of Scope 3.

(2) More details on page 114 under Charter for energy efficiency of tertiary buildings.

3.2.1.1.3 Developing resilient assets

Considering the findings of the Intergovernmental Panel on Climate Change's (IPCC) most recent report and the latest United Nations Environment Programme (UNEP) Emissions Gap Report, the world is on track for substantially higher warming than the 1.5°C needed to avoid the worst impacts of climate change. As a result, many climate risks are now inevitable and present devastating consequences for businesses and their assets.

Driven by the desire to develop and operate a resilient portfolio, Klépierre strives to manage the climate risks most material to its business such as growing legislation and the effects of extreme weather. Through its low-carbon strategy, the Group continues to reduce its energy consumption and increase green energy procurement and on-site renewable generation, thereby decreasing its reliance on fossil fuels. Klépierre also participates in industry working groups such as the French Council of Shopping Centers (CNCC) and the European Public Real Estate Association (EPRA) on reducing risks associated with energy market volatility and changes to the regulatory regime.

To build a greater understanding of its most material climate risks, in 2017 the Group commissioned an extensive study of the climate impacts that could affect its shopping centers over the next 70 to 100 years. This included the impacts from higher-than-average temperatures, and changes in the intensity or frequency of heatwaves, cold spells, intense rainfall and/or snowfall and droughts. Whilst no assets were exposed to significant physical risks, the results informed the review of structural requirements for the Group's assets, including the introduction of a mandatory asset-level structure audit every five years which surpasses legal requirements, alongside additional components relating to climate change risks. To capture the evolving impacts of a rapidly changing climate, the Group plans to conduct a new study in 2022.

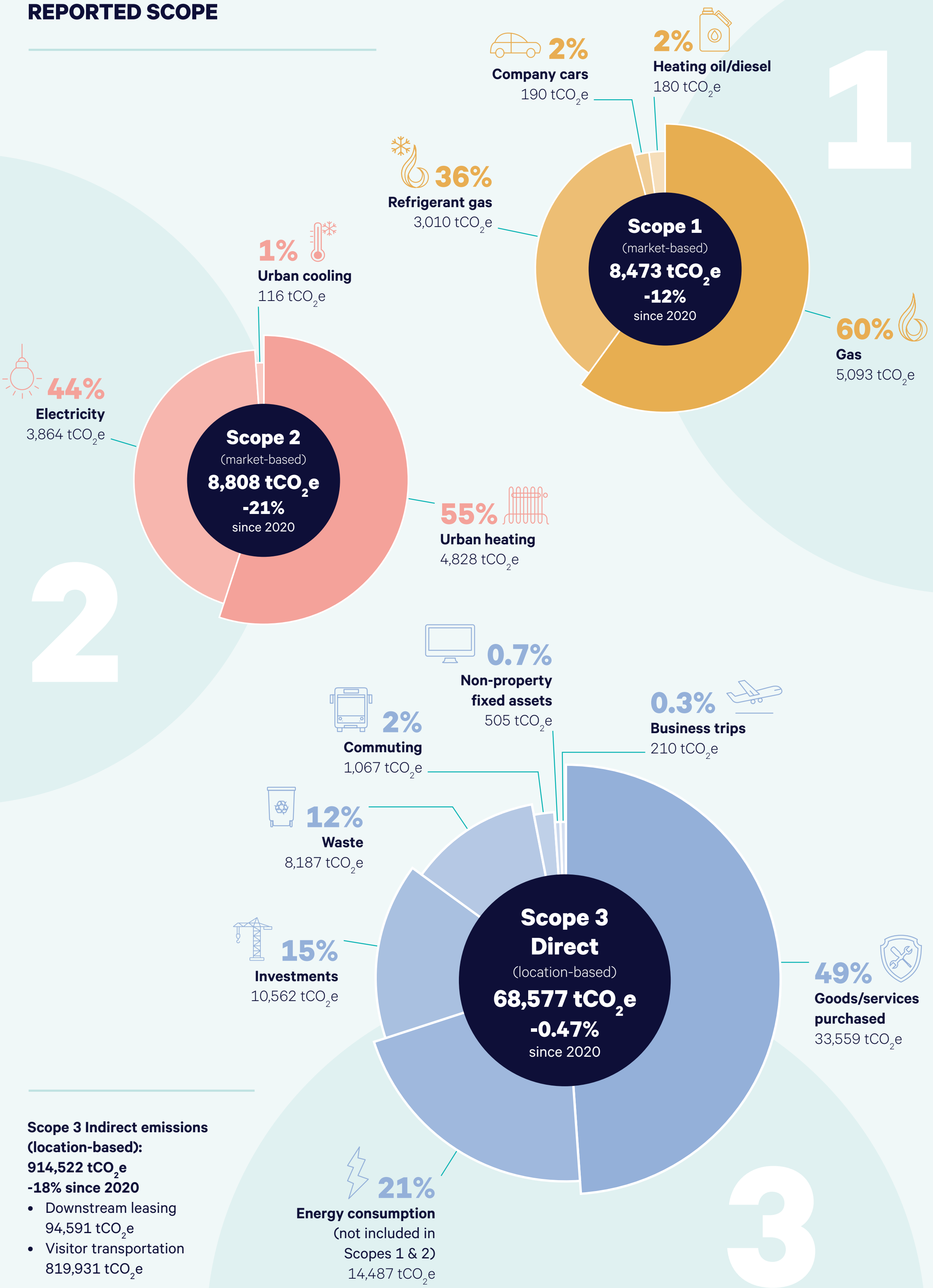
At the development stage, Klépierre is conducting scenario planning using modelling software to predict how energy management systems and building materials can be designed and optimized given different climatic conditions. For example, the Grand Place extension in Grenoble used the software to optimize energy efficient design and achieve BREEAM "Excellent" New Construction.

The Group is also protecting its assets from impacts associated with increased heating and cooling requirements and extreme weather, from development through to operation. The refurbishment of assets using features such as green walls and roofs that help reduce flood risks and decrease heat gain to the mall ensures the Group is protecting its assets and contributing to energy, carbon, and green building targets.

EMBEDDING CLIMATE RESILIENCE IN ASSET DESIGN

Klépierre's shopping centers often integrate glass skylights and facades. Glass with a lower U-factor and solar factor is more efficient as it reflects the sun, reducing heat transfer into the mall and decreasing the demand for air conditioning. In the Gran Reno development project, all skylights have a U-factor of 1 W/sq.m. and solar factor of 14.4%, helping to mitigate against extreme temperatures and support climate control within the center.

BREAKDOWN IN GHG EMISSIONS, REPORTED SCOPE



Scope 3 Indirect emissions (location-based):
914,522 tCO$_2$e
-18% since 2020

- Downstream leasing 94,591 tCO$_2$e
- Visitor transportation 819,931 tCO$_2$e

3.2.1.2 Energy(1)

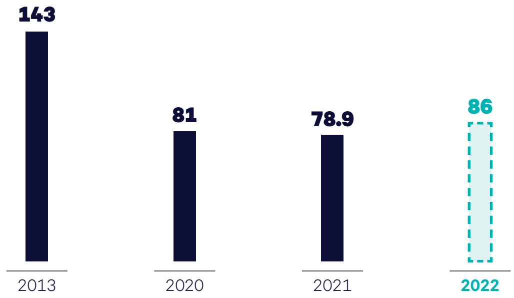
Klépierre's strong energy performance in 2021 was achieved in the context of challenging external factors. Extreme weather events including snowstorms and lower-than-average negative temperatures across southern Europe led to increased heating requirements and therefore energy demand at the assets affected.

At the same time, some countries have been managing a dramatic increase in energy costs which required a rapid response to ensure technical teams were implementing best practice tools and standards to limit the impact. Steps have already been taken to account for this risk moving forward, including enhanced support with energy monitoring and purchasing (see section 3.1.2).

Local teams continued to be affected by the ongoing impacts of Covid-19 including lockdowns and rapidly changing restrictions which differed greatly on a country and even regional basis. Although this required an increased focus on health and safety, the agility of shopping center teams and strength of the processes and standards already in place, meant the Group maintained its industry-leading approach for energy performance management and realised strong progress against its targets.

3.2.1.2.1 Energy efficiency

ENERGY INTENSITY FOR COMMON AND SERVICED AREAS

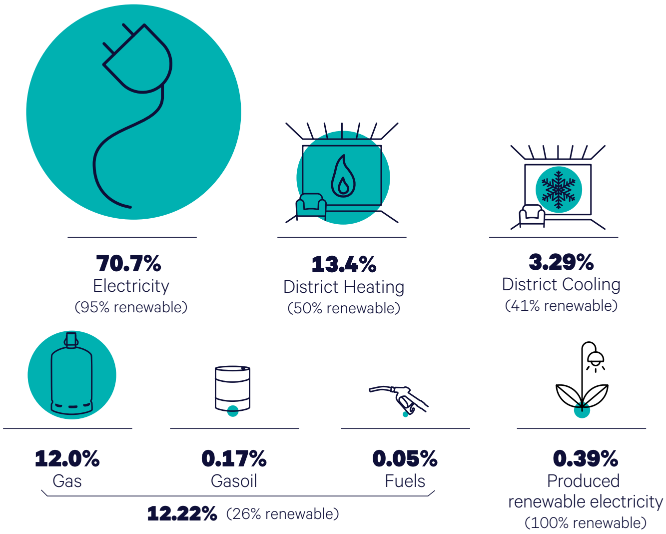


in kWh/sq.m./year, reported scope

Reducing energy consumption and improving energy efficiency is the primary activity in Klépierre's carbon strategy and the Group has set a long-term target to reduce energy consumption (kWh per sq.m.) in its shopping centers' common and serviced areas by 40% by 2022, compared to the 2013 baseline.

Klépierre surpassed its target two years ahead of schedule, reducing the average shopping center consumption from 81 kWh/sq.m. to 78.9 kWh/sq.m. over the past year.

ENERGY MIX IN COMMON AND SERVICES AREAS *(reported scope)*



Klépierre's energy reduction strategy combines monitoring, in-depth analysis of individual shopping centers' energy performance, the sharing of best practices and investments in energy efficiency equipment.

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(1) *Unless otherwise specified, all 2021 energy consumption figures contained in this section apply to the following scope: 116/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only shopping centers. The corresponding coverage rate amounts to 99.9% of the total shopping center portfolio value.*

Energy monitoring

All centers use the Deepki tool to monitor and report monthly energy, water, and waste consumption data in a standardized method. This enables the Group to analyze data at the shopping center, country, regional and portfolio levels, control climate factors and undertake a robust benchmarking assessment according to opening hours and other variables. By establishing "clusters" of shopping centers that have similar variables such as retailer density, car park management, coverage of heating and cooling supply, surface area and construction and/or renovation dates, the Group has been able to identify the strongest and weakest performing assets in its portfolio and target energy management interventions accordingly.

REDUCING ELECTRICITY CONSUMPTION THROUGH NIGHT-TIME MONITORING

A key focus for 2021 was monitoring and reducing the electricity use of all shopping centers during the night, to ensure all are operating to the best practice standard.

As a first step, this entailed engaging shopping center management and technical teams to increase awareness on where and how they could monitor their electricity use. Second, local teams analyzed the consumption data to compare what the minimum electricity consumption should be *versus* what is currently being used. This required building an understanding of what needed to be running during the night such as CCTV in their individual shopping center, and then identifying what was driving the additional electricity consumption. Although the focus was on electricity, this ultimately led to consumption decreases across other energy types such as heating and cooling.

Klépierre conducted monthly follow-ups for each center with webinars for the management and technical teams to review results, benchmark performance and share best practices amongst the teams. As a result, Klépierre developed nightly best practice operating standards which all centers can implement and be benchmarked against.
At the end of 2021, Klépierre's electricity consumption has decreased by 8% (reported scope), equivalent to 18,863 MWh, mainly thanks to this project. In addition, six centers were able to achieve a reduction in their electricity consumption of over 70%.

Energy management and engagement

Klépierre's energy reduction strategy is supported by energy management software, which uses a range of meters to record the energy use of individual appliances within the centers and report it in real-time at shopping center, territory and Group level. At the end of 2021, these systems covered 76% of the Group's portfolio.

Regular communication is key to a culture of energy management optimization. Quarterly Act for Good® meetings and monthly webinars provide an opportunity to take stock of environmental performance data, review performance against targets for each region and center and highlight best practices. This approach encourages further engagement within countries and between regions; ensures accountability among country managers, country function heads, shopping center managers and shopping center technical managers for the performance of their assets; and fosters a spirit of positive competition among shopping center teams. Since the onset of the pandemic, these discussions have increased in frequency to better deal with issues that arise and maintain contact between shopping centers.

Individual shopping centers are encouraged to share successful energy reduction initiatives, ranging from managing the temperature and operation schedules of HVAC system equipment, to purchasing new devices such as sensors and variable speed drives to better control energy-consuming equipment. Cross-center experience sharing and innovation proposals provide staff with informative examples of projects and initiatives. Best practice examples are collated in reference guidelines.

EMBEDDING A CULTURE OF ENERGY MANAGEMENT OPTIMIZATION

The BOOST programme consists of two-day assessments by specialist and on-site staff to identify lower performing assets. Through consultation with shopping center teams, a concrete action plan is developed, supported by tailored performance targets which are reviewed during monthly follow-up calls to track progress.

BOOST action plans prioritize no- or low-cost interventions. For shopping centers that have already implemented all identifiable operational measures, investments are made to upgrade technical equipment such as heating, ventilation, and air conditioning (HVAC) components, retrofitting LED lighting and the roll-out of CO_2 sensors to reduce air flow and optimize the functioning of air-treatment plants.

The success of the programme is driven by multi-stakeholder collaboration and an ethos that investing time to train technical teams will empower them to find improvement opportunities and medium-term energy efficiency interventions within their current means. BOOST results can also enrich ongoing discussions with retailers, providing them with feedback on what could be optimized to make savings on a store-wide scale.

In 2021, Klépierre introduced a new dimension to the programme, addressing the energy efficiency of expansions and refurbishments from delivery. The BOOST process was applied to analyze the delivery of recent refurbishments and Klépierre worked with the construction and project management teams to identify performance improvements that could be made from the outset. As well as improving energy efficiency, the process increased collaboration and supported a smooth handover between the project management and operational teams, supported by a comprehensive handover checklist that minimizes any issues once the building is delivered. Moving forward, the in-house standards of testing and commissioning created because of the project will enable the Group to apply the learnings from this process to other development activities.

Investments

To make the right investments, Klépierre ensures that a shopping center is as close as possible to its optimum performance. In addition, the Group aims to implement energy efficiency measures above and beyond BREEAM requirements by focusing on local conditions, for example, by making sure to build insulation and ventilation that reduces energy demand from heating and air-conditioning. Annually, the Group aims to implement 10% of its total yearly CAPEX investments which are linked to improving the sustainability performance of its assets. However, in 2020 and 2021, investments have been limited to regulatory and safety required investments due to the pandemic.

Prioritising energy efficiency during expansions and renovations

The Group targets BREEAM "Excellent" as the minimum performance standard for expansions and renovations. This includes the evaluation of a range of energy-related management and operational impacts, from life-cycle assessments and construction practices, to energy monitoring, lighting, and technical equipment specification.

3.2.1.2.2 Renewable energy supply

Klépierre has set a target for all common and serviced parts of its shopping centers to be powered by 100% renewable electricity by 2022. At the end of 2021, 95% (reported scope) was generated by renewable sources. As the Group renegotiates electricity contracts, it is progressively switching over to green tariffs.

At present, 10 of the 12 countries where Klépierre operates are procuring 100% renewable electricity for their common and serviced areas.

Klépierre is also procuring green gas in its French centers. In total, 79% of the energy consumed in Klépierre's centers in 2021 was from renewable sources compared to 78% in 2020 (like-for-like scope).

3.2.1.2.3 On-site renewable energy production

On-site renewable energy supports reductions in carbon emissions whilst improving the energy security of Klépierre's individual shopping centers. To date, renewable energy systems have been installed at eight of its centers with a total generating capacity of 1,503 MWh, primarily comprising of solar photovoltaic panels. Feasibility studies are underway across the Group's portfolio to identify further opportunities, including its development portfolio.

SOLAR ENERGY IN MADRID

This year, Klépierre developed a large-scale solar project, installing photovoltaic panels on approximately 12,910 sq.m. of roof top space. The panels span across three shopping centers in Madrid and have a total capacity of 2,443 kWp. This source of renewable energy will provide for a significant proportion of the shopping centers' total electricity consumption, specifically 32% at Plenilunio, 33% at La Gavia and 11% at Principe Pio.

3.2.2 Contribute to a circular economy and resource conservation

The operation, refurbishment and expansion of shopping centers can consume a significant amount of natural resources and generate considerable volumes of waste.

This is why the Group is integrating new models of product use and recycling, embedding circular economy principles into its business model, and reimagining the management of operational waste and consumption of resources of its shopping centers, including retailers.

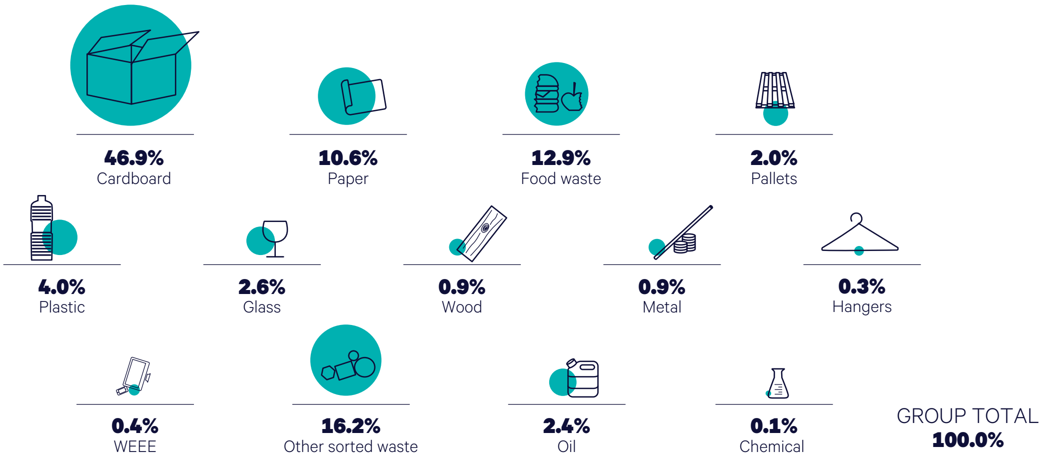
To support these principles, Klépierre applies the BREEAM certification standard, specifying products and materials that promote resource efficiency and low emissions. These products and materials are easy to maintain, reuse and recycle and must have an eco-label and/or lower environmental impact (such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

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

* Percentage of recovered waste applies to the following scope: 87/116 owned and managed shopping centers + 5/6 managed-only shopping centers + 4/8 owned only. The corresponding coverage rate amounts to 84% of the total shopping center portfolio value.

3.2.2.1 Waste reduction(1)

BREAKDOWN OF SORTED WASTE BY TYPE *(by tonnage)*



Klépierre has set a target to ensure that 100% of shopping centers' operational waste is recovered by 2022. 99.6% of the waste generated in the Group's shopping centers is categorized as non-hazardous and recyclable: cardboard, organic waste, paper, plastic, glass, wood, and metal.

The remaining 0.4% of hazardous waste mainly consists of used lightbulbs and fluorescent tubes, electronic waste, electrical appliances, and paint. These waste streams are separated on site and processed through special recovery channels.

Increasing on-site sorting of waste is key to reducing overall waste management costs. The majority of Klépierre's assets are fitted with multi-compartment waste bins to promote waste awareness towards visitors. Shopping center retailers receive training on how to segregate waste correctly and are provided with appropriate facilities.

By engaging with waste contractors to set key performance indicators, providing waste training and incentives for employees and retailers, 99 top performing centers across 11 of Klépierre's countries of operation have achieved waste recovery rates of 99% and above.

In 2021, the Oslo City shopping center introduced sensors on compactors to detect their level of fullness. A yellow light signifies the machine is 75% full, prompting the center to get in touch with the waste collection supplier. Not only does this initiative lower costs, but helps to reduce GHG emissions due to a reduction in waste transportation.

Klépierre uses the Deepki reporting platform to enter each shopping center's waste data for monthly analysis. This allows the Group to monitor waste flows using specific performance indicators and identify the types of waste being processed, enabling the Group to set suitable targets for each asset.

The Group's BOOST interventions also support waste management. The program brings together shopping center teams, suppliers, waste contractors and technical experts from Group or country level, to conduct a deep dive analysis of individual shopping center waste practices over a 24-hour period. The team then creates an action plan, including a range of low-cost measures such as introducing changes to the layout and design of waste stations and storage facilities, improved guidance for retailers and the introduction of new waste streams for waste contractors.

3.2.2.2 Circular economy

Klépierre's objective is for 100% of its shopping centers to involve their retailers in a circular economy approach. BOOST interventions and actions plans are key to this. They offer the Group deeper insight into the challenges faced by retailers in meeting 100% diversion rates, such as the use of packaging or products which are not compatible with the center waste flows, that prevent the effective sorting of waste or cannot be recycled. To support this approach, meetings take place annually to communicate waste and sorting standards and share feedback with retailers' staff.

Other circular economy-driven initiatives include free takeaway boxes, introduced in Portugal food courts to limit food waste. In three months, 4,000 boxes were given away and approximately 235 kg of food saved. In Turkey, at the Akmerkez center, food waste was collected from center restaurants and turned into compost for its roof garden.

At Créteil Soleil in France, through a partnership with Cycle Up, the center aims to extend the useful life of materials and products that were deconstructed in the refurbishment process, including stairs, automatic doors, marble, and flowerpots.

Klépierre also encourages visitors to participate in the circular economy. For example, in Denmark and The Netherlands specifically, clothes collections were promoted in centers in exchange for benefits such as discounts to use in shops that engaged with the initiative.

3.2.2.3 Water use(2)

Klépierre's water consumption is not substantial when compared with other real estate assets and has therefore not been identified as having a material environmental impact. However, the Group recognizes the importance of monitoring this data and applies best practices as part of its wider efforts to reduce its consumption of natural resources.

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(1) *Unless otherwise specified, all 2021 waste figures contained in this section apply to the following scope: 115/116 owned and managed shopping centers + 6/6 managed-only shopping centers + 5/8 owned only. This corresponds to a coverage rate of 99.8%.*

(2) *Unless otherwise specified, all the 2021 water figures contained in this section apply to the following scope: 115/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only. The corresponding coverage amounted to 99.5% of shopping centers owned and managed or owned only. This corresponds to a coverage rate of 99.6%.*

In 2021, 2,261,435 cu.m. of water (reported scope) was consumed across Klépierre's shopping centers, including retailers' water consumption. This reflects a 22% decrease compared to 2020. Klépierre uses the Deepki reporting platform for monthly analysis and benchmarking, in the same way as for energy benchmarking. Shopping centers are grouped according to similarities in the amount of greenery present, the characteristics of their cooling towers and the proportion of retailers and operators floor space dedicated to more water intensive services such as restaurants and hairdressers.

Water efficiency interventions are targeted at air-conditioning, toilets, and cleaning, as these are the largest water-consuming systems. The Group also tries to use drought-tolerant plant species in green areas and recover and reuse rainwater where feasible. The Group invests in more efficient equipment, such as cooling towers and low-flow sanitary fittings, as and when replacements are required. Currently, eight shopping centers capture rainwater for their internal use. For example, in Spain, at the Plenilunio center, Klépierre constructed a 5,000-liter rainwater collector, thus limiting water consumption from the main supply.

3.2.3 Develop a fully certified portfolio

Green building certifications are widely becoming the minimum standard for industry-leading businesses looking to differentiate their buildings from competitors and drive long-term asset value. As well as signalling higher environmental performance and quality, the demand for buildings which integrate best-in-class sustainability features is growing amongst stakeholders, particularly investors and tenants, with the latter potentially striving to meet their own environmental and social ambitions.

Certifications such as BREEAM and ISO 14001 set standards and drive continuous improvements on topics critical to achieving Klépierre's Act for Good® strategy including carbon, energy, waste, water, materials, air quality, transport and health and well-being. As well as the proven performance gains, the economic benefits of owning such assets are becoming increasingly clear in the form of lower operating costs, increased retailer attraction and retention that can materialize into higher rents, and enhanced asset values.

In the context of Covid-19, certified buildings can provide reassurance to stakeholders that the shopping centers are already focused on factors that prioritise the health and safety of visitors including indoor air quality and non-toxic materials.

Klépierre favors BREEAM New Construction for extensions and BREEAM In-Use for centers in operation and undergoing renovation, and ISO 14001 certification for operational centers' environmental management systems due to their complementary nature. BREEAM provides a consistent and comparable framework for assessing impacts and costs from a lifecycle perspective and enhancing the environmental quality of the building and its socio-economic contribution to the local area. Whilst ISO 14001 provides a framework to target, deliver and monitor environmental improvements at each center, and establish procedures for continuous improvement.

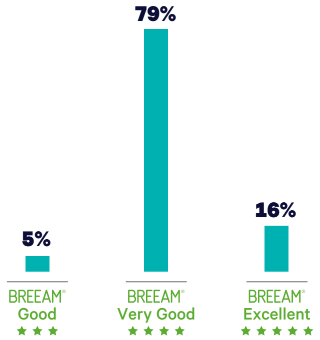
In addition, the Group operates a portfolio-wide environmental management system covering 100% of the assets it owns and manages. This means that all assets establish environmental targets, implement actions, and monitor their performance, with this process being supported and reviewed by dedicated specialists at national and Group levels.

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

*No development projects superior to 10,000 sq.m. were delivered in 2021.

3.2.3.1 Operating a fully sustainability certified portfolio(1)

BREEAM IN-USE PART 1 CERTIFICATION BY VALUE
(reported scope)



In 2019, the Group reached its long-term target to certify 100% of the assets in its portfolio according to BREEAM In-Use, three years ahead of its 2022 commitment. Klépierre is the largest portfolio under management, and second company in its industry globally, to be fully certified in this way.

The portfolio-approach means BREEAM audits a sample of representative properties each year, rather than every single one, every three years. This allows the Group to reinvest and concentrate its efforts on asset optimization.

The entire portfolio holds a Part 1 BREEAM In-Use certification covering asset performance as a minimum. 69% (by value) of the centers have achieved Part 2 building management certification and 40%(2) of the Group's properties operate ISO 14001-certified and/or ISO 50001 environmental management systems. In 2021, the Group's first Italian shopping center, Pescara Nord, became ISO 50001 certified.

3.2.3.2 Adding value through developments

Klépierre predominantly expands and/or refurbishes its standing assets, transforming and improving existing urban landscapes whilst minimizing impacts on the local natural environment. The development strategy, tailored to the unique needs of each project, pursues four objectives:

Better integration of the assets, and adding value to the surrounding district

Positioning projects towards mixed-use themes, while maintaining retail as the predominant activity

Extending existing assets when sufficient potential is identified

Implementing the Group's operational initiatives (Retail First®, Destination Food®, Clubstore® and Act for Good®) to fine-tune the retail mix and introduce new concepts to enhance customer-centricity

Klépierre applies the BREEAM standards for New Construction or Refurbishment and Fit-Out, as applicable, to all development projects. These set out requirements to enhance the customer experience including indoor air quality and accessibility. Obtaining a BREEAM "Excellent" rating is a key requirement of the Group's Act for Good® Development Checklist which is applied to all projects involving over 10,000 sq.m. of new development area. Other requirements include:

- All timber to be certified to PEFC™ or FSC® standards;
- Undertaking community engagement at the initial stages of the project;
- Ensuring that the main contractor has committed to sustainability principles during the procurement and worksite phases;
- Creating a biodiversity action plan.

EMBEDDING ENVIRONMENTAL EXCELLENCE THROUGH THE GRAND PLACE EXTENSION

With the design phase of the project completed in 2021, work will begin on the Grand Place Extension in early 2022 to achieve BREEAM "Excellent" New Construction certification. The project will also include the installation of 490 kWc solar panels on the roof of the center, with 88% of the production to be consumed locally, equivalent to 22% of the center's electricity consumption. In addition, the works will target a minimum recycling ratio of 85% and the biodiversity plan includes 2,640 sq.m. of green roof.

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(1) Unless otherwise specified, all 2021 certification figures contained in this section apply to the following scope: 115/116 owned and managed shopping centers + 6/6 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding coverage rate amounted to 98.5% of the total shopping center portfolio value.

(2) This figure applies the following scope: 116/116 owned and managed shopping centers + 6/6 managed-only shopping centers + 5/8 owned-only shopping centers. The corresponding rate amounted to 99.9%.

3.2.4 Innovate towards sustainable mobility

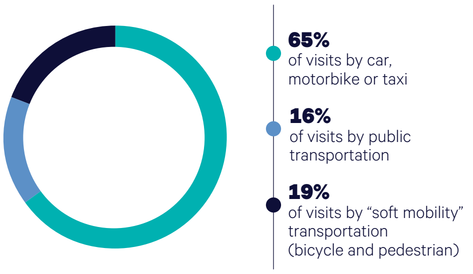
Air pollution is considered one of the greatest environmental risks to public health in Europe. Concerns about air quality, congestion and global warming are prompting national and local governments to develop plans for more sustainable and healthy forms of mobility, such as walking, cycling, public transport and electric vehicles.

Ensuring accessibility for all forms of mobility is an integral part of Klépierre's strategy. Location, urban density, and transport connectivity are key criteria in the Group's investment selection process and Klépierre is acting across its operational portfolio to diversify the transportation and mobility offering associated with its centers.

This approach supports the integration of its assets within the communities they serve, underpins efforts to increase footfall by enabling easy access for as many people as possible, reduces pollution and GHG emissions from motor vehicles and helps to future-proof the Group's assets.

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

3.2.4.1 Visitors' travel modes(1)



In 2021, 35% of visits to Klépierre's shopping centers were made using soft mobility (walking, cycling etc.) or public transport.

By 2022, the Group wants 100% of its shopping centers to be accessible by public transport and equipped with charging stations for electric vehicles. At the end of 2021, 100% of the Group's centers have one or more bus, train or tram stops less than 500 meters away from the entrance with services at least every 20 minutes. In addition, 99% of the Group's shopping centers have space reserved for cyclists.

72%(2) of centers had electric vehicle charging points in place by the end of 2021, including 100% of centers in Scandinavia, The Netherlands, Czech Republic and Turkey. Initiatives such as car-sharing, renting, and encouraging alternative forms of transport help reduce private vehicle use to and from shopping centers. Klépierre also offers:

- Meeting places for carpooling (27% of centers);
- Private shuttle bus services when public transport is not available (17% of centers);
- Live displays of public transport timetables (20% of centers).

RE-ENERGY ELECTRIC VEHICLE PROJECT, IBERIA

In 2021, Klépierre launched the Re-Energy project in Iberia, to prepare for the exponential growth expected in electrical vehicle charging requirements, driven by upcoming regulations. By 2022, every center will be equipped with EV chargers that support shorter full recharging times, reducing the charge time from eight hours to up to 90 minutes, at a low price. To date, 10 chargers have been introduced in Principe Pio in Spain. Notably, the project integrates a new business model which capitalizes on multiple income opportunities including the sale of electricity, sponsorships, and specialty leasing with a three-year pay-back period. Moreover, all revenue from the project will be reinvested to increase the number of electric charging stations.

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(1) Unless otherwise specified, all 2021 travel mode figures contained in this section apply to the following scope: 116/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only shopping centers. This corresponded to a coverage rate of 99.9% of the total shopping center portfolio value.

(2) This figure applies the following scope: 101/116 owned and managed shopping centers + 6/6 managed only shopping centers + 3/8 owned only. This corresponded to a coverage rate of 89.6% of the total shopping center portfolio value.

3.2.4.2 Master planning transport solutions

Klépierre recognizes the importance of engaging with local authorities and services to integrate its shopping centers successfully in neighborhood masterplans. The Group seeks to future proof its assets in light of evolving trends in mobility, urban transportation, logistics and supply chains. This includes analysis around how assets will need to adapt to retailers' changing needs in view of new retail and distribution models and the impact of visitor travel on shopping center design.

In France's Créteil Soleil shopping center, the former design meant that visitors had to cross the car park to access the metro station. During the recent development project, the works were designed to extend the shopping center onto the top of the car park, thereby creating a friendlier, more convenient, and safer urban link for visitors.

Through another development and refurbishment project, the new design at Grand Place will see pedestrian and bicycle lanes created and connected to public transport links and the various neighbouring districts, to increase more sustainable modes of travel to the center in a way which is safely accessible. A square will be developed in front of the main entrance to reorganize traffic flows and ensure seamless access to bus, tram, and carpooling services. In addition, 88 new parking spaces will be created consisting of 70 spaces dedicated to electric vehicles and 12 for car-pooling.

3.3 ACT FOR TERRITORIES[1]

At the heart of Klépierre's Act for Territories pillar is its commitment to address local challenges in the communities that it serves. As a hub for bringing people together, the Group has both the drive and sense of responsibility to be a catalyst in supporting community-based initiatives and amplifying actions initiated by local community players on key issues including unemployment, local economic development, and social impact.

Driven by overarching Group-wide commitments, Klépierre empowers shopping centers to put in place a tailored approach that reflects the specific needs and priorities of their catchment area. The strength of Klépierre's Act for Territories strategy was evidenced during the pandemic when centers showcased their agility and rapid response for providing essential support to local organisations and the community, including by providing space for vaccinations and food or clothes drives. With a heightened focus on topics such as local economic development and employment, and community solidarity, Klépierre's existing initiatives and commitments in these areas meant it was well placed to ramp up its efforts and make a positive impact.

The Group has made significant progress towards its 2022 commitments this year, a testament to its management approach and the daily commitment and dedication of shopping center teams. Supported by a new reporting tool which was implemented in 2020 to reinforce oversight of the Group's commitments at both shopping center and country level on a quarterly basis. Klépierre holds quarterly meetings to meet with key internal stakeholders to drive progress against the targets and more effectively support the reporting process. Klépierre also conducted a training webinar at the beginning of 2021, providing marketing and shopping center management teams across all countries with a refresh on the purpose of Act for Territories and the best practice guidelines that help shopping centers address each target within their local context.

As the Group looks to 2022, the focus will be on achieving its 2022 commitments, setting new ambitious targets for the years ahead, and continuing to reinforce a sense of community among its stakeholders, amplifying meaningful local initiatives, and contributing to the social and economic life and development of its territories.

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

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(1) *Unless otherwise specified, all 2021 figures contained in this section apply to the following scope: 115/116 owned and managed shopping centers + 6/6 managed only shopping centers + 1/8 owned only shopping centers. This corresponds to a coverage rate of 98%.*

3.3.1 Promote local employment in the communities

Klépierre's shopping centers are major economic hubs that attract thousands of visitors each day and make a significant contribution to local employment.

The Group has made a long-term commitment to ensure all shopping centers in its portfolio promote local employment by working with tenants, employment agencies and more widely with local employment actors. Klépierre also aids local economic development by favouring local partners and supporting local companies and retailers.

Klépierre delivers its employment commitments through its strategy by:

- Ensuring all service suppliers behind the day-to-day operations of its centers are recruited from the local community;
- Utilising its local networks to facilitate employment opportunities by working with tenants, employment agencies, and more widely with local employment actors.

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

3.3.1.1 Encourage procurement from local suppliers

Klépierre is committed to ensuring that 100% of its shopping centers use local service suppliers by 2022. At the end of 2021, 98%(1) of service suppliers met the Group's definition of local(2) (*versus* 87% in 2020). All procurement activities are managed at country level. When contracts approach the renewal period, procurement teams actively prioritize local suppliers.

At the end of 2021, France, Belgium, Scandinavia, Iberia, Poland, Czech Republic, The Netherlands and Germany have already reached the target. Going forward, future tenders should also make it possible for the remaining centers to achieve this.

3.3.1.2 Partnerships to boost local employment

The majority of Klépierre's operational job opportunities are created indirectly by its tenants, which represent a broad spectrum of small businesses, national and international brands. The Group plays a significant role by facilitating employment opportunities using both its local presence and national scale. To support this, Klépierre collaborates with recruitment agencies and specialized non-governmental organizations to connect retailers and those seeking employment.

The Group has committed to a long-term target for all centers to integrate local employment within each shopping center's marketing plan. The shopping center's marketing and management team are accountable for sourcing relevant partners to propose events and initiatives adapted to each center and their employment needs. This approach allows the center's marketing teams to engage with retailers and the local communities on how they can best meet their needs through innovative solutions and initiatives.

Across the Group, several centers have introduced initiatives to meet the Group's commitment to local employment. For example, a dozen centers, including Grand Littoral in France, have introduced an Act for Good® wall where each retailer can publish their job offers. The wall is fitted with a mailbox for applicants to post their CVs which are then distributed to the corresponding retailers. Out of the Group's 122 shopping centers, 90 of these supported their recruiting tenants by sharing opportunities *via* their digital platforms and social media to ensure the opportunities were accessible and reaching a wider audience of potential employees. As well as identifying local needs at shopping center level, Klépierre also promotes regional initiatives to enhance its impact. These include recruitment fairs, posting job offers on shopping center websites and within the centers themselves, and by working with local and national recruitment organizations.

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(1) *This figure applies the following scope: 116/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only shopping centers. This corresponds to a 99.9% coverage rate.*

(2) *Regional and/or within 300 km of the shopping center.*

CELEBRATING WOMEN'S ENTREPRENEURSHIP

In support of International Women's Rights Day, three of Klépierre's France-based shopping centers partnered with the charitable organization Action'elles to launch a competition for female entrepreneurial projects. Action'elles is dedicated to supporting female entrepreneurs through networking and training and by helping them to create and develop ambitious projects and businesses.

The competition encouraged local female-led businesses and projects to apply and take part in a public online vote. 27 projects were put forward, and Klépierre and Action'elles worked together to define a shortlist of potential winners. Each of the potential winners was invited to present their story and projects using a short video which was promoted through the shopping centers' social media accounts. Visitors were asked to vote for their favorite project online. In total, three winners were selected from each of the centers: Bear's Flowers, Laety & Milly's and Iwashi. The winners received up to €5,000 and one year of strategic coaching provided by Action'elles.

The Founders of Laety & Milly's, one of the winners, provided their thoughts on the experience: *"We are delighted to have been chosen by the visitors of Val d'Europe to win this contest which has been a real springboard for our activity. It allowed us to launch our business more serenely, despite the lockdown. We benefited from the support of Action'elles and shopping center teams who continue to offer advice. This victory also allowed us to gain visibility and to increase our local renown thanks to the regional influence of Val d'Europe and the numerous visitors to its mall and on social networks."*

In addition, the Beaulieu center collaborated with ADIE to utilize a vacant shopping unit to promote and display the handicrafts of 15 local female creators for three months. ADIE is an organization that encourages women to grow and strengthen their businesses and endeavors to create a more united and responsible economy in France.

3.3.2 Participate in the local economy

The importance of shopping centers as local hubs at the heart of their communities has never been more evident than throughout Covid-19, with the pandemic revealing shopping centers' critical role in addressing urgent local needs to provide essential goods and services.

Long-term, the Group aims to make its centers a benchmark in local value creation and has a target for all centers to offer free space to showcase local initiatives at least once a year. By strengthening connections with the local economy, Klépierre provides an opportunity for local organizations and charities to engage with the millions of daily visitors. This also builds community cohesion and a sense of place amongst residents, offering visitors the best possible experience and in turn, increasing footfall and customer loyalty. The dedication of Klépierre's centers is reflected in the 100% that met the target in 2021.

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

The Group has an overarching framework that sets out guidance for identifying relevant initiatives and comparable metrics that can be used to calculate the Group's overall value creation, such as footfall and social media reach. Importantly, each center has the flexibility to select initiatives based on their unique local circumstances and community. Participatory organizations include non-governmental organizations, local entrepreneurs and sports clubs, student bodies and local artists.

SUPPORTING THE LOCAL ECONOMY

In 2020, with the help of Utopies, a French consulting agency expert in CSR topics, Klépierre conducted a study to assess the socio-economic impact of its shopping centers. Using the agency's Local Footprint® Methodology, the Group analyzed the impact of its centers' activities on the local economy and employment where they operate, accounting for the impact of Klépierre's, and its retailers', purchases, wages, and taxation.

To better reflect Klépierre's impact, 2019 data was used as it is the most representative recent year of its performance due to Covid-19 restrictions in 2020 and 2021. Klépierre's Local Footprint® can be summarized by three main KPIs, two of which reflect the positive impact of Klépierre and its centers on the dynamism of the economy, and one that reflects local anchorage of its shopping centers:

3.2 job supported multiplier coefficient

For 1 job in Klepierre and its shopping centers, 2.2 jobs are created in the economy, with a global impact of more than 230,000 extra jobs supported

76% of jobs supported by Klépierre are in its countries of activity

3.1 GDP generated multiplier coefficient

For €1 generated by the Group and its centers, €2.1 of additional wealth are generated worldwide

3.3.3 Pursue corporate citizenship

Klépierre is committed to being a responsible member of the communities it serves, with a long-term target to boost the social impact of its operations. The Group collaborates with retailers to create projects with real impact, that give visitors the opportunity to take part in meaningful actions that meet their expectations.

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

3.3.3.1 Promoting charitable giving among shopping center visitors

In 2021, Klépierre has achieved its target, one year ahead of schedule, for 100% of shopping centers to organize a clothing, toys and/or furniture collection drive for a local charity. These events support the center's visitors to donate new or second-hand items for those in need, whilst also connecting the center with local charities and organizations.

Visitors created 40 "Christmas boxes"
to be distributed locally to those who otherwise wouldn't receive a Christmas gift by the Val d'Europe and Places d'Armes centers, in partnership with retailer Pylones

A week-long collection
of toys, clothes, and sports equipment was hosted by Hoog Catharijne in The Netherlands with a charitable organization that supports underprivileged children

Over 30 tons of clothes and food collected
at the Meridiano shopping centre in Spain in partnership with Sonrisas Canarias in support of families affected by the volcanic eruption in La Palma

Donation campaigns
at Tarsus in Turkey, with emergency response organisations, Afad and Kizilay, helped collect 1,200 unused products in seven days, with 60 aid parcels sent to those affected by the forest fires

The success of these initiatives has been enhanced by strong communications *via* social channels, showcasing the centers' ability to engage visitors in their community projects.

3.3.3.2 Partnering with tenants to amplify collective impact

Klépierre works closely with its retailers on joint sustainability objectives to enhance their impact and strengthen collaboration. The Group has set a target for all its centers to support an in-house responsible initiative organised by a retailer. By the end of 2021, 99% of Klépierre's shopping centers promoted at least one action by providing mall space, media coverage or logistic support.

In the Netherlands, the Villa Arena shopping center collaborated with retailers to promote their Corporate Social Responsibility (CSR) initiatives by organising a "Sustainable shopping route" during the October Living Month. Visitors could follow the route *via* the Villa Arena website and in the different shops that included specific labelling on responsible products, supporting customers to find responsible alternatives. In the Bruuns Galleri center, complementary videos were created for retailers to promote some of the great CSR and sustainability projects they have. The videos were shared *via* social media and reached 134,000 online users.

3.3.4 Involve local actors in development projects

Klépierre's development activities predominantly involve the expansion, repurposing and modernization of existing assets within its portfolio. Each of the Group's centers has a unique local context bringing varying challenges and opportunities that can significantly impact the local community, urban environment, and infrastructure.

The Group's approach to developing shopping centers which meet local needs has been shaped by its experiences and best practice examples to ensure a consistent standard is applied whilst also enabling flexibility to account for the individual circumstances surrounding the asset. Activities are supported by robust commitments that seek to minimize adverse impacts on the environment and society and drive positive outcomes for local stakeholders.

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

*No development projects superior to 10,000 sq.m. were delivered in 2021.

3.3.4.1 Actively integrating local stakeholder engagement

As well as compliance with all legal planning and consultation requirements, active engagement and consultation with local stakeholders is embedded throughout the Group's development process. Their participation, input and valuable feedback influences the design, purpose, facilities, and retail mix of Klépierre's shopping centers, to ensure each one reflects the catchment area's unique interests and drives mutually-beneficial outcomes including local support, a compelling commercial and leisure offer and long-term project success.

Engagement occurs at specific intervals, through traffic impact studies, market research and surveys. In addition, shopping center managers regularly consult with community members in advance of proposed developments and discuss local issues with them.

During the extension and refurbishment of Grenoble Grand Place, for example, monthly committees with the city ensure local employment and local economic development opportunities are being prioritized. Similar consultation activities are in place for all the Group's developments to enhance the interests unique to the project's specific local context.

3.3.4.2 Embedding responsibility into the supply chain

The Group's impact extends beyond its direct operations to the suppliers it chooses to work with – from the procurement of construction materials to site management – ensuring its supply chain adheres to Klépierre's sustainable procurement standards is a priority.

This is driven by a target for all development suppliers to sign a Sustainability Charter covering both procurement and construction site management. The charter sets out Klépierre's expectations regarding the selection of materials, employment conditions and broader community impacts and each of the service providers are briefed on integrating the three pillars of Act for Good® into each project action. By signing the charter, suppliers commit to minimizing the adverse impacts of their activities, such as air pollution, noise, and waste management, and to meeting required standards on working conditions and the selection of materials.

3.3.4.3 Enhancing biodiversity value

Klépierre actively protects and enhances the biodiversity value of its assets throughout the property lifecycle, from design through to operation. Its approach is underpinned by a target for all development projects to implement a biodiversity plan as well as a mandatory requirement for development projects to have obtained a minimum level of BREEAM "Excellent" New Construction certification. As a result, Klépierre assesses significant biodiversity impacts and mitigation measures aligned with BREEAM "Excellent" level requirements, whilst creating customised biodiversity action plans that enable flexibility to account for unique local conditions.

Ecologists and landscapers are systematically involved in the design and development of new assets or extensions to existing buildings to shape a greater understanding of the surrounding natural environment. Their expertise guides the architects and developers to consider existing ecosystems and select the right plant species to preserve local flora and fauna. Green roofs have become a common feature across the portfolio given their multifaceted role in stormwater management, enhancing biodiversity value, energy savings, and reduced pollution.

3.4 ACT FOR PEOPLE

Klépierre puts people at the heart of its actions. For the millions visiting its shopping centers annually, that means continually evolving the customer journey to meet shifting needs and expectations and creating a positive experience. For the people who work for the Group, that means investing in development, training, and well-being in order to attract and retain talent and drive productivity, creativity and innovation. For both visitors and retailers, Klépierre makes health, safety, and well-being a priority. The aim is to make the Group's centers leading destinations where people want to visit and work.

This approach is underpinned by Klépierre's unwavering commitment to acting responsibly and to the highest ethical standards. These principles extend to the Group's suppliers and business partners.

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

3.4.1 Increase visitors' satisfaction

Klépierre positions its shopping centers as places for visitors to shop, meet and connect. In today's competitive retail market, enhancing the customer experience to increase visitor satisfaction is fundamental to the Group's success.

To evolve and innovate Klépierre's offering, from brands and services to cultural events and high-quality dining, it's essential to understand visitors' needs and the make-up of the local community. This approach is supported by continuous engagement with retailers and sound partnerships with tenants, Klépierre's first-tier customers, along with a deep understanding of industry insight and appreciation for customer feedback. Today, the Group operates in the context of evolving expectations around environmental and social issues. In addition, advances in technology are fuelling a shift towards digital solutions such as online shopping, click & collect, and omnichannel services. The global pandemic has fast-tracked many of these trends. As society continues the return to a new normal, understanding the customer and their expectations will be vital to ensure initiatives and investments increase footfall and loyalty, as well as generate value for visitors and the highest return for the business.

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

3.4.1.1 Embedding a customer centric approach

Clubstore® embodies Klépierre's holistic and seamless customer journey, comprising of 16 touchpoints that enhance experience, establish loyalty, and increase footfall across the Group's shopping centers, based on a deep understanding of best practice and customer expectations. The Clubstore® standards influence every interaction with the center, including the website, center design, online or in-person services, streamlined access and parking, hospitality, and digital connectivity. Clubstore® best practices are shared internally *via* a platform and country-wide meetings that promote continuous improvement.

The Clubstore® Charter works in synergy with other elements of Klépierre's Act for Good® strategy, such as electric vehicle charging stations, biophilic design, health and safety information and community-focused events. For example, Act for Good® initiatives are deeply embedded within shopping centers' activities, organized by local marketing teams who have an acute understanding of the local context and the power of initiatives that provide people with a tangible opportunity to contribute. Initiatives can include fundraising for local charities and environmental awareness campaigns.

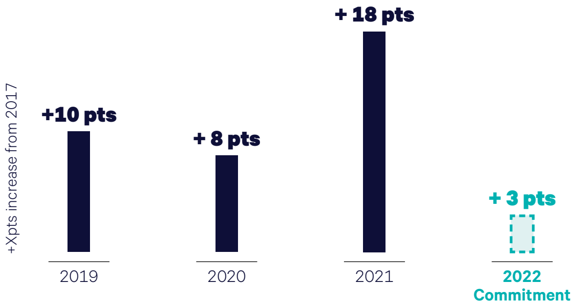
In 2022, to further embed sustainability into the customer journey, Klépierre will be rolling out a new event strategy with a strong focus on Act for Good® topics. For this new year, the main challenge will be to make more visible actions and their results to position our centers as local hubs within their community: anchoring shopping centres in the community through local initiatives that connect them to consumers' daily lives, create activations that contribute to help and support local associations or organize events that celebrate major milestones in their area of influence.

The existing trend towards delivery and click-and-collect services, offering a safe and convenient way for customers to receive their shopping, has been fast-tracked by the pandemic. In Klépierre's Amanda shopping center in Norway, at-risk customers were able to place orders with the tenants and have their shopping delivered over three days during the Christmas period, using an electric car borrowed from a local car dealer and Amanda employees who offered their time.

3.4.1.2 Embracing customer insights

Customer insight is invaluable to Klépierre's approach for improving the customer experience. The Group has developed a strong social media presence with around 5.15 million combined Facebook and Instagram subscribers. Through its #JustAsk platform customers can ask questions and receive a response through Facebook Messenger during opening hours. Klépierre has set a target to respond to 100% of customer questions on social networks. Marketing teams have undergone digital skills training to maintain this community and respond to requests effectively. Together, these platforms facilitate interactions and conversations with visitors, provide up-to-date information about center brands, products, promotions, services and events, and gauge feedback and trends.

AVERAGE NPS SCORE



The Group tracks customer insights on individual shopping centers using Critizr, a multi-functional tool that can collate and monitor visitor feedback from multiple social media and online channels. The system gives each center a dashboard view, enabling them to understand how the customer journey is being experienced by visitors. In 2021, local marketing teams began creating a weekly summary of the main issues highlighted by customers. Shopping center managers are informed and responsible for leading the necessary actions which need to be taken. Klépierre's efforts to make tangible improvements to increase visitor's satisfaction has been validated by the significant increase in its NPS score in 2021.

Klépierre uses the Net Promoter Score (NPS) as a quantitative measure of customers' satisfaction, based on visitors' propensity to be a promoter, passive or a detractor. Beyond customer satisfaction, NPS measures how likely each visitor is to recommend the shopping center to friends and family. As shown in the graph, the Group surpassed its NPS target three years ahead of 2022.

3.4.2 Promote health, safety and well-being

Klépierre has a comprehensive suite of policies and management systems that comply with the highest safety standards and regulations, to minimize the risk of incidents and injuries to visitors and workers.

With the drive to more active and healthier lifestyles, Klépierre positions its shopping centers as places where people can feel safe, relaxed and well, by actively promoting health and well-being products, services and activities.

To improve the quality of life for tenants' employees, workers at each center benefit from services including internal discount cards, reserved parking spaces, access to local fruit and vegetable delivery plans, and facilities for team meetings.

3.4.2.1 Safeguarding health and safety standards

Health and safety risk prevention is governed by a set of Group-wide policies and management systems, which are continually reviewed to ensure compliance with local regulations and the highest international standards. Fire, building collapse due to extreme weather conditions or other unforeseen events, major pollution and public health risks, slips, trips and falls, and work at height, constitute the most serious health and safety risks for the Group. Each shopping center takes responsibility for identifying, assessing, and managing safety risks in accordance with the standards. This includes:

- Health and safety risks and prevention training including fire risk prevention, health, and safety in the workplace and first aid. In 2021, 931 hours of training were conducted with 218 staff members;
- Persistent monitoring by operational teams and periodic checks by Internal Audit to ensure that all relevant risk controls are in place, including:
  - Cooling equipment to prevent Legionella contaminations, and bacterial and/or viral propagation,
  - Standard Group safety measures designed to minimize safety incidents occurring due to day-to-day activities by Klépierre's staff, subcontractors or tenants' staff and/or suppliers within shop units:
    - Visitor incidents are reported at management level, with incident investigation and data analysis forming the basis of action plans to further improve risk prevention,
    - Accidents that occur within tenants' units fall outside the scope of Klépierre's responsibility, nevertheless the Group requires tenants to submit plans for any work being undertaken and inspects shop units once these are completed. A permit is issued that identifies the significant safety risks associated with the proposed work and any recommended preventative measures. Ongoing work is inspected on a regular basis by the shopping center safety and technical management team. In addition, other permits are required for any hot work, which is inspected within two hours of completion and regularly thereafter to prevent any fire risks;
- A Group-wide health, safety and environment compliance application to manage and report health and safety performance data at center level;

- Compliance checks and safety and security reminders for all centers. The actions of technical center managers and directors are coordinated *via* monthly Engineering & Sustainability and Safety webinars;
- Integration of Health and Safety key performance indicators in the annual objectives for all supporting functions, including Country Directors, Operations Directors and Engineering & Sustainability Departments at the country and shopping center level;
- A new compliance tool, KOMPLY, is currently being rolled-out across all shopping centers, providing local teams with comprehensive information on regulatory requirements based on their technical inventory. Teams will be trained on how to use the tool, which offers a centralised platform for compliance management including action plans relating to non-compliance and incidents and the escalation process.

CONTINUITY OF SPECIFIC AND LOCAL RESPONSE TO THE PANDEMIC

Klépierre, supported by International SOS and backed by regulatory intelligence law firms, operates numerous strategy documents that define stringent "Covid prevention standards" within the Group, to comply with local and national guidelines for the prevention of Covid-19, regarding Shopping Center's Operations and HR at head offices.

Bureau Veritas, for the second year, certified all of Klépierre's shopping centers as being compliant to Global Safe Site Excellence. Bureau Veritas continuously assesses the maturity, relevance and effectiveness of the procedures implemented for Covid-19 risk prevention and reduction. It has inspected all sites in order to confirm that the centralized hygiene and safety system has been correctly implemented and is in line with organizational requirements as well as best health practices (surface cleaning procedures, layout modifications to reduce risks, systems to minimize contamination, etc.). Inspections also address measures designed to minimize the risk of contamination for Klépierre staff, retailers, and visitors, as well as auditing compliance among suppliers and sub-contractors with Klépierre's rules and guidelines in addition to their own.

Health awareness information and training for staff, in addition to robust processes, has been the cornerstone of the Group's Crisis Management Plan, ensuring psychological resilience and safety from a health perspective. All employees have been trained to factor Covid-19 prevention into their daily routines, and dedicated presentations have been led by International SOS at various key stages of the crisis, including lockdown and reopening phases.

3.4.2.2 Managing security risks

Klépierre has adopted a comprehensive security strategy and a phased action plan to anticipate, mitigate and thwart the evolving security threats facing the Group's assets. This strategy covers crime, anti-social behavior and civil unrest, as well as terrorism risks.

The Group's security approach is a holistic one. Both in classrooms and e-learning, courses enable employees to take ownership of their security environment and develop partnerships with stakeholders, including tenants, municipal and governmental authorities, civil protection organizations, emergency services, state or local police forces, and other private security teams deployed in the area. Security is included as a standard agenda item in all team meetings at both management and shopping center levels.

The strategy's key stakeholders and activities are:

GROUP HEAD OF SECURITY AND SAFETY

Oversees on-site implementation of Klépierre's security strategy. Adapts action plans and SOPs (see below) for evolving threats, ensures dedicated training for key employees, produces Group security standards to be included in tenders for security services, reinforces security awareness throughout the organization, and advises management at all levels on dealing with security challenges.

SECURITY STANDARD OPERATING PROCEDURES (SOPS)

Launched in 2017, the Group's SOPs cover the protection of strategic on-site zones: technical premises, security control rooms, management office protection, delivery dock protection, fire control room surveillance and new air intake equipment protections. They also cover responses to terrorist attacks, including prevention of vehicle-ramming attacks, and reaction to the discovery of suspicious packages and cars.

SOP ROLL-OUT

REGIONAL

All Country and Shopping Center managers and Technical Directors have been trained in SOP implementation by the Group Physical Protection Director.

LOCAL

All shopping centers must complete an annual self-assessment using a Group security tool to analyse their compliance with the SOPs. Any investments in physical security infrastructure required to comply with Group standards are identified. A Group Internal Audit checks annually that this self-assessment tool is used properly.

PARTNERSHIP

As a key local presence, the Group can act as an intermediary between tenants and regional security forces, as demonstrated by regular testing drills. Through an "intervention assistance server" tool, shopping center information is shared such as property maps, videos and photographs with emergency services to improve response quality.

Despite the ongoing effects of the pandemic, in 2021, Klépierre adapted quickly to developing threats to ensure the consistent implementation of robust processes, strengthening its crisis management capabilities to face potential new safety and security challenges.

By actively sharing information and coordinating responses, the Group has enhanced its centers' ability to anticipate and respond to security risks, while at the same time positioning them as secure and friendly destinations where visitors can have a relaxing time in complete security.

3.4.2.3 Promoting health and well-being for visitors and tenants

In line with the operational objectives described in the previous section, Klépierre aims to promote good health and well-being in 100% of its shopping centers by 2022, which it achieved for the first time in 2021.

Well-being starts with shopping center design. Klépierre uses materials with low volatile organic compound content, effective ventilation systems, and biophilic design features such as natural light and vegetation in all its developments and refurbishments.

The Group is committed to achieving BREEAM New Construction "Excellent" certification for all new developments with a gross leasable area more than 10,000 sq.m, which ensures minimum standards relating to internal and external lighting levels, indoor air quality and acoustic performance.

During the operational phase, the Group focuses its broad range of activities that are offered to visitors and tenants in three areas (outlined below), from regular sports activities to promoting meetings with healthcare professionals and nutritionists. Through these initiatives, Klépierre's shopping centers forge closer connections with their visitors and tenants.

Facilitate access to good quality care and help people stay informed

About 1 million people throughout Europe have been vaccinated against COVID-19 in Klépierre's shopping centers since the beginning of the health crisis. At Porta di Roma, near Rome, a 1,000 sq.m vaccination hub was constructed and opened in May to allow for 3,500 people to be vaccinated a day. The hub features a decontamination passage to control the temperature at the entrance, 28 vaccination booths and a large waiting room for the 15 minutes following the vaccination. Its success is a testament to the long-standing relationship between the center and the Red Cross who worked together to establish an optimal vaccination hub.

Promote healthy lifestyles and offer new services

Across France, Norway, Poland and Spain, shopping centers dedicate specific time slots for changing their sound and visual environment to adapt to the specific needs of their elderly visitors, those with disabilities and those who just need some peace and quiet while they shop. Lighting is dimmed, background music is switched off and scents are no longer diffused. In most of the participating centers, hypermarket and retailers are also part of the silent hours' initiative.

Position centers as communal venues where visitors can meet, experience, learn and discover

Various Iberian shopping centers are equipped with urban gardens, producing a range of vegetables and fruits, and offering visitors the opportunity to participate in workshops. New urban gardens in centers in Portugal and Principe Pio, La Gavia and Nueva Condomina in Spain welcome local communities to learn how to cultivate and grow their own produce in a more efficient, ecological and healthy way. All products are donated to social institutions including a local school and the Association for the Treatment of People with Cerebral Palsy and Related Pathologies (ASTRAPACE).

Just as with its own employees, Klépierre seeks to improve the work-life quality of retailers and their employees, with a 2022 commitment for 100% of shopping centers to offer dedicated services to retailers' employees such as sports and fitness and childcare services. In 2021, 100% of centers achieved this. In addition, at some centers across France and Poland, retailers' employees were welcomed back during the post-pandemic reopening of stores with specific attentions including welcome coffee and vouchers to use in shopping centers.

DEDICATED TRAINING FOR RETAILERS' EMPLOYEES

Throughout 2021, several shopping centers offered dedicated training to retailers' employees to enhance their work-related skills in regard to key trends.

Marieberg Galleria in Sweden conducted a free online seminar for all tenants with a retail expert, focusing on sales and how to keep customers happy as they returned to the center after Covid-19. The center also offered training on the handling and development of digital channels such as TripAdvisor and Facebook. The training was timely given that physical shopping visits had decreased, and retailers were experiencing a significant up-lift in their digital channels. The 10-minute sessions were available on the extranet, making them quick and easy for retailers to access and complete.

3.4.3 Offer Group employees a positive experience

Klépierre recognizes the important connection between a positive employee experience and business success. It therefore provides a quality workplace that encourages engagement, innovation, and creativity.

The Group has set four long-term targets, that reflect the ambition of the HR strategy and its aim to be recognized as an outstanding employer. These targets cover talent management and development, quality of life at work and engagement within the Company. To best achieve these targets, and to reflect its key strategic position, Klépierre's Human Resources function sits within the executive management team. It is supported by the Group-wide Human Resources Committee, made up of HR leads from each country. The committee shares policies and best practices and establishes consistent guidance across all operations and territories, ensuring the Group's approach and employee value proposition is aligned.

A Group-wide Human Resources dashboard tracks the Group's performance against its Act for Good® targets, as well as country level performance indicators such as turnover to identify potential risks and put in place remediation plans that draw from the Group's collective experience. In 2021, the Group created an employee experience position within the Human Resources Department to drive initiatives and a positive employee experience.

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

3.4.3.1 Talent management

Klépierre's talent management policy is based on five pillars: attraction, onboarding, learning and development, performance review and internal mobility. In 2021, for each of these pillars and associated projects, the focus was to drive and embed updated recruitment and onboarding processes and promote the "Klépierre culture".

By the end of 2021, Klépierre directly employed 1,071 employees, including 1,036 on permanent contracts. Klépierre's continued investment in its workforce is reflected in the average length of service of the Group's employees (9.6 years in 2021). Considering the departures in 2021, Klépierre's turnover rate increased to 11.7% from 9.1% in 2020, which should be viewed within the context of a highly competitive yet more challenging job market.

TOTAL HEADCOUNT

Territory	2021	2020
France-Belgium	442	444
Italy	179	180
Scandinavia	124	139
Iberia	110	114
Central Europe & Other	111	112
Netherlands	54	57
Germany	51	50
GROUP TOTAL	**1,071**	**1,096**

HEADCOUNT AT YEAR-END, BY TYPE OF CONTRACT

	2021	2020
Permanent	1,036	1,057
Temporary	35	39
TOTAL	**1,071**	**1,096**

HEADCOUNT AT YEAR-END, BY AGE

	2021	2020
<30	12%	12%
30-39	31%	31%
40-49	33%	34%
≥ 50	24%	23%

3.4.3.1.1 Attraction

Attracting and retaining talented employees is vital to the Group's capacity to grow and develop. Klépierre invests in a diverse workforce through recruitment and continues to grow employee knowledge and skills through training which remains one of the key success factors for its business and employer brand. This is evidenced by the average length of service for Klépierre staff, which was 9.6 years in 2021.

To further the Group's attraction opportunities, Klépierre underwent a comprehensive process in 2021 to define its company values. The process entailed co-construction workshops with employees, senior managers, and country directors across the business, with the support of an external specialized agency, to identify the values that most innately reflect the Group. In 2022, these values will be communicated across the business and will enable the Group to build on its existing employer brand.

Klépierre has an exciting and attractive offering of internships, apprenticeships, and permanent positions for students, which allows the business to enjoy a strong talent pipeline. Despite the continuing effects of the pandemic such as lockdowns and intermittent home working, the Group maintained 100% of its planned internships this year and welcomed 66 interns to the business through a fully adapted onboarding and mentoring process. To ensure the business is as accessible as possible, the Group leverages the use of online tools such as the graduate recruitment platform Jobteaser.

The Group puts a major emphasis on attraction and recruitment for the last two quarters of the year through school forums, open recruitments and pushing the employer brand.

3.4.3.1.2 Onboarding

Klépierre's onboarding programs, organized at Group and local levels, provide new employees with a bespoke induction to the business based on their role and location, and ensure they have access to the key information they need to build their internal network.

The Group-level onboarding program, which includes presentations by members of the Executive Board, introduces new joiners to Klépierre's organization, business strategy and corporate culture and gives attendees the opportunity to network and meet the senior management team. The program covers the roles and responsibilities of key people, including shopping center teams who represent the business' core function. In 2021, 62 new hires from 12 countries benefitted from this initiative. Onboarding programs continue to be adapted and digitized into remote courses in line with the ongoing pandemic.

In 2021, Klépierre demonstrated its commitment to innovation in their onboarding process with a virtual escape room style challenge, designed to forge links between the participants, with 40 candidates taking part.

3.4.3.1.3 Learning and development

Klépierre actively promotes learning and development for all its employees, to support employee engagement and to ensure the Group has the technical and professional skills to deliver its business model, meet objectives and address emerging trends.

In 2021, the Group has continued to fulfil its target of 100% access to training for employees, calculation based on average workforce. The creation of key business e-learning modules, the transformation of face-to-face training sessions into virtual classrooms, as well as the implementation of a community of learning influencers at country level has helped Klépierre maintain success in this area. Klépierre's learning influencers play a key role in training and development delivery, including translating training content into local languages and supporting events for learners.

The Group recognizes the importance of providing clear development pathways for employees, mapping professional and soft skills that support their career aspirations and internal mobility, with a focus on new joiners, experienced hires, and existing long-term employees.

Klépierre University is the Group's main learning and development hub, with over 150 courses across three main areas:

- **Adapting constantly to business needs –** Engaging internal trainers and working closely with managers to understand business shifts and needs for new competencies
- **Serving employees' development –** Welcoming and engaging each employee according to their function, encouraging employees to take an active role in their own development and putting them in a position to succeed
- **Building engagement and motivation –** Optimizing training through a blended approach of face-to-face and e-learning sessions whilst building efficient training paths with interactive and engaging modules

The University offered over 150 courses and delivered over 18,296 hours of training in 2021. Klépierre University contributes to the Group's HR ambitions through its main objectives; training graduate employees in the Group's specific professions, supporting the business to adapt to changes in the market and needs by developing personal skills, offering diversified training to all employees to promote international and cross-functional mobility, promoting an innovative culture across the business and helping managers to support dispersed teams and manage remotely.

During the Covid-19 pandemic, Klépierre University adapted quickly to transform face-to-face sessions into virtual classroom and e-learning modules, providing valuable opportunities for interactive discussions and case studies. These were delivered by the relevant subject matter experts, many of whom are Klépierre employees. In 2021, 32% of the Group's training and development sessions were delivered by internal trainers, demonstrating the technical expertise held within the business.

In 2021, Klépierre University launched its second edition of the Digital Summer School. The 10-week program included a certified learning path, relevant to the need for adaptability in 2021, focusing on "dealing with change" soft skills. Participants had access to 16 recommended e-learning courses and a quiz and were invited to take part in three challenges to allow them to get the most out of the program. All participants then attended a virtual conference, available in both French and English, which included talks from keynote speakers on topics such as change, curiosity and agility. 125 of the Group's employees took part in the 2021 Digital Summer School.

DISKOVERY

In 2021, Klépierre University introduced DisKovery, a learning program focusing on essential skills in which over 500 employees took part as active learners.

The program is made up of three courses per quarter, alongside additional media such as articles, videos, and podcasts, with each quarter focusing on one specific skill. A quiz at the end of each quarter allowed participants to see their progress and assess their learning. Klépierre University also worked to engage and upskill internal trainers, giving them access to customized support from the HR team, as well as to lectures and interactive sessions to support their development.

3.4.3.1.4 Performance and development review

Klépierre's performance review and development process is managed through two one-to-one meetings each year, the first focusing on individual performance and the second on career development.

The performance-specific review meeting, which takes place between November and January, is mandatory. It aims to assess the employee's achievements from the past year, as well as set personal objectives for the coming year. It also highlights the resources and training needed for each employee to develop their skills in line with the Group's priorities.

Employees have the option of having an additional mid-year review at their discretion and/or that of their manager, to ensure their individual objectives are up to date and aligned with their development plan. In 2021, 503 employees (51% of the workforce) took advantage of the mid-year review procedure.

Every line manager is responsible for their team members' development through feedback and support in creating personalized development plans. Any employee can request a development review to discuss their career aspirations and training needs and the Group recommends that each employee take advantage of this at least every two years, or annually for employees under 30. The Group encourages employees to self-assess their skills, which promotes greater engagement in the process and its outcome. The aim is to make each employee's development path consistent with the resources they need to achieve it, to give the business the right people for the right jobs at the right time.

In 2021, 47.5% of graduates participated in the career development process, demonstrating a willingness to discuss their development early in their career and the success of the targeted HR communications towards the recent graduates, despite the increase in home working. This was a decrease when compared to 2020 due to a substantial increase in the number of the Group's graduates receiving an internal promotion and therefore not requiring a development interview with their managers in 2021.

Klépierre also seeks to retain the knowledge and skills of more senior employees, who represent 24% of its workforce. Promoting their inclusion in an internal trainers' program allows them to share their wealth of experience with new hires and encourages internal mobility. The 60+ internal trainers receive personalized guidance *via* internal coaching, dedicated training and best practices sharing.

3.4.3.1.5 Internal mobility

The Group's international footprint means it is well placed to offer opportunities both within functions and between businesses, which supports its succession planning, recruitment, and retention objectives. Job opportunities are pushed towards high potential employees to develop their specialist expertise, take on new responsibilities, consolidate their leadership through managing cross-functional projects, and enhance their ability to grow in a multicultural environment.

In 2021, the Group began an internal people review, an analysis of staff led by the HR Department in partnership with managers, to address development needs, performance issues and to anticipate internal moves and feed into succession pipelines. The review encourages and promotes diversity in management roles and ensures the business can continue to build a strong succession pipeline of internal talent. As a result, 31% of open job positions were filled by internal mobility, a significant rise from 17% in 2020.

HR teams from across the Group coordinate and guide employees throughout the entire mobility process, starting with the identification and matching of job opportunities with individual employee's objectives, through to taking up the new position. Executive-level promotions are assisted by a support team and mentoring program.

In 2022, HR teams will continue their journey to further engage employees and will assess compensation packages, deploy a leadership program in line with Klépierre's cultural pillars, and design a group mental health strategy, consolidating the work already done on preventing psychosocial risks.

3.4.3.1.6 Diversity and inclusion

Klépierre is an inherently diverse organization, with over 30 nationalities represented throughout the Group. The real estate industry nonetheless faces diversity challenges, particularly regarding gender balance at senior management levels. The Group's Diversity and Inclusion strategy is designed with three key pillars:

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

To further the Group's commitment to a diverse and inclusive workforce, a Diversity and Inclusion board was introduced to manage and promote D&I throughout the business, this was also supported by the nomination of over 40 D&I ambassadors across the business to further advocate inclusion.

In late 2020, Klépierre introduced a dedicated policy on gender balance. As part of this policy, the Group has committed to bringing the proportion of women on the management team up to at least 30% by December 31, 2022, and at least 40% by December 31, 2025. The same targets are set for the top 100 managers by December 31, 2023, and December 31, 2026 respectively.

In the space of one year, significant progress has been made on this matter as the proportion of women on the management team(1) had already reached the 30% mark as of December 31, 2021, and the number of female staff in the top 100 managers rose to 33% as of the same date. In 2021, along with other real estate companies, the Group signed an Equality Charter to establish greater professional parity between men and women in real estate companies. The charter aims to drive equal pay, promote female talent into strategic positions and the visibility of women, and make performance equality an essential part of company policy. In addition, the Klépierre Diversity Charter (signed in 2010) summarises its commitment to promote equal opportunities for all employees and prohibit discrimination based on age, disability, family status, race, religion, or gender.

As such, the Group has set out to increase the percentage of employees who contribute to the co-construction of the Company's future by 2022. Ensuring Klépierre's policies, processes and activities are inclusive is vital to its success and listening to a diverse set of voices is key to its approach for creating a future where everyone feels heard, engaged and comfortable to be themselves. In 2021, an internal Women's Network was introduced as a pilot initiative, made up of 15 senior managers from the Corporate team and France.

DIVERSITY AND INCLUSION WEEK

In 2021, a Group-wide project was launched to celebrate Diversity and Inclusion Week (November 29 – December 3) to allow employees to find out more about what diversity and inclusion means.

Klépierre held four events over the week to share the Group's Diversity and Inclusion ambition, testimonials from employees and to encourage and promote conversation around topics such as intergenerational inclusion, gender equality, stereotypes, and disability. The events were attended by over 600 participants.

The Group also introduced five e-learning modules, with over 350 employees completing at least one new training module.

During the week, over 40 diversity and inclusion ambassadors supported the running of the events and sessions and promoted several local initiatives in their own regions including virtual reality training.

3.4.3.2 Quality of life at work

Research increasingly shows the benefits of a high-quality workplace and a strong positive correlation between healthy workplaces, employee well-being and their productivity.

3.4.3.2.1 Health, safety, and well-being at work

Occupational health and safety are a vital component of Klépierre's commitment to enhance employees' working life. The Group promotes health and safety training, awareness raising and well-being initiatives to improve the quality of its workplaces and spaces.

Serious health and safety incidents such as fatalities are extremely rare due to the nature of the business. Instead, occupational health and safety issues such as mental health risks are among the most significant incidents contributing to employee absence. In the current context of the ongoing pandemic, home working has been extended to many employees. New mental health risks have materialized and must be anticipated and considered to ensure that employees in need receive the requisite support.

Accordingly, the Group uses Klépierre University to deliver mental health and well-being training to managers and employees, through online modules and face-to-face sessions. The Group also provides a free and anonymous mental health helpline to all French and Belgian employees in partnership with Axis Mundi, and a similar assistance program has been set up in Turkey.

In 2021, Klépierre ran a week-long group-wide Well-being @ Work initiative which offered e-learning modules, conferences, and workshops for employees through the Group's internal social network, intranet, and a direct email campaign. Ten online training modules were made available to all group employees to support their well-being in various work-related situations. The training covered topics such as work-life balance, how to deal with stress, bonding with remote teams and developing emotional intelligence. In France, employees had the opportunity to join fitness and cooking classes, as well as sessions that focused on the impacts of home working and how the pandemic has affected office life.

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(1) Management team : Executive board and Corporate Management team.

In addition, the Group provides regular lectures organized in partnership with International SOS, aimed at explaining the evolution of the ongoing pandemic and answering questions to ensure employees feel supported.

In 2022, the Group aims to introduce more support for managers to help manage increased mental health issues due to the ongoing health crisis.

3.4.3.2.2 Benefits and work-life balance

Klépierre's benefits and work-life programs are largely managed at a country level and are designed to reflect local needs and practices, although the Group ensures that certain benefits are available to all employees.

The Group's competitive benefits and compensation help improve engagement and retention levels, enhanced by a range of non-financial benefits that collectively provide a rewarding work environment and support employees to better balance their work-life commitments. In France and Sweden, for example, additional parental leave and part-time working opportunities are available, while in Italy and Spain, Klépierre offers a benefits allowance that employees can put towards health and well-being activities. The Company also applies a "right to disconnect" policy outside of working hours following a collective bargaining agreement enacted in France in 2017.

Thanks to these initiatives, there was a smooth transition to home working during the health crisis. All employees were equipped with laptops, cloud solutions were deployed company-wide, and the daily use of collaborative tools has been widespread. This has facilitated remote team-based work and enhanced employee responsiveness on various subjects.

3.4.4 Champion ethics in the local communities

Klépierre operates to the highest ethical standards and ensures everyone working with and for the Group acts according to the same principles. This is essential for maintaining the Group's reputation as a responsible business and safeguarding its long-term relationships with customers, retailers, shareholders, and local communities. In 2021, all employees received training of the following type: Compliance & Ethics.

All Klépierre employees, first-tier suppliers and service providers are based in countries that have ratified the eight fundamental conventions of the International Labor Organization (ILO) including: the elimination of discrimination in the workplace, respect for freedom of association and the right to collective bargaining; the elimination of any form of forced or compulsory labor, and the abolition of child labor. Human rights standards are supported by strict national and European regulations.

Klépierre became a signatory to the United Nations Global Compact in 2012, and the Group conducts an annual review of human rights risks, policies, monitoring, and reporting procedures across all countries where it operates using the UN Global Compact's analysis tool.

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

* Suppliers, service providers and M&A teams
** Calculated on the scope managed by the Group Procurement Department i.e., 37% of Klépierre (key) suppliers

3.4.4.1 A culture of business ethics

Business ethics are deeply embedded within the Group's culture and guide Klépierre's relationships with external partners and employees.

In 2021, the Audit & Internal Control Department restructured to create two separate departments: Internal Audit and Risk Management. The change aligns the Group's business ethics procedures with best practice governance, establishing independence for internal audit activities, more effective segregation and specialization of roles, as well as an enhanced focus on risk management. A Group-wide Risk Management Committee has also been formed and will commence in 2022 to enhance knowledge sharing and the perception of key risks by all top managers, create stronger governance and coordination of initiatives, and improve the allocation of resources and responsibilities.

Compliance with all national laws and regulations is a prerequisite to operating responsibly. France's "Sapin II" law stipulates that large companies must establish an anti-corruption program to identify and mitigate relevant risks. This includes obligations to draw up a risk map, a dedicated Code of Conduct, an internal whistleblowing system, third-party due diligence, accounting controls, a compliance training program, a disciplinary mechanism, and internal evaluation controls.

Klépierre's approach is underpinned by two ethical codes. The Code of Professional Conduct sets out the Group's commitment to ethics and human rights and instructs employees' behaviour including: respect for the law and local customs; customer service; confidentiality and observance of professional secrecy; financial and media communication; delegations of authority and signatures; protection and utilization of Company assets; whistleblowing; health and safety; prevention of acts of discrimination and harassment, and respect for privacy; and environmental responsibility. The Anti-corruption Code of Conduct sets out the Group's expectations regarding the giving and receiving of gifts and invitations, conflicts of interest, facilitation payments, patronage and sponsorship and lobbying activities.

The codes are available on the Group's corporate website and are regularly reissued to all Group personnel, with annual Group-wide training conducted to refresh employee's knowledge and deep-dive into specific topics. In 2021, 99% of the present headcount at year-end completed training on data confidentiality to understand the different forms of data and information leakage, recognize sensitive data, raise awareness on the importance of data protection, and promote best practices.

Whistleblowers can raise alerts internally, using a confidential reporting procedure, and externally, using an independent specialist service provider. Depending on local regulations, alerts can be made both anonymously or publicly. Based on upcoming regulation, whistleblowing procedures are being reviewed internally to effectively protect those raising alerts.

3.4.4.1.1 Money laundering and terrorism financing

Klépierre's ethical values extend to its partners. To ensure compliance with the anti-corruption aspects of the "Sapin II" law and the 4th and the 5th European Directive on money laundering and terrorist financing, the Group has "Know Your Business Partner" procedures in place.

These procedures comprise an electronic tool containing a list of sanctions, convictions, politically exposed persons, and negative press articles to assess the probity risk of third parties and identify beneficial owners and external stakeholders. These third-party assessments are primarily applicable to business relationships with retailers, but also to buyers and sellers of assets, key suppliers and service providers, and intermediaries recruited as part of development transactions. The tool is undergoing a review to ensure wide-spread deployment across the Group, with improvement recommendations due to be implemented in 2022.

In 2021, Klépierre raised awareness of business ethics with 64% of its external stakeholders, bringing it well within reach of the 100% 2022 target.

3.4.4.2 Responsible purchasing

Klépierre purchases goods and services from a diverse first-tier supply chain of around 14,000 suppliers across 12 countries, ranging from small local businesses to large international companies. Five major service categories including utilities (energy and water), general operations, cleaning, maintenance, and safety and security represent approximately 85% of the Group's operating budget.

Major suppliers are viewed as partners, with whom the Group nurtures long-term relationships built on trust and mutual respect, to create mutually beneficial value beyond each formal contractual agreement.

A central procurement team evaluates and monitors the Group's top 80 suppliers, equivalent to 37% of supply chain spend, providing support to country-level procurement teams to ensure the consistent application of the Group's standards and procedures. Procurement and service provision are primarily managed by country procurement teams, supported by local multi-disciplinary teams, and overseen by Country Heads, Operational Departments and Procurement Departments. This enables the local context to be accounted for, such as prioritizing local businesses to support the Group's long-term targets (see Act for Territories, section 3.3).

To work with Klépierre, suppliers, including all service providers, must formally commit to and sign the CSR Responsible Purchasing Charter, which defines the expected standards relating to human rights, ethics, security, energy performance, waste management, sustainable behavior, local development and building certification. The Charter is regularly reviewed and updated. By the end of 2021, 100% top suppliers had signed the charter.

The Group favors suppliers with management systems certified to ISO 9001 or 14001 for technical services as an indicator of responsible business practices. At the end of 2021, 90% of cleaning suppliers, 95% of security suppliers and 94% of facility management suppliers were certified against at least one of these standards. For all key suppliers, the Group uses an assessment matrix to evaluate their social and environmental policies and practices. Since 2018, 100% of Klépierre's suppliers (on the scope managed by the French procurement team) have been selected based on CSR criteria, four years ahead of the target date.

As operating expenses are mostly passed on to tenants through the service charge, they are subject to extensive scrutiny by retailers. The Group continually seeks to reduce costs on behalf of its tenants, for example by consolidating energy and waste management contracts at regional and national level. The Group also operates a stringent selection and approval process. The signing of framework agreements and continuous on-site monitoring ensures that risks in relation to operating expenses are identified and minimized. The financial sustainability of suppliers is considered as part of this process, and the proportion of suppliers' total revenue that is derived from business with Klépierre may not exceed 22%.

Purchasing teams follow two fundamental principles: neutrality, to ensure fair, ethical, objective, and transparent processes; and the consideration of the life-cycle cost of purchased products. The Group's social and environmental commitments have also been progressively incorporated into contractual agreements.

3.4.5 Be socially conscious

Empowering employees to contribute to causes important to them and their local communities is essential for a positive employee experience, driven by shifting employee attitudes towards volunteering, philanthropy, and corporate social responsibility. Offering opportunities to take part in these activities can positively contribute to engagement and satisfaction levels, whilst strengthening ties with local communities.

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

* In the absence of a suitable Group level partnership, all countries are encouraged to develop their own long-term partnerships with NGOs, with support from the group

Since 2020, 100% of the Group's employees have been given the opportunity to take part in a philanthropic initiative, well ahead of the 2022 deadline. In addition, each country is encouraged to identify opportunities for long-term partnerships with non-governmental organizations (NGOs) dedicated to employability and family, with support from the Group. Many have taken the lead in supporting families and young people in their catchment areas and in 2021, 100% organized at least one philanthropic activity. In 2022, Klépierre's focus will be to ensure that a partnership with an NGO is in place at all shopping centers and an activity to support them has commenced.

Across France, The Netherlands, Germany, Italy, and Poland, 348 Klépierre employees took part in a Solidarity Walk in support of *Apprentis d'Auteuil*. Together, the employees walked 37,427 km and over 50 million steps, equivalent to a round trip from France to New Zealand, the furthest distance of all companies who entered the initiative. Due to the dedication and hard work of the Group's employees that participated, 28 families will be supported by the charity for a year, which aims to provide a safe space to families who need support in areas such as education and financial security. Klépierre has worked with the French NGO on several previous projects including providing space for people supported by the charity to test their projects and sales training for people starting out in their careers.

Similarly, in Portugal and Spain, shopping centers partnered with an NGO called Action Against Hunger where employees could log the kilometers they ran, walked, or cycled online. The distance achieved was exchanged for money on shopping cards for families in need. Together, employees walked a total of 3,240 km, equivalent to €2,680, filling the shopping cart of approximately 63 families.

3.5 SUMMARY OF PERFORMANCE AGAINST LONG-TERM COMMITMENTS, METHODOLOGY AND CONCORDANCE TABLES

3.5.1 Summary performance against 2022 Act for Good® commitments

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

ACT FOR THE PLANET

	2020	2021	2022
ACT FOR A LOW-CARBON FUTURE			
Reduction in energy consumption for common and serviced areas compared with 2013[a]	-43%	-45%	-40%
Percentage of electricity from renewable sources in common and serviced areas	93%	95%	100%
The five biggest shopping centers in our portfolio to be net-zero carbon (Scopes 1 & 2)	1/5	4/5	5/5
Certification of the Group's climate strategy by the Science Based Targets Initiative	Certified	Certified	Certified
CONTRIBUTE TO A CIRCULAR ECONOMY			
Percentage of recovered waste	96%	98%	100%
Percentage of centers that have involved retailers in a circular economy effort	86%	94%	100%
DEVELOP A FULLY-CERTIFIED PORTFOLIO			
Percentage of centers that have a sustainable development certification (BREEAM In-Use, ISO 14001, etc.)	100%	100%	100%
Percentage of development projects that have obtained BREEAM New Construction certification (with a minimum level of "Excellent")	100%	N/A[b]	100%
Percentage of new developments using wood from a certified forest during construction	100%	N/A[b]	100%
INNOVATE FOR SUSTAINABLE MOBILITY			
Percentage of centers accessible *via* public transport	98%	100%	100%
Percentage of centers equipped with electric vehicle charging stations	68%	72%	100%

(a) 2013 baseline: 143 kWh/sq.m.
(b) No development projects superior to 10,000 sq.m. were delivered in 2021.

ACT FOR TERRITORIES[a]

	2020	2021	2022
ENCOURAGE LOCAL EMPLOYMENT AROUND OUR CENTERS			
Percentage of local service providers for operational management of the centers (security, maintenance, cleaning services)	87%	98%	100%
Percentage of centers that have contributed to local employment	95%	100%	100%
PARTICIPATION IN THE LOCAL COMMUNITY			
Percentage of centers that have made space available for a local initiative	98%	100%	100%
PURSUE OUR CORPORATE CITIZENSHIP			
Percentage of centers that have organized a drive (clothes, toys, furniture, etc.) for the benefit of a local charity	96%	100%	100%
Percentage of centers that have supported a citizen's initiative organized by a retailer in the center	98%	99%	100%
INVOLVE LOCAL STAKEHOLDERS IN DESIGNING NEW DEVELOPMENTS			
Percentage of development projects that have included local cooperation as part of the early planning process	100%	N/A[b]	100%
Percentage of development projects certifying that suppliers sign a Sustainability Charter governing construction site supply and management	100%	N/A[b]	100%
Percentage of development projects that have implemented a biodiversity action plan	100%	N/A[b]	100%

(a) All Act for Territories targets are measured by value.
(b) No development projects superior to 10,000 sq.m. were delivered in 2021.

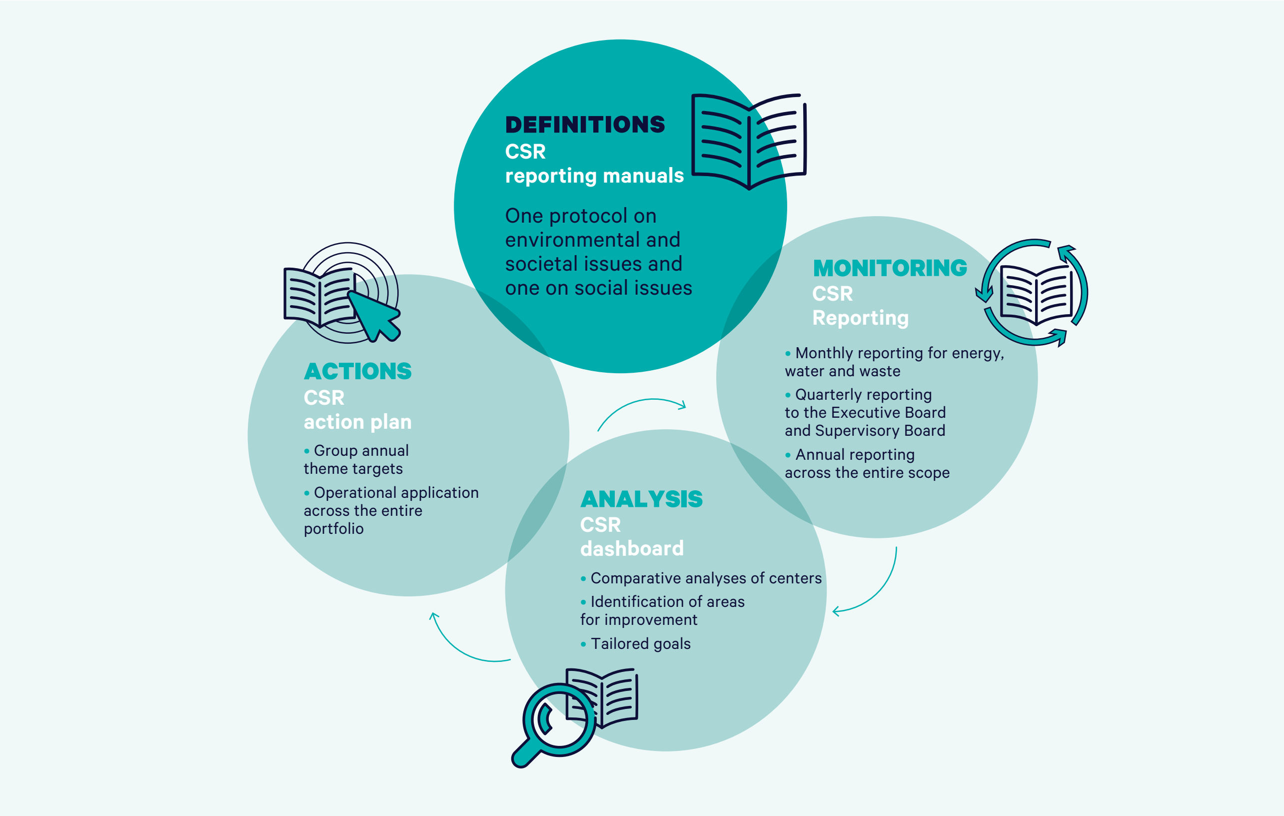
ACT FOR PEOPLE

	2020	2021	2022
CONTINUOUSLY INCREASE VISITOR SATISFACTION			
Increase in the Group's Net Promoter Score (NPS)(a)	+8 pts	+18 pts	+3 pts
Percentage of customer questions asked on social media handled	92%	88%	100%
PROMOTE HEALTH AND WELL-BEING IN THE CENTERS			
Percentage of centers promoting health and well-being	99%	100%	100%
Percentage of centers offering dedicated services to the employees of their retailers	94%	100%	100%
OFFER GROUP EMPLOYEES A POSITIVE EXPERIENCE			
Rate of access to training for Group employees	100%	100%	100%
Percentage of employees concerned by measures aimed at achieving work-life balance	100%	100%(b)	100%
Percentage of recent graduates who have been given the opportunity to receive personalized career guidance	100%	100%	100%
Percentage of employees who have contributed to the co-construction of the Group's future	38%	38%	100%
SPREAD ETHICS IN OUR COMMUNITIES			
Percentage of employees who have been made aware of ethical business practices	100%	100%	100%
Percentage of external stakeholders who have been made aware of ethical business practices	50%	64%	100%
Percentage of service suppliers selected based on CSR criteria	100%	100%(c)	100%
BE SOCIALLY CONSCIOUS			
Percentage of employees who have had the opportunity to take part in a philanthropic initiative	100%	100%	100%
One long-term partnership per country signed with an NGO committed to employability and/or family	Not yet	Ongoing	Signature

(a) 2017 baseline.
(b) 99.8%
(c) Calculated on the scope managed by the French Procurement Department, 37% of Klepierre key suppliers.

3.5.2 Management system and tools

For uniformity and internal clarity, the Group uses a suite of tools and processes to integrate environmental and societal issues into all its operational procedures. These are organized into four groups:



3.5.2.1 Definitions: CSR reporting manuals

The Group has established standard definitions for the environmental, social, and societal impacts that all shopping centers and Group operations are expected to monitor.

The definitions are grouped into two reporting protocols:

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

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

3.5.2.2 Monitoring: CSR reporting

3.5.2.2.1 Internal reporting

Klépierre monitors environmental, social, and societal data covering 99.9% of its portfolio of owned shopping centers by value and of all its staff, against the defined impacts and key performance indicators (for full details on reporting scope, please refer to section 3.5.4).

Center Managers and Technical Directors monitor utility consumption (energy and water) and waste production at least once a month. 76% of centers are also equipped with energy measurement systems that enable automated reporting (by directly hooking up to utility suppliers, for example) and provide real-time analysis of the actual performance of assets. The Group uses Deepki to standardize its monthly reporting of energy, water and waste data. The tool enables data analysis at shopping center and portfolio level, control for climate factors, and allows for a robust shopping center performance benchmarking assessment. Social data in relation to the Group's Act for People activities are monitored using an information system shared with all Group Human Resources teams, thereby enabling standardized and structured management of data based on a single source. The Group's progress against its Act for Territories activities is monitored on a country and shopping center basis using Deepki which allows for a quarterly review of each commitment, as well as during quarterly meetings (see below) which are supported by regular communications between relevant teams and the Group's Engineering & Sustainability Department.

Both data sets and supporting qualitative information are compiled and reported quarterly to the Executive Board and to the Supervisory Board's Sustainable Development Committee.

The Management Committee of each country attends quarterly meetings to share progress against each Act for Good® pillar and monitor key performance indicators. The meetings also serve to identify areas where individual countries and/or shopping centers may need additional support, and this is aided by the best practice guidelines referred to above (see section 3.1.1 "Governing responsibly").

3.5.2.2.2 External reporting

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

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

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

Although the report is not fully prepared in accordance with the GRI Standards, a cross-reference table with the relevant GRI Standards covered by the contents of this report is available in section 3.5.6.

3.5.2.2.3 Actions: CSR action plan

The detailed performance analysis described above makes it possible for the Engineering & Sustainability Department and Group Human Resources Department to identify areas for improvement at all levels, and in particular at the beginning of the year:

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

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

3.5.3 Industry initiatives and charters supported by Klépierre

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

European Public Real Estate Association (EPRA)

EPRA's members include more than 200 European listed real estate companies. The EPRA Sustainability Best Practices Recommendations (sBPR) aim to establish a standardized approach to reporting on the environmental and social impacts that are material for publicly traded real estate companies. Klépierre is a member of the Sustainability Committee.

French Council of Shopping Centers (CNCC)

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

French Real Estate Association (FSIF)

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

Global Real Estate Sustainability Benchmark (GRESB)

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

United Nations Global Compact

As signatory to the United Nations Global Compact since 2012, Klépierre issues an annual Communication on Progress summarizing its commitment to implementing the 10 universal principles promoted by the Global Compact (covering human rights, labor standards, the environment, and the fight against corruption). In 2017, the Group reached the "advanced" level in this improvement process.

Charter for energy efficiency of tertiary buildings

The Charter provides a framework for real estate companies to improve the energy efficiency of their portfolios and anticipate future regulatory obligations related to tertiary buildings' energy performance. The Group has been a signatory since November 2013 and signed up again in 2017 following publication of the new version of the Charter.

Diversity Charter

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

Charter for Parenthood

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

The Palladio Foundation

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

Association pour le développement du Bâtiment Bas Carbone (BBCA)

BBCA's goal is to reduce the carbon footprint of buildings, and to promote approaches that help develop low carbon buildings. It has developed a certification program that was published in 2016.

3.5.4 Methodological note

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

The key reporting principles are as follows:

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

3.5.4.1 Methodological note for environmental and societal indicators

3.5.4.1.1 Key industry indicators

Definitions of key indicators

A reporting protocol for environmental and societal indicators has been circulated Group-wide since 2006 to ensure the consistency and reliability of the CSR reporting procedure and the qualitative and quantitative data published by the Group. It acts as a reference framework for all participants in the reporting process. The protocol is updated each year to ensure that it is as relevant as possible to Klépierre's CSR commitments and strategy, and to take account of feedback received following each reporting period, of regulatory changes and of evolving industry practices and standards.

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

Units of measurement

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

Additional clarifications

- Energy efficiency and greenhouse gas emissions of serviced areas and shared equipment: consumption intensity and energy performance indicators expressed in kWh or kWh/sq.m. reflect the heating and air conditioning consumption of serviced areas which include the common areas of the shopping centers and the private areas (shops, storage rooms, etc.) that are connected to shared equipment without a sub-metering system.
- Greenhouse gas emissions are presented using "location-based" and "market-based" methods. For location-based data, emissions factors used in the calculations are sourced from the French Environment and Energy Management Agency's (ADEME) Bilans GES database (average national factors). For market-based data, emissions factors are sourced directly from each energy supplier.
- For energy and water consumption, the Group uses meter reading data (as opposed to invoices) to ensure shorter data collection lead times and greater relevance.
- Where Klépierre neither owns nor manages head office buildings it occupies, the related consumption data are not included in this report.
- Water consumption corresponds to drinking water consumption for the entire building in question (both common and private areas), exclusive of water used for heat pumps.
- Development projects included in the 2020 reporting scope correspond to projects delivered during the year, except for carbon data, for which emissions relating to project construction are spread over the years of the corresponding work.
- All key indicators are calculated based on actual and exhaustive data. For certain missing data, Klépierre has provided estimates detailed in the charts or tables concerned.

Industry frameworks

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

- Global Reporting Initiative (GRI) Standards;
- European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations;
- French Council of Shopping Centers (*Conseil national des centres commerciaux* – CNCC) – CSR industry reporting guide/Non-financial performance statement;
- United Nations (UN) Sustainable Development Goals (SDGs);
- Taskforce on Climate-related Financial Disclosures (TCFD);
- Sustainability Accounting Standards Board (SASB).

Cross-reference tables with the non-financial information presented by Klépierre in this document covering the CNCC non-financial performance statement, the GRI Standards, the UN SDGs and SASB are provided in section 3.5.6.

3.5.4.1.2 Reporting scope

2021 reporting scope and coverage rate

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

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

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

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

Section	Reporting Scope rules	Scope & coverage rate
All KPIs – except the ones mentioned below	All assets under Klépierre's operational control are included in the scope. All exclusions are specified in each section of the document.	Scope (127/130): 116/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only shopping centers. Coverage rate: 99.9%
% of recovered Waste	All assets under Klépierre's operational control are included in the scope, however when municipality or local authorities are responsible for waste management, as we do not have leverage over the final destination strategy and utilities, shopping centers in this situation are excluded from the scope.	Scope (96/130): 87/116 owned and managed shopping centers + 5/6 managed-only shopping centers + 4/8 owned only. Coverage rate: 84.00%
Waste – other KPIs	All assets under Klépierre's operational control are included in the scope. Despite this rule, a shopping center may be removed from the scope when it is managed by the municipality and we do not have access to the tonnage.	Scope (126/130): 115/116 owned and managed shopping centers + 6/6 managed-only shopping centers + 5/8 owned only. Coverage rate: 99.8%
Water – all KPIs	All assets under Klépierre's operational control are included in the scope. A shopping center is excluded when a third-party (i.e., a hypermarket) is managing the water contract and consumption data.	Scope (126/130) : 115/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only. Coverage rate: 99.6%
% of shopping centers equipped with charging stations	All assets under Klépierre's operational control are included in the scope, some centers are excluded from this scope when we are not responsible for the management of the parking area. In this case, we are unable to impose a charging station for electric vehicles, however in such a situation we try to work with the co-owner to find solutions.	Scope (110/130) : 101/116 owned and managed shopping centers + 6/6 managed only shopping centers + 3/8 owned only. Coverage rate: 89.6%
Act for Territories section – except local providers KPIs	All assets under Klépierre's marketing control are included in the scope; centers are excluded from this scope when we are not in charge of the marketing operations, as in this case we unable to impose our strategy.	Scope (122/130): 115/116 owned and managed shopping centers + 6/6 managed only shopping centers + 1/8 owned only shopping centers. Coverage rate: 98%
HR KPIs	This relates to all employees who were already present for all or a portion of the period, whether or not they are still under contract with the entity at the end of the reporting period.	Eligible workforce : open-ended and fixed-term contracts. (1,096 employees) Coverage rate : 100%

Reported scope

The reported scope is used to assess the CSR impact of the property portfolio over a calendar year. It reflects the impacts of management, renovation, and arbitrage (acquisitions and disposals) policies. In 2021, it includes:

- All shopping centers owned and managed by Klépierre (116 assets);
- Shopping centers not owned by Klépierre but managed by the Group on behalf of third parties, and for which operating data are available (6 assets, all in France);
- Shopping centers owned by Klépierre but not managed by a third party, and for which operating data are available (8 assets: 2 in France, 3 in Greece, 2 in Italy and 1 in Turkey).

Shopping centers acquired and managed by the Group are included in the scope as from the first full year following the acquisition. Real estate development projects are not included in the reporting scope during development or construction, but from the first full year following completion (except for carbon footprint calculation). Additionally, certain centers under redevelopment, extension and/or renovation may be excluded from the reported scope.

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

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

The 2021 reported scope represented 99.9% of the Group's total shopping center portfolio value as of September 30, 2021, which comprises all owned shopping centers. The remaining 0.1% represents shopping centers which Klépierre does not manage.

Like-for-like scope

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

The 2021 like-for-like scope represents 99.9% of the Group's portfolio as of December 31, 2021.

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

Reporting periods

The Group wants to minimize the use of estimates and focus on collecting and consolidating real data, hence uses two different reporting periods, depending on the indicator. For consumption, including all energy, climate change, waste, water and transportation indicators, the reporting period corresponds to a rolling 12 months from October 1 of the prior year, to September 30 of the current year (i.e., October 1, 2020 to September 30, 2021 for the 2021 reporting scope). Social impact indicators, such as NPS data, suppliers and initiatives carried out by centers, are also included within this period.

All other indicators (including building certifications, human resources data, etc.) are calculated based on the calendar year, i.e., from January 1, 2021 to December 31, 2021 for the 2021 reporting scope.

3.5.4.1.3 Data collection process

Data collection tool

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

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

Collection frequency

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

3.5.4.2 Methodological note for social indicators

3.5.4.2.1 Period and reporting scope

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

The data collection and reporting scope covers all Group subsidiaries as of December 31, 2021, in which the employees hold employment contracts with the Group.

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

3.5.4.2.2 Definitions and clarifications

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

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

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

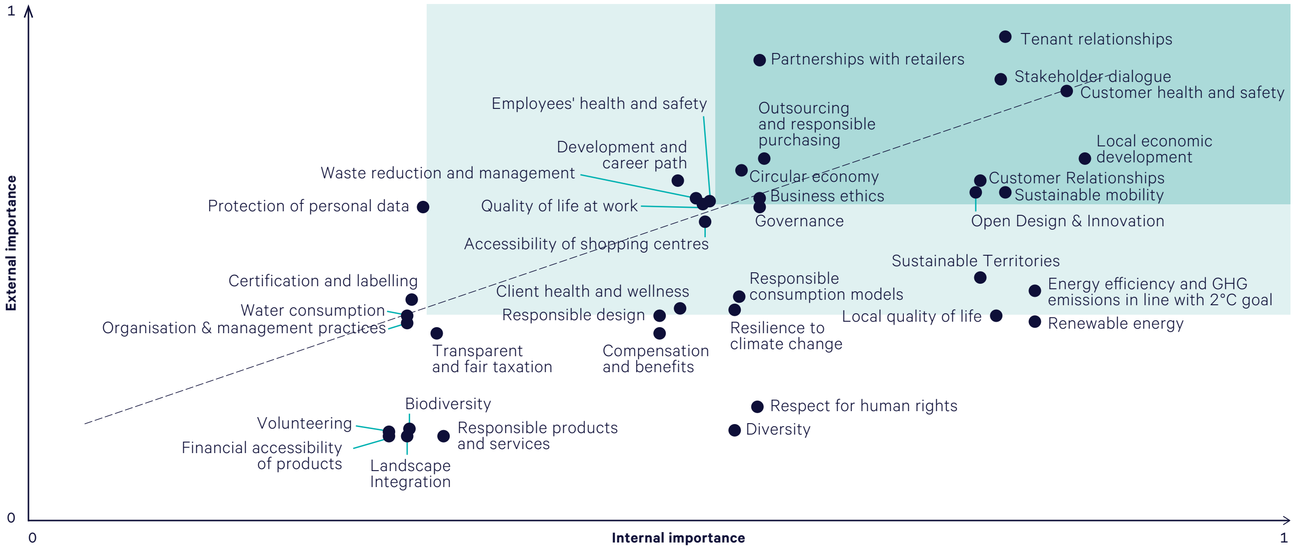
3.5.4.3 Audit by the independent third-party verifier

Over the last nine years, Klépierre has been committed to ever greater transparency and accordingly, all its non-financial information is independently verified.

This external audit is carried out each year, based on the Group's regulatory obligations and industry best practices.

3.5.5 Materiality analysis

Materiality analysis helps to define issues which can have a significant impact on the organization's activities. It also helps to determine the ability to create value for itself and its stakeholders. The Klépierre materiality analysis is therefore at the heart of the Act for Good® strategy, allowing the Group to identify environmental, human resources and social issues in order to take appropriate action, as well as to define projects in compliance with NFPD requirements, G4 guidelines from the Global Reporting Initiative (GRI) and the European Public Real Estate Association (EPRA).



Issues comprising major risks	Issues offering the greatest opportunities
• Business ethics	• Partnership with retailers
• Respect for human rights	• Local economic development
• Customer health and safety	• Dialogue with stakeholders
• Outsourcing and responsible purchasing	• Renewable energy
• Governance	• Circular economy

3.5.6 Reporting on EU taxonomy

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

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

As of the publication date of this non-financial statement, the full set of regulations pertaining to the EU taxonomy had not yet been passed. In accordance with the ones already applicable to 2021 disclosures(1), Klépierre reports in this section only on the proportion of its economic activities that are "taxonomy-eligible" with respect to the first two objectives above.

Taxonomy-eligible activities are those listed as such by the European Union(2). This eligibility analysis does not provide any information on the environmental sustainability of Klépierre's activities. The extent to which Klépierre's activities make a substantial contribution to, and do not significantly harm climate change mitigation and adaptation will be disclosed as from 2023 onwards, in accordance with the regulations in force as of the publication date of this non-financial statement.

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

(2) See Annex 1 to the Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021.

3.5.6.1 Reporting scope

Turnover, capital expenditure (CapEx) and operating expenditure (OpEx) considered for this reporting cover the full array of Klépierre's activities and correspond to the scope of consolidation of its financial statements as described in note [4] to the 2021 consolidated financial statements (see p. 140 of this document).

The financial data presented here are extracted from said financial statements so that the turnover and expenditure figures given in the below section tie in with the consolidated accounts (see section 4.1 of this document).

Accordingly, entities over which Klépierre has joint control or a significant influence are excluded from the calculation of the ratios presented below.

3.5.6.2 Eligibility of Klépierre's activities to the EU Taxonomy

As described in the business model section of this document (see p. 34), Klépierre has the following three main activities:

- Acquiring and selling shopping centers;
- Operating them on a daily basis; and
- Developing and refurbishing them.

All these pertain to "acquisition and ownership of buildings" as per the EU Taxonomy.

The below table indicates the share of Klépierre's turnover, capital and operating expenditure that are eligible to the Taxonomy.

KLÉPIERRE'S TURNOVER, CAPITAL AND OPERATING EXPENDITURE THAT ARE ELIGIBLE TO THE EU TAXONOMY

		Turnover		CapEx		OpEx	
Economic activities	**Codes**	**€ millions**	**%**	**€ millions**	**%**	**€ millions**	**%**
TAXONOMY-ELIGIBLE ACTIVITIES							
Acquisition and ownership of buildings	7.7	1,071.4	100.0%	184.9	100.0%	322.4	100.0%
TOTAL		**1,071.4**	**100.0%**	**184.9**	**100.0%**	**322.4**	**100.0%**

3.5.6.2.1 Turnover

Klépierre's turnover consists in gross rental income, and management, administrative and other income.

In 2021, total turnover amounted to €1,071.4 million and 100% thereof was eligible to the EU Taxonomy.

3.5.6.2.2 Capital expenditure

All capital expenditure incurred by Klépierre and defined as such by the EU Taxonomy are associated to the acquisition and ownership of its shopping centers. They encompass the following:

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

They amounted to €184.9 million for 2021.

3.5.6.2.3 Operating expenditure

At Klépierre, operating expenditure as defined by the Taxonomy are accounted for as service charge costs. By definition, they relate to the day-to-day servicing of Klépierre's shopping centers, including cleaning, air conditioning and heating, safety and security, as well as building renovation, maintenance and repair that are not capitalized.

As per Klépierre's consolidated statements of comprehensive income, they amounted to €322.4 million in 2021, all of which were eligible to the EU Taxonomy.

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

The following tables include an analysis of the cross-referencing between the information published by Klépierre in this document and the main (European and Global) reporting standards for non-financial information: the Global Reporting Initiative GRI Standards, the TCFD and SASB.

A separate report presenting the Group's performance against the third edition of the EPRA Sustainability Best Practices Recommendations (sBPR) is available to download from the CSR section of the Klépierre website (https://www.klepierre.com/en/ notre-identite/l-engagement-rse). Links between the UN SDGs and CSR risks and opportunities can be identified in the graphic included in section 3.1.2.

Non-financial statement

Topics	Universal Registration Document
Description of the business model	1
Description of the principal non-financial risks relating to the Group's business	3.1.2
Description of the policies to identify, prevent and mitigate non-financial risks and their outcomes, including key indicators	3.1.2/3.5.1
Respect for human rights	3.4.4
Anti-corruption measures	3.4.4
Climate change (contribution and adjustments)	3.2.1
Circular economy	3.2.2
Food waste	3.2.2
Collective bargaining agreements and their impacts	3.4.3
Measures taken to combat discrimination and promote diversity	3.4.3
Societal commitments	3.3/3.4

Global Reporting Initiative GRI Standards (2016)

GRI Standard	GRI Standard no.	Universal Registration Document
Economic	**200**	
Economic performance	201	4 – Financial statements – page 127
Market presence	202	1 – Group overview – page 4
Indirect economic impacts	203	1 – Group overview – page 4
Procurement practices	204	3.3 – Encourage procurement from local suppliers - page 94 3.4 – Responsible purchasing - page 109
Anti-corruption	205	3.4 – Champion ethics in local communities – page 108
Anti-competitive behavior	206	3.4 – Champion ethics in local communities – page 108
Environmental	**300**	
Materials	301	3.2 – Develop a fully-certified portfolio – page 89
Energy	302	3.2 – Act for a low-carbon future – page 85
Water	303	3.2 – Contribute to a circular economy and resource conservation – page 88
Biodiversity	304	3.3 – Involve local actors in development projects – page 98
Emissions	305	3.2 – Act for a low-carbon future – page 84
Effluents and waste	306	3.2 – Contribute to a circular economy and resource conservation – page 87
Environmental compliance	307	3.1 – Act for Good® – page 70 3.1 – Main non-financial risks and opportunities – page 74 3.5 – Summary of performance against long-term commitments, methodology and concordance – page 111
Supplier environmental assessment	308	3.4 – Champion ethics in the local communities – page 109
Social	**400**	
Employment	401	3.4 – Offer Group employees a positive experience – page 104
Labor/management relations	402	3.4 – Offer Group employees a positive experience – page 104
Occupational health and safety	403	3.4 – Offer Group employees a positive experience – page 107
Training and education	404	3.4 – Offer Group employees a positive experience – page 105
Diversity and equal opportunity	405	3.4 – Offer Group employees a positive experience – page 107
Non-discrimination	406	3.4 – Offer Group employees a positive experience – page 107
Freedom of association and collective bargaining	407	3.4 – Champion ethics in the local communities – page 108
Child labor	408	3.4 – Champion ethics in the local communities – page 108
Forced or compulsory labor	409	3.4 – Champion ethics in the local communities – page 108
Security practices	410	3.4 – Promote health, safety and well-being – page 101
Rights of indigenous peoples	411	Not applicable
Human rights assessment	412	3.4 – Champion ethics in the local communities – page 108
Local communities	413	3.3 – Act for Territories – page 93
Supplier social assessment	414	3.4 – Champion ethics in the local communities – page 109
Public policy	415	Not applicable
Customer health and safety	416	3.4 – Promote health, safety and well-being – page 101
Marketing and labeling	417	3.4 – Promote health, safety and well-being – page 101
Customer privacy	418	Not applicable
Socio-economic compliance	419	Zero incidents of non-compliance with laws and/or regulations in the social and economic areas have been identified

Task Force on Climate-related Disclosures

Topics	TCFD recommendations	Cross-Reference
1. Governance Describe the organization's governance of climate-related risks and opportunities	1. a) Describe the Board's oversight of climate-related risks and opportunities	5.3 Risk Management – Organization 5.2 Risk Management – Main risk factors 3.1.1 Governing responsibly
	1. b) Describe the role of management in assessing and managing climate-related risks and opportunities	5.1 Risk Management 3.2.1 Act for a low carbon future
2. Strategy Describe the existing and potential impacts of climate-related risks and opportunities on the organization's operations, strategy and financial planning, to the extent that the information is relevant	2. a) Describe the climate-related risks and opportunities that the organization has identified for the short, medium and long term.	5.3 Risk Management 3.1.2 Managing key trends, risks, and opportunities
	2. b) Describe the impacts of climate-related risks and opportunities on the organization's operations, strategy, and financial planning	3.2.1 Act for a low carbon future
	2. c) Describe the resilience of the organization's strategy, taking into consideration different climate scenarios, including a scenario at 2°C or less	3.2.1 Act for a low carbon future
3. Risk Management Describe how the organization identifies, assesses and manages climate-related risks	3. a) Describe the organization's processes for identifying and assessing climate-related risks	5.3 Risk Management – Organization 3.1.2 Managing key trends, risks, and opportunities
	3. b) Describe the organization's processes for managing climate-related risks	5.3 Risk Management – Organization 5.2 Risk Management – Main risk factors 3.1.1 Governing responsibly
	3. c) Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's risk management	5.3 Risk Management 3.1.2 Managing key trends, risks, and opportunities 3.2.1 Act for a low carbon future
4. Metrics & Targets Describe the indicators and targets used to assess and manage climate-related risks and opportunities, to the extent that the information is relevant	4. a) Describe the indicators used by the organization to assess climate-related risks and opportunities in relation to its strategy and risk management process	3.2 Act for the Planet (indicators)
	4. b) Publish greenhouse gas (GHG) emissions from Scope 1, Scope 2, and, where relevant, Scope 3, and the corresponding risks	3.2.1 Act for a low carbon future
	4. c) Describe the objectives used by the organization to manage climate-related risks and opportunities, and its performance against the objectives	3.2 Act for the Planet (indicators and objectives)

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

Energy management

Indicators	SASB code	2021
Energy consumption data coverage as a percentage of total floor area, by property subsector	IF-RE-130a.1	98.5%
Total energy consumed by portfolio area with data coverage, by property subsector(a)	IF-RE-130a.2	1,118,552 GJ / 98.5% in floor area
Percentage grid electricity, by property subsector	IF-RE-130a.2	99.5%
Percentage renewable, by property subsector	IF-RE-130a.2	79%
Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector(a)	IF-RE-130a.3	-5% / 98.5% in floor area
Percentage by floor area of eligible portfolio that has an energy rating, by property subsector(a)	IF-RE-130a.4	91%
Percentage of eligible portfolio that is certified to ENERGY STAR, by property subsector	IF-RE-130a.4	Not eligible in Europe
Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	3.2.1 Act for a low carbon future

(a) *Scope: 116/116 owned and managed shopping centers + 6/6 managed only shopping centers + 5/8 owned only shopping centers (excluding Greece). This corresponds to a 99.9% coverage rate in value.*

Water management

Indicators	SASB code	2021
Water withdrawal data coverage as a percentage of total floor area, by property subsector(a)	IF-RE-140a.1	98.2%
Water withdrawal data coverage as a percentage of floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	IF-RE-140a.1	36%
Total water withdrawn by portfolio area with data coverage(a)	IF-RE-140a.2	2,261,435 m^3
Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector(a)	IF-RE-140a.2	42%
Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector(b)	IF-RE-140a.3	-17%
Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	3.2.2.3 Water use

(a) Reported Scope: 115/116 owned and managed shopping centers (excluding Vittuone Il Destriero) + 6/6 managed only shopping centers + 5/8 owned only (excluding Greece shopping centers). This corresponds to a 99.6% coverage rate in value.

(b) Like-for-like Scope: 114/116 owned and managed shopping centers (excluding: Utrecht, Hoog Catharijne; Vittuone, Il Destriero) + 6/6 managed only shopping centers + 5/8 Owned only. This corresponds to a 95.3% coverage rate in value.

Management of tenant sustainability impacts

Indicators	SASB code	2021
Percentage by floor area of new leases that contain a cost recovery clause for resource efficiency-related capital improvements, and associated leased floor area, by property subsector	IF-RE-410a.1	100% 4,107,303 sq.ft
Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	IF-RE-410a.2	(1) 77.7% (2) 0%
Description of water management risks and discussion of strategies and practices to mitigate those risks		3.2.1.1.2 Managing the broader carbon footprint: Scope 3

Climate change adaptation

Indicators	SASB code	2021
Area of properties located in 100-year flood zones, by property subsector	IF-RE-450a.1	8,362,277 sq.ft
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	F-RE-450a.2	3.2.1.1.3 Developing resilient assets

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

Year ended December 31, 2021

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

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of KLEPIERRE SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1048 (Cofrac Inspection Accreditation, no. 3-1048, scope available at www.cofrac.fr) and currently adapting our management system as required by the Cofrac for this accreditation (from ISO17020 to ISO 17029), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2021 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

Conclusion

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

Preparation of the non-financial performance statement

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

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

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

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

Responsibility of the Company

The Executive Board is responsible for:

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

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

Responsibility of the Statutory Auditor appointed as independent third party

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

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

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

It is not our responsibility to provide a conclusion on:

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

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and acting as the verification programme and with the international standard ISAE 3000 (revised).

Independence and quality control

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

Means and resources

Our work engaged the skills of eight people between November 2021 and March 2022 and took a total of sixteen weeks.

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

Nature and scope of procedures

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

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

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

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important(1); for certain risks or information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities;
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes(2) that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities(3) and covered between 10% and 51% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

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

Paris-La Défense, March 29, 2022
One of the Statutory Auditors,

DELOITTE & ASSOCIES

Emmanuel Proudhon	**Julien Rivals**
Partner	Partner, Sustainability Services

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(1) *Scope 3 greenhouse gas emissions, percentage of shopping centers having organized an action for a charity, percentage of employees having participated in co-construction actions, percentage of internal stakeholders trained in ethics.*

(2) *Energy consumption, renewable energy production and consumption, greenhouse gas emissions (scopes 1 and 2), water consumption, waste management, certification of shopping centers, sustainable mobility, local employment initiative, headcount, absenteeism, hirings and departures, turnover rate, diversity (share of women by management level), training's number of hours and training access rate.*

(3) *Shopping centers audited (environmental and social indicators): France: Val d'Europe, Aubervilliers Le Millénaire, Valenciennes Place d'Armes; Belgium: Louvain-la-Neuve l'Esplanade; Netherlands: Rotterdam Alexandrium, Rotterdam Markthal; Germany: Dresden Centrum Galerie, Berlin Boulevard Berlin, Duisburg Forum; Italy: Rome Porta Di Roma.*

Countries audited (social indicators): France, Belgium, Netherlands, Germany.

4

Financial statements

4

Financial statements

4.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

4.1.1 Consolidated statements of comprehensive income

In millions of euros	**Notes**	**12/31/2021**	**12/31/2020**
Gross rental income	6.1	1,006.4	1,062.4
Land expenses (real estate)	6.2/8	(7.1)	(8.0)
Service charge income	6.3	244.0	241.9
Service charge expenses	6.3	(322.4)	(310.6)
Building expenses (owner)	6.4	(41.4)	(139.5)
Net rental income		**879.5**	**846.2**
Management, administrative and related income	6.5	65.1	68.4
Other operating income	6.6	9.4	20.7
Survey and research costs	6.7	(0.2)	(1.6)
Payroll expenses	11.1	(107.6)	(95.2)
Other general expenses		(39.5)	(41.4)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	6.8/8	(18.1)	(20.0)
Provisions		0.3	0.3
Change in value of investment properties	6.9/8	(402.5)	(1,575.9)
Income from the disposal of investment properties and equity investments		8.8	3.5
• Proceeds from disposals of investment properties and equity investments	6.10	534.0	157.6
• Carrying amount of investment properties and equity investments sold	6.10	(525.2)	(154.0)
Goodwill impairment	5.1	(104.8)	(16.8)
Operating income (loss)		**290.4**	**(811.6)**
Net dividends and provisions on non-consolidated investments		0.0	(0.0)
Financial income		32.3	71.4
Financial expenses		(139.3)	(171.8)
Interest expense on leases liabilities	8	(8.3)	(8.2)
Cost of net debt	**6.11**	**(115.3)**	**(108.6)**
Change in the fair value of financial instruments		(0.4)	(30.0)
Share in earnings (losses) of equity-accounted companies	5.5	84.3	(52.3)
Profit (loss) before tax		**258.9**	**(1,002.5)**
Income tax benefit (expense)	7	313.1	71.3
Consolidated net income (loss)		**572.0**	**(931.2)**
Of which			
• Attributable to owners of the parent		544.7	(785.7)
• Attributable to non-controlling interests		27.3	(145.5)
Average number of shares – undiluted		**285,312,972**	**285,827,741**
UNDILUTED EARNINGS (LOSS) PER SHARE *(in euros) – Attributable to owners of the parent*		**1.91**	**(2.75)**
Average number of shares – diluted		**285,860,024**	**286,072,515**
DILUTED EARNINGS (LOSS) PER SHARE *(in euros) – Attributable to owners of the parent*		**1.91**	**(2.75)**

In millions of euros	**12/31/2021**	**12/31/2020**
Consolidated net income (loss)	**572.0**	**(931.2)**
Other items of comprehensive income recognized directly in equity	**(24.9)**	**(88.5)**
• Effective portion of gains and losses on cash flow hedging instruments	17.9	1.2
• Translation gains and losses	(37.0)	(88.2)
• Tax on other items of comprehensive income	(3.3)	(0.2)
Items that will be reclassified subsequently to profit or loss	**(22.4)**	**(87.3)**
• Gains and losses on sales on treasury shares	(3.7)	(1.2)
• Actuarial gains and losses	1.2	(0.0)
Items that will not be reclassified subsequently to profit or loss	**(2.5)**	**(1.2)**
Share of other items of comprehensive income attributable to equity-accounted companies		
Total comprehensive income (loss)	**547.1**	**(1,019.6)**
Of which		
• Attributable to owners of the parent	500.1	(864.0)
• Attributable to non-controlling interests	47.1	(155.7)
UNDILUTED COMPREHENSIVE EARNINGS (LOSS) PER SHARE *(in euros) – Attributable to owners of the parent*	**1.75**	**(3.02)**
DILUTED COMPREHENSIVE EARNINGS (LOSS) PER SHARE *(in euros) – Attributable to owners of the parent*	**1.75**	**(3.02)**

4.1.2 Consolidated statements of financial position

In millions of euros	Notes	12/31/2021	12/31/2020
Goodwill	5.1	480.5	583.5
Intangible assets	5.2	21.9	22.9
Property, plant and equipment	5.3	18.7	27.3
Investment properties at fair value	5.4	18,728.6	19,756.8
Investment properties at cost	5.4	77.7	132.9
Investments in equity-accounted companies	5.5	979.0	988.4
Other non-current assets	5.6	280.6	299.9
Long-term derivative instruments	9.1/9.3	8.7	31.7
Non-current deferred tax assets	7	11.8	15.6
Non-current assets		**20,607.5**	**21,859.0**
Investment properties held for sale	5.4	15.8	28.3
Trade and other receivables	5.7	159.9	156.2
Other receivables	5.8	333.1	332.3
• Tax receivables		74.8	63.7
• Other		258.3	268.5
Short-term derivative instruments	9.1/9.3	12.2	30.6
Current deferred tax assets	7	14.4	16.3
Cash and cash equivalents	5.9	640.0	462.1
Current assets		**1,175.4**	**1,025.8**
TOTAL ASSETS		**21,782.9**	**22,884.7**
Share capital		401.6	419.9
Additional paid-in capital		4,071.2	4,737.5
Legal reserves		44.0	44.0
Consolidated reserves		3,343.2	3,766.6
• Treasury shares		(33.5)	(441.3)
• Hedging reserves		0.1	(8.7)
• Other consolidated reserves		3,376.6	4,216.6
Consolidated retained earnings		544.7	(785.7)
Equity attributable to owners of the parent		**8,404.7**	**8,182.3**
Equity attributable to non-controlling interests		2,188.7	2,252.1
Total equity	**5.11**	**10,593.4**	**10,434.4**
Non-current financial liabilities	5.12	6,815.1	7,244.1
Non-current leases liabilities	8	353.4	357.0
Long-term provisions	5.13	23.9	16.9
Pension obligations	11.3	10.0	11.8
Long-term derivative instruments	9.1/9.3	2.9	13.7
Deposits		142.3	143.3
Deferred tax liabilities	7	1,082.6	1,508.3
Non-current liabilities		**8,430.2**	**9,295.2**
Current financial liabilities	5.12	1,893.1	2,381.9
Current leases liabilities	8	13.5	14.2
Bank overdrafts	5.9	15.5	9.4
Trade payables		219.1	201.1
Due to suppliers of property		49.1	54.0
Other liabilities	5.14	377.1	322.3
Short-term derivative instruments	9.1/9.3	1.5	5.2
Payroll and tax liabilities	5.14	190.4	166.9
Current liabilities		**2,759.3**	**3,155.1**
TOTAL EQUITY AND LIABILITIES		**21,782.9**	**22,884.7**

4.1.3 Consolidated statements of cash flows

In millions of euros	12/31/2021	12/31/2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	572.0	(931.2)
Elimination of expenditure and income with no cash effect or not related to operating activities		
• Depreciation, amortization and provisions	27.0	135.9
• Change in value of investment properties	402.5	1,575.9
• Goodwill impairment	104.8	16.8
• Capital gains and losses on asset disposals	(8.8)	(3.4)
• Current and deferred income taxes	(313.1)	(71.3)
• Share in earnings/losses of equity-accounted companies	(84.3)	52.3
• Reclassification of interest and other items	160.8	161.2
Gross cash flow from consolidated companies	**860.9**	**936.1**
Income tax (received) paid	(30.3)	(8.8)
Change in operating working capital	35.2	(132.3)
Net cash flow from operating activities	**865.8**	**795.0**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	161.7	155.6
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans & advances repayed)	680.6	(2.3)
Acquisitions of investment properties	(0.3)	(0.0)
Payments in respect of construction work in progress	(161.7)	(202.8)
Acquisitions of other fixed assets	(6.6)	(4.9)
Acquisitions of subsidiaries (net of cash acquired)	(0.4)	(7.0)
Dividends received (including dividends received from joint ventures and associates)	21.8	15.1
Movements in loans and advance payments granted and other investments	(22.1)	(15.9)
Net cash flow from (used in) investing activities	**673.0**	**(62.2)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent		(628.1)
Dividends paid to non-controlling interests	(87.5)	(53.0)
Change in capital of subsidiaries with non-controlling interests		(1.7)
Repayment of share premium	(285.3)	
Acquisitions/disposals of treasury shares	1.1	(100.0)
New loans, borrowings and hedging instruments	1,529.2	2,867.5
Repayment of loans, borrowings and hedging instruments	(2,387.5)	(2,669.1)
Net repayment of lease liabilities	(14.9)	(15.2)
Interest paid	(109.1)	(126.9)
Interest paid on lease liabilities	(8.3)	(8.2)
Other cash flows related to financing activities		
Net cash flow used in financing activities	**(1,362.3)**	**(734.6)**
Effect of foreign exchange rate changes on cash and cash equivalents	**(4.7)**	**(3.4)**
CHANGE IN CASH AND CASH EQUIVALENTS	**171.8**	**(5.3)**
Cash and cash equivalents at beginning of period	**452.7**	**458.0**
Cash and cash equivalents at end of period	**624.5**	**452.7**

4.1.4 Statements of changes in consolidated equity

In millions of euros	Share capital	Capital reserves	Treasury shares	Hedging reserves	Other consolidated reserves	Consolidated net income	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
EQUITY AT 12/31/2019	**423.7**	**5,168.3**	**(427.9)**	**(10.6)**	**4,296.0**	**324.9**	**9,774.4**	**2,483.6**	**12,258.0**
Share capital transactions	(3.8)	(79.5)	83.3						
Share-based payments									
Treasury share transactions			(96.7)		(3.3)		(100.0)		(100.0)
Allocation of net income (loss)					324.9	(324.9)			
Dividends		(307.2)			(320.8)		(628.1)	(74.2)	(702.2)
Net income for the period						**(785.7)**	**(785.7)**	**(145.5)**	**(931.2)**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					(1.2)		(1.2)		(1.2)
Gains and losses from cash flow hedging				2.3	0.4		2.7	(1.5)	1.2
Translation gains and losses					(79.3)		(79.3)	(8.9)	(88.2)
Actuarial gains and losses					(0.0)		(0.0)		(0.0)
Tax on other items of comprehensive income				(0.4)			(0.4)	0.2	(0.2)
Other items of comprehensive income				**1.9**	**(80.1)**		**(78.3)**	**(10.2)**	**(88.5)**
Changes in the scope of consolidation					(0.0)		(0.0)	(1.6)	(1.6)
Other movements					(0.0)		(0.0)	(0.1)	(0.1)
EQUITY AT 12/31/2020	**419.9**	**4,781.5**	**(441.3)**	**(8.7)**	**4,216.6**	**(785.7)**	**8,182.3**	**2,252.1**	**10,434.4**
Share capital transactions[(a)]	(18.3)	(381.3)	399.6						
Share-based payments									
Treasury share transactions			8.2		(1.2)		7.0		7.0
Allocation of net income (loss)					(785.7)	785.7			
Dividends		(285.0)			(0.3)		(285.3)	(109.4)	(394.7)
Net income (loss) for the period						**544.7**	**544.7**	**27.3**	**572.0**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					(3.7)		(3.7)		(3.7)
Gains and losses from cash flow hedges				10.2			10.2	7.7	17.9
Translation gains and losses[(b)]					(50.5)		(50.5)	13.5	(37.0)
Actuarial gains and losses					1.2		1.2		1.2
Tax on other items of comprehensive income				(1.4)	(0.5)		(1.9)	(1.4)	(3.3)
Other items of comprehensive income				**8.8**	**(53.5)**		**(44.7)**	**19.8**	**(24.9)**
Changes in the scope of consolidation					(0.4)		(0.4)	(1.2)	(1.6)
Other movements					1.1		1.1	0.1	1.2
EQUITY AT 12/31/2021	**401.6**	**4,115.2**	**(33.5)**	**0.1**	**3,376.6**	**544.7**	**8,404.7**	**2,188.7**	**10,593.4**

(a) Movements in share capital transactions are due to the cancellation of treasury shares as described in note 5.11.1.

(b) The negative €50.5 million impact in translation gains and losses mainly concerns Turkey (negative €69.7 million), Norway (positive €56.0 million), and Sweden (negative €23.8 million).

4.1.5 Notes to the consolidated financial statements

NOTE 1 SIGNIFICANT EVENTS OF THE PERIOD

1.1 COVID-19 PANDEMIC

Over 2021, continental Europe faced multiple new waves of the Covid-19 pandemic translating for the Group in 2.5 months of full closure of the portfolio *vs* 2.1 months in 2020.

2021 is a tale of two halves:

- Over the first half of the year, Europe faced several new waves of the pandemic as the number of cases 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 – longer than last year when malls were closed 1.6 months on average during the first half of 2020. Depending on the intensity of the wave, governments opted for full or partial lockdowns with varying restrictions;
- Over the second half of the year, with the resurgence in new cases due to the spread of the Delta variant in summer, new though less restrictive measures were implemented. As such, Klépierre did not face any store closures or significant restrictions across the board (except in the Netherlands from December 19, 2021 to January 14, 2022).

In some countries, including France, governments restricted access to shopping malls larger than 20,000 sq. m to vaccination certificate holders (from August 9 till the end of September). This measure was gradually lifted as the incidence rate declined below 200 cases per 100,000 inhabitants. Mid December, new measures were implemented in some countries such as the Netherlands, Germany (with the implementation of the 2G and 3G strategy to enter into shops) and the Czech Republic, with work from home policy encouraged and non-essential stores closing earlier than usual (5 pm). Vaccination certificate checks in restaurants, leisure activities and public events were reintroduced in some European countries (Norway, Denmark, Germany). All in all, a better second half of the year than in 2020 when Klépierre's portfolio experienced 0.5 month of full closure.

Upon reopening in June, sales and footfalls rebounded significantly to reach levels on average 5% below in sales and 20% below in footfalls than in 2019 that was the last undisturbed period.

Consequently, rent collection improved significantly over the year, not only for 2021 rents and charges but also for those of 2020.

Over 2021, the Group recovered €84.5 million of receivables related to 2020. It translated into the reversal of €59.7 million of provisions. The collection rate of 2020 rents and charges at December 31, 2021 was 87.8% before provisions or abatements and 100% after. All remaining 2020 receivables net of rent abatements given or accrued are provisioned in full.

Regarding 2021, the outstanding receivables at year-end have been assessed in relation to tenants' solvency (receivables relating to insolvent or bankrupt tenants have been provisioned in full) but also to business interruption faced by tenants during store closure periods.

In France, Government offered a specific support package to incentivize tenants to pay their rents and charges related to the spring 2021 closing period. The eligibility conditions were only released in November. However, they present some complexities making it difficult for landlords to clearly assess which tenants will be eligible and for how much. While the Group has so far received no payments in connection with this support program, it worth highlighting that 56% of rents and charges related to this period of reference have been already collected at December 31, 2021.

The Group expects to collect more under this support scheme: a reasonable assessment was performed in order to factor in the expected additional cash collection.

Consequently, the overall collection rate related to 2021 rents and charges as per the 2021 financial statements is 85.5% before provisions or abatements and 98.8% after.

As at December 31, 2021, net allowances for credit losses relating to Covid-19 recognized in net rental income amounted to €22.1 million.

Total abatements deducted from gross rental income amounted to €104.9 million including some abatements relating to 2020, comprising:

- €87.7 million in abatements without lease modification recognized as one-off and;
- €17.2 million in abatements straight-lining in accordance with IFRS 16.

As of February 15, 2022, no store closure has been mandated but some restrictions are still in force like work-from-home recommendation, implementation of health certificate to enter certain venues such as restaurants, leisure, cinemas, in many countries where Klépierre operates.

Investment property fair value measurement

As of December 31, 2021, 99.0% of the value of Klépierre's property portfolio (€21,713 million, including transfer taxes, on a total share basis), was estimated by external appraisers in accordance with the methodology described in the note 5.4.

In 2020, external appraisers took a specific set of short term and long term assumptions to account for Covid-19 impact.

In 2021, due to sufficient leasing activity evidence, most of the short term Covid-19 assumptions have been removed to the exception of traffic sensitive income flows such as ancillary income.

Long term Covid-19 assumptions such as increased discount rates and exit cap rate have been maintained or further degraded depending on the geography and asset type. This was partially offset by increased indexation linked to a 5 bps step up in long-term inflation assumption.

The material uncertainty clause has been removed in all countries. The valuer's disclaimer now states that property markets are functioning properly. However, considering the still uncertain health environment, appraisers are highlighting "the importance of the valuation date".

During 2021, the value of Klépierre's shopping center portfolio declined by 1.3% on a like-for-like basis. This decrease is attributable to a combination of:

- Cash-flow effect (+0.5%): mostly due to higher indexation forecasts and fewer short term Covid impact;
- Market effect (–1.8%): as a result of the impact of the increase of the discount and exit rates reflecting recent transactions evidence and lack of liquidity in some markets.

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	+7.2%	+3.4%	+1.6%	−2.0%	−3.8%	−7.1%
Italy	+7.6%	+3.7%	+1.8%	−1.8%	−3.5%	−6.9%
Scandinavia	+7.6%	+3.8%	+1.9%	−1.7%	−3.5%	−6.8%
Iberia	+7.5%	+3.7%	+1.8%	−1.8%	−3.5%	−6.8%
Netherlands & Germany	+10.2%	+5.0%	+2.4%	−2.4%	−4.7%	−9.1%
Central Europe	+7.2%	+3.5%	+1.7%	−1.7%	−3.4%	−6.6%
Other countries	+6.2%	+3.0%	+1.5%	−1.5%	−3.0%	−5.7%
TOTAL SHOPPING CENTERS	**+7.7%**	**+3.7%**	**+1.8%**	**−1.9%**	**−3.7%**	**−7.2%**

	Exit rate variance					
Geography	**−100 bps**	**−50 bps**	**−25 bps**	**+25 bps**	**+50 bps**	**+100 bps**
France	+15.2%	+6.5%	+3.0%	−3.2%	−5.7%	−10.3%
Italy	+12.0%	+5.4%	+2.6%	−2.4%	−4.6%	−8.4%
Scandinavia	+16.5%	+7.3%	+3.4%	−3.1%	−5.9%	−10.7%
Iberia	+11.6%	+5.3%	+2.5%	−2.3%	−4.4%	−8.2%
Netherlands & Germany	+18.0%	+8.0%	+3.8%	−3.4%	−6.5%	−11.9%
Central Europe	+11.1%	+5.0%	+2.4%	−2.2%	−4.3%	−7.9%
Other countries	+5.5%	+2.6%	+1.3%	−1.2%	−2.3%	−4.4%
TOTAL SHOPPING CENTERS	**+14.4%**	**+6.3%**	**+3.0%**	**−2.9%**	**−5.4%**	**−9.8%**

1.2 REVALUATION OF THE ITALIAN ASSETS

In October 2020, the Italian Parliament voted a new step-up regime which offered the possibility to revalue buildings. The step-up regime provided the flexibility to select the properties subject to the step-up and the extent of the revaluation of the land and/or the constructions within the limit of their fair value. The constructions step-up can be made for accounting and tax purposes subject to the payment of a 3% revaluation tax. The lands step-up can be made for accounting purposes only without payment of the 3% revaluation tax. The revaluation is applicable retroactively as from December 31, 2020 in the statutory financial statements and for the first time in the June 30, 2021 consolidated financial statements.

Klépierre seized the step-up option and applied for the revaluation of constructions and lands of most of its portfolio. Consequently, lands are revalued for accounting purposes up to 100% of their unrealized gains as at December 31, 2020 and constructions for accounting and tax purposes up to 70% or 90% of their unrealized gains as at December 31, 2020.

In statutory accounts, the revaluation allows, from January 1 2021, to extend the amortization period and increase the properties annual amortization and as consequence lowers the taxable result.

In the December 31, 2021 consolidated financial statements, the revaluation of Italian assets had no impact on consolidated land and construction values since Klépierre's investment properties are already carried at fair value in accordance with IAS 40. The main impacts on total share without equity-accounted companies, relate to:

- The booking of the full 3% revaluation tax due tax for €43.9 million in the "Income tax benefit (expense)" category of the consolidated statements of comprehensive income;
- The reversal of €367.1 million of deferred tax liability as a result of the lower difference between the fair value and the tax value of the properties due to the step up;
- The impairment up to €92.5 million of the tax goodwill attached to the revalued properties.

1.3 INVESTMENTS

The main investments, for a total amount of €176.1 million during the period, concern extensions and/or renovations in the following shopping centers: Gran Reno in Bologna (Italy), Grand'Place in Grenoble (France), Créteil Soleil (France), Blagnac near Toulouse (France), Hoog Catharijne in Utrecht (Netherlands) and Gulskogen in Drammen (Norway).

Details of Investments are disclosed in note 3.3.

1.4 DIVESTMENTS

During 2021, Klépierre continued to streamline its portofolio and completed disposals totaling €534.0 million excluding repayment of loans and advances (total share, excluding transfer taxes).

Proceeds from sales of investment properties and shares of subsidiaries net of cash disposed, including repayment of loans and advances amounts to €842.3 million as presented on the consolidated statement of cash flow.

The main divestments are disclosed in note 3.4.

1.5 DEBT AND FINANCING

In 2021, the Group repaid €863 million of senior notes that respectively matured in February (€299 million) and March (€564 million). These operations were financed through free cash flow and an increase in outstanding commercial papers. Additionally in the second half of the year, the Group used part of disposal proceeds to pay down €186 million of short term debt in Scandinavia.

1.6 DIVIDEND

On June 17, 2021, the General Meeting of Shareholders approved the cash payment of a €1.00 per share in respect of the 2020 fiscal year. The total distribution amounted to €285.3 million (after exclusion of treasury shares), deducted from merger premiums and other premiums. The payment date was June 23, 2021.

1.7 CANCELLATION OF SHARES

On January 19, 2021, June 22, 2021 and December 15, 2021, the Group respectively canceled 5,091,144, 4,493,022 and 3,493,860 shares acquired in 2019 under the February 6, 2019 share buyback program for a total amount of €399.6 million.

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

This section presents the Group's significant accounting principles. Additional information on accounting principles is presented in the individual notes.

2.1 CORPORATE REPORTING

Klépierre is a French joint-stock corporation *(société anonyme)* subject to French company legislation, and more specifically the provisions of the French Commercial Code *(Code de commerce)*. The Company's registered office is located at 26, boulevard des Capucines in Paris.

On February 9, 2022, the Executive Board approved the consolidated financial statements of Klépierre SA for the year ended December 31, 2021. On February 15, 2022, the Supervisory Board authorized the publication.

Klépierre is listed on Euronext Paris (compartment A).

2.2 APPLICATION OF IFRS

In accordance with Commission Regulation (EC) No. 1126/2008 of November 3, 2008 on the application of international accounting standards, the Klépierre Group's consolidated financial statements for the year ended December 31, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), as adopted by the European Union and mandatorily applicable at that date.

The IFRS framework as adopted by the European Union includes the IFRS, the International Accounting Standards (IAS) and their interpretations (SIC, IFRIC and IFRS IC).

This framework is available on the following website:

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02008R1126-20220101

The consolidated financial statements for the year ended December 31, 2021 are presented in the form of a complete set of financial statements including all the information required by the IFRS.

The consolidated financial statements include the financial statements of Klépierre SA and its subsidiaries. The financial statements of subsidiaries are prepared for the same accounting period as that of the parent company using consistent accounting methods.

The consolidated financial statements are presented in millions of euros (€m), with all amounts rounded to the nearest hundred thousand, unless otherwise indicated. Slight differences between figures may exist between the different statements due to rounding.

2.2.1 Standards, amendments and interpretations whose application was mandatory as of January 1, 2021

The accounting principles applied to the consolidated financial statements for the year ended December 31, 2021 are identical to those used in the Group's consolidated financial statements for the year ended December 31, 2020, with the exceptions of the following new standards and interpretations, whose application is mandatory for the Group:

• Amendments to IFRS 4	Deferral of effective date of IFRS 9
• Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2
• Amendment to IFRS 16	Covid-19-Related Rent Concessions – Extension of the terms of the initial amendment which simplify the assessment of lease modifications

These new amendments had no impact on the Group's consolidated financial statements.

The reform of Ibor did not have a material impact on the Group's consolidated financial instruments, which are indexed to Euribor and Nordic Libor, which is not subject to index movements.

2.2.2 Standards, amendments and interpretations whose application was not mandatory as of January 1, 2021

The following amendments published by the IASB have not been adopted by Klépierre for consolidated financial statements for the year ended December 31, 2021:

• IFRS 17	Insurance Contracts
• Amendments to IFRS 3	Reference to the Conceptual Framework
• Amendments to IAS 1	Presentation of Financial Statements (current/non current for liabilities, information to be produced regarding accounting methods and principles)
• Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
• Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
• Amendment to IAS 8	Accounting Estimates
• Amendments to IFRS 10 and IAS 28	Sale or Contribution of assets between an Investor and its Associate or Joint Venture, and the effective date of amendments to IFRS 10 and IAS 28
• Amendment to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
• Annual Improvements to IFRS	2018-2020 Cycle
• IFRIC IAS 19	Attributing benefit to periods of service

The Group is currently assessing the implementation of these new standards and their impact on the consolidated financial statements. No material impacts are expected.

2.3 USE OF MATERIAL JUDGMENTS AND ESTIMATES

In preparing these consolidated financial statements in accordance with IFRS, Group management used certain estimates and realistic, reasonable assumptions. Changes in facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and earnings.

The main assumptions made in respect of future events and other sources of uncertainty relating to the use of period-end estimates for which there is a significant risk of material change to the carrying amounts of assets and liabilities in subsequent years are presented below:

Measurement of goodwill of management companies

The Group tests goodwill for impairment at least once a year. This involves estimating the recoverable value of the cash-generating units to which the goodwill is allocated. In order to determine the recoverable value, Klépierre prepares expected future cash flows for each cash-generating unit and applies a pre-tax discount rate to calculate the present value of these cash flows (see note 5.1). Recoverable values are determined by an independent expert.

Investment property and equity-accounted companies

The Group appoints independent appraisers to perform half-yearly valuations of its real estate assets in accordance with the methods described in note 5.4. The appraisers make assumptions concerning future cash flows and rates that have a direct impact on the value of the properties.

Credit risk assessment

Credit risk is assessed in accordance with IFRS 9, as described in note 1.1.

Financial instruments

The Group measures the fair value of the financial instruments it uses in accordance with standard market models and IFRS 13, as described in note 5.12.1.

Deferred tax

See note 7.

2.4 TRANSLATION OF FOREIGN CURRENCIES

The consolidated financial statements are presented in euros (€), which is the presentation currency of the consolidated group, as well as the presentation and functional currency used by Klépierre SA. Each Group entity determines its own functional currency, and all items in its financial statements are measured using this functional currency.

The Group's foreign subsidiaries conduct some transactions in currencies other than their functional currency. These transactions are initially recorded in the functional currency at the exchange rate prevailing on the transaction date.

At the reporting date, monetary assets and liabilities stated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that day. Non-monetary items stated in foreign currencies and measured at historical cost are translated using the exchange rates prevailing on the dates of the initial transactions. Non-monetary items stated in foreign currencies and measured at their fair value are translated using the exchange rates applicable on the dates when the fair values were calculated.

For the preparation of the Group's consolidated financial statements, the assets and liabilities of subsidiaries are translated into euros at the exchange rate as of the reporting date. Their income statements are translated at the average exchange rate for the year. Any resulting translation differences are allocated directly to equity under a separate line item.

The functional currency of an entity is the currency of the primary economic environment in which it carries out its operations. In the majority of cases, the functional currency corresponds to the local currency. However, a functional currency other than the local currency can be retained for certain entities, provided that it represents the currency of the main transactions carried out by the entity and that it ensures faithful representation of its economic environment.

In the event of the disposal of an operation in foreign currency, the total accumulated exchange gain or loss recognized as a distinct component of equity for that foreign operation is recognized in the income statement.

2.5 DISTINCTION BETWEEN LIABILITIES AND EQUITY

In distinguishing between liabilities and equity Klépierre primarily considers whether or not it is obliged to make a cash payment to the counterparty. Being able to make such a decision regarding cash payments is the crucial distinction between the two items.

2.6 EARNINGS PER SHARE

Earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of shares outstanding, excluding treasury shares.

Diluted earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of shares outstanding, excluding treasury shares, adjusted to reflect the effects of any diluting options.

2.7 RISK FACTORS RELATING TO CLIMATE CHANGE

The Group's financial statements take into account, based on current knowledge and practices, the challenges of climate change and sustainable development.

The measurement of investment property at fair value (in accordance with the option provided for in IAS 40) by independent appraisers takes into account climate risk assessed based on current practices. Criteria of investment property evaluation change regularly in order to improve the manner in which this risk is factored in.

Klépierre's entire portfolio is certified BREEAM In-Use. In 2021, 95% of the portfolio (by value) was rated Very Good (score of 55% to 70%) or Excellent (score of 70% to 85%).

Group-wide assessments covering the entire portfolio ensure continuity and generate synergies, leading to better environmental and financial outcomes.

The Group's longstanding policy aims to build climate risk into its acquisition and development decision-making process.

Accordingly, the valuation of investment properties factors in all of these climate risk-related aspects.

In addition, a portion of the Group's financing is interlinked with the environmental performance of its assets. The Group's €1,385 million syndicated revolving credit facility maturing in 2025 includes a sustainability mechanism whereby when the annual carbon intensity reduction objectives for the Group's malls have been met, the margin on the facility is reduced. The resulting savings are reinvested by Klépierre in installing and upgrading building management systems in its malls.

NOTE 3 SEGMENT INFORMATION

ACCOUNTING POLICIES

Segment information

In accordance with IFRS 8, operating segments are identified on the basis of the internal reporting used by management when evaluating performance and allocating resources.

3.1 SEGMENT EARNINGS

For management purposes, the Group is structured into business segments corresponding to geographic regions. There are a total of seven operating segments, structured as follows:

- France (including Belgium and Other retail properties);
- Italy;
- Scandinavia (Steen & Strøm: Norway, Sweden and Denmark);
- Iberia (Spain and Portugal);
- Netherlands & Germany(1);
- Central Europe (Poland and Czech Republic);
- Other countries (Greece and Turkey).

The management team monitors the operating results of each operating segment independently as a basis for decision-making and performance evaluation.

The Group's financing policy (including its impact on financial income and expenses), corporate activities and income tax matters are handled at Group level, and the resulting impacts are not allocated to the operating segments. For the purposes of the presentation of segment earnings, goodwill impairment is treated as a corporate activity.

The "Scandinavia" segment includes all the legal entities Steen & Strøm in which Klépierre owns a 56.1% equity stake.

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(1) From 2021, former "Netherlands" and "Germany" segments have been merged in one segment.

	France[a]		Italy		Scandinavia		Iberia		Netherlands and Germany	
In millions of euros	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Gross rents	**358.8**	**379.1**	**171.1**	**168.4**	**156.7**	**166.1**	**114.1**	**111.9**	**102.9**	**120.4**
Other rental income	20.8	30.1	3.0	5.3	2.0	1.3	3.3	3.8	0.0	0.0
Gross rental income	379.6	409.2	174.1	173.7	158.7	167.3	117.4	115.7	102.9	120.4
Rental and building expenses	(64.8)	(88.6)	3.7	(45.4)	(19.3)	(18.8)	(11.3)	(20.1)	(23.4)	(30.5)
Net rental income	314.8	320.6	177.8	128.3	139.4	148.5	106.1	95.5	79.5	89.9
Management and other income	38.0	34.2	13.0	24.0	8.1	10.7	6.0	6.6	6.2	10.1
Payroll and other general expenses	(47.9)	(54.6)	(23.0)	(19.2)	(16.1)	(15.9)	(11.9)	(12.1)	(17.2)	(16.3)
EBITDA	**304.9**	**300.3**	**167.8**	**133.1**	**131.4**	**143.2**	**100.2**	**90.1**	**68.5**	**83.7**
Depreciation, amortization and impairment	(11.1)	(8.3)	(2.1)	(1.8)	(3.1)	(3.0)	(0.5)	(5.8)	3.3	(0.6)
Change in value of investment properties	(226.2)	(799.2)	(38.2)	(157.5)	(82.0)	(191.4)	(2.7)	(129.0)	(64.2)	(208.3)
Net proceeds on disposal of investment properties and equity investments	0.1	(0.5)			(3.4)	2.5		0.3	9.7	0.4
Share in earnings of equity accounted companies	(8.8)	(32.3)	79.0[b]	(16.3)	4.5	(0.5)	(0.3)	(5.7)		
SEGMENT INCOME	**58.8**	**(540.0)**	**206.5**	**(42.5)**	**47.4**	**(49.2)**	**96.7**	**(50.0)**	**17.3**	**(124.9)**
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, including Belgium.

(b) The positive income on equity accounted companies in Italy for €79.0 million is mainly due to the tax effect on assets revaluation as described in note 1.2.

	CE		Others		Not allocated		Klépierre Group	
In millions of euros	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Gross rents	**57.4**	**60.3**	**14.3**	**14.3**			**975.4**	**1,020.5**
Other rental income	1.6	1.4	0.3				31.0	41.9
Gross rental income	59.0	61.7	14.6	14.3			1,006.4	1,062.4
Rental and building expenses	(7.9)	(7.5)	(3.8)	(5.2)			(126.9)	(216.2)
Net rental income	51.1	54.2	10.8	9.1			879.5	846.2
Management and other income	1.6	1.5	1.5	2.1			74.5	89.2
Payroll and other general expenses	(5.1)	(4.6)	(3.9)	(3.1)	(22.0)	(12.4)	(147.3)	(138.2)
EBITDA	**47.6**	**51.1**	**8.4**	**8.2**	**(22.0)**	**(12.4)**	**806.7**	**797.2**
Depreciation, amortization and impairment	(0.7)	4.2	(0.5)	(0.5)	(3.0)	(3.8)	(17.8)	(19.7)
Change in value of investment properties	(7.6)	(81.0)	18.4	(9.5)			(402.5)	(1,575.9)
Net proceeds on disposal of investment properties and equity investments	(0.0)	0.5	2.4	0.2			8.8	3.5
Share in earnings of equity accounted companies			9.8	2.5			84.3	(52.3)
SEGMENT INCOME	**39.3**	**(25.1)**	**38.5**	**0.8**	**(25.0)**	**(16.3)**	**479.4**	**(847.2)**
Goodwill impairment							(104.8)	(16.8)
Cost of net debt							(115.3)	(108.6)
Change in the fair value of financial instruments							(0.4)	(30.0)
PROFIT (LOSS) BEFORE TAX							**258.9**	**(1,002.5)**
Income tax							313.1	71.3
NET INCOME (LOSS)							**572.0**	**(931.2)**

3.2 INVESTMENT PROPERTIES BY OPERATING SEGMENT

The value of investment properties by operating segment, as shown in the consolidated statement of financial position, is presented below (excluding investment properties held by equity-accounted companies):

In millions of euros	**Value of investment properties at 12/31/2021[a]**	**Value of investment properties at 12/31/2020[a]**
France[b]	7,511.9	7,787.8
Italy	3,253.4	3,234.8
Scandinavia	2,946.5	3,420.9
Iberia	2,037.6	2,034.6
Netherlands & Germany	2,002.1	2,304.2
Central Europe	949.7	955.6
Other countries	105.1	151.8
TOTAL	**18,806.3**	**19,889.7**

(a) Including investment properties at fair value, investment properties at cost and excluding investment properties held for sale.
(b) Including Other retail properties and Belgium.

3.3 NEW INVESTMENTS OVER THE PERIOD BY OPERATING SEGMENT

In millions of euros	**Investment properties at fair value**	**Investment properties at cost**	**New investments at 12/31/2021[a]**
Shopping centers	**176.1**		**176.1**
France[b]	75.6		75.6
Italy	56.8		56.8
Scandinavia	16.0		16.0
Iberia	5.7		5.7
Netherlands & Germany	20.1		20.1
Central Europe	1.6		1.6
Other countries	0.3		0.3
TOTAL	**176.1**		**176.1**

(a) Investments include acquisitions, capitalized expenses and changes in scope.
(b) Including Other retail properties and Belgium.

Investments over the period (including capitalized interest) in France mainly concern the Créteil Soleil renovation near Paris, the Grand'Place extension in Grenoble and the Blagnac renovation near Toulouse.

Capital expenditures in the Scandinavia segment correspond to the Gulskogen Senter in Drammen (Norway), the refurbishments of Emporia in Malmö (Sweden) and Field's Copenhagen (Denmark).

In Italy, investments are mainly attributable to the Shopville Gran Reno extension near Bologna.

In the Netherlands, the bulk of capital expenditure relates to the final stages of the Hoog Catharijne shopping center redevelopment in Utrecht.

3.4 DISPOSALS OVER THE PERIOD BY OPERATING SEGMENT

In millions of euros	**Proceeds from disposals**
Investment properties and equity investments	**534.0**
France[a]	140.8
Italy	
Scandinavia	316.8
Iberia	
Netherlands & Germany	67.2
Central Europe	9.0
Other countries	0.2
TOTAL	**534.0**

(a) Including Other retail properties and Belgium.

Disposals in France mainly concern a retail park of 22 units next to the shopping center Rives d'Arcins in Bègles (France) sold on December 17, 2021.

Disposals in Scandinavia mainly concern the sale of five shopping centers in Norway:

- Vinterbro Senter in As, Amanda in Haugesund, Nordbyen in Larvik and Nerstranda in Tromsø were disposed on July 1, 2021;
- Farmandstredet shopping center in Tønberg was disposed on July 8, 2021.

Disposals in Netherlands & Germany concern the sale of the Almere shopping center near Amsterdam (Netherlands) on October 4, 2021, and the Boulevard Berlin shopping mall in Berlin (Germany) on December 17, 2021.

Disposals in Central Europe concern the sale of Danubia shopping center in Bratislava (Slovakia) on August 11, 2021.

NOTE 4 SCOPE OF CONSOLIDATION

ACCOUNTING POLICIES

Scope of consolidation

The Klépierre Group's consolidated financial statements include all companies over which Klépierre has control, joint control or significant influence.

The percentage of control takes account of any potential voting rights that entitle their holders to additional votes whenever these rights are immediately exercisable or convertible.

Subsidiaries are consolidated starting on the date at which the Group obtains effective control.

Consolidation method

The consolidation method is based on the degree of control exercised by the Group.

- Control: full consolidation. According to IFRS 10, an investor controls an investee when it has power, exposure to variable returns and the ability to use that power to affect its returns from the investee.

  Control is presumed to exist when Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent company has the power to direct the financial and operating policies of the company and appoint, dismiss or convene the majority of the members of the Board of Directors or equivalent management body;
- Joint control and significant influence: equity-method accounting. Joint control exists where operating, strategic and financial decisions require unanimous agreement between the partners. The agreement is contractual, *i.e.*, subject to bylaws and shareholder agreements. Influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Investments in associates are initially recognized in the statement of financial position at acquisition cost, and are subsequently adjusted for the share of the profit or loss and other comprehensive income of the entity;
- No influence: the Company is not consolidated.

Changes in equity of companies accounted for using the equity method are reported on the asset side of the statement of financial position under "Investments in equity-accounted companies" and under the corresponding item in equity. Goodwill in respect of companies accounted for using the equity method is also reported under "Investments in equity-accounted companies".

Intercompany transactions

Intercompany balances and profits resulting from transactions between Group companies are eliminated in consolidation.

As of December 31, 2021, the Group's scope of consolidation included 237 companies, of which 200 fully consolidated companies and 37 companies accounted for using the equity method. The list of consolidated companies is set out in note 12.8.

The changes in scope of consolidation during the year 2021 were as follows:

- In June, 2021, the Group sold the Swedish entity FAB Lackeraren Borlänge, owner of Kupolen shopping center near Stockholm;
- In July, 2021, the Group sold five Norvegian malls through the sale of the eight companies Slagenveien 2 AS, Amanda Storsenter AS, Farmandstredet Eiendom AS, Nerstranda AS, Vinterbro Senter DA, Hovlandparken AS, Hovlandparken DA and Torgterrassen AS (the latter company was created and disposed over the period);
- In December, 2021, Klépierre SA sold its 95% stake in Klépierre Berlin GmbH, which holds the Boulevard Berlin shopping center and its 100% stake in Klépierre Berlin Leasing GmbH;
- Klépierre SA reduced its interest from 46.00% to 45.93% in Akmerkez Garymenkul Yatirim Ortakligi AS, which is listed on the Istanbul stock market.

In addition, two mergers were completed (Girardin SCI and Corio Nederland Kantoren B.V.), four shell companies were liquidated (KLP Polska Sp. z o.o. Lublin Spk, KLP Polska Sp. z o.o. Sadyba SKA w likwidacji, KLP Polska Sp. z o.o. Kraków sp.k. and Kletel Imobiliaria SA) and five entities were created (Ventura SAS, Lobsta & K SAS, Antigaspi & K SAS, NEAG Boulogne SAS and Clounlake Invest SL).

NOTE 5 NOTES TO THE STATEMENT OF FINANCIAL POSITION

5.1 GOODWILL

ACCOUNTING POLICIES

Accounting for business combinations

The accounting rules for business combinations comply with IFRS 3 (revised).

To decide whether a transaction is a business combination the Group considers whether an integrated set of activities is acquired besides the investment property:

- The optional concentration test is used to assess whether substantially all of the fair value of the acquisition is concentrated in a single asset or group of similar assets.
- If the outcome of this test is negative, the conclusion that a business has been acquired depends on determining if the acquisition includes especially substantive processes critical to continue producing outputs (or to develop them in case no outputs yet) together with an organized workforce having the necessary skills to perform the process.

If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

All business combinations are recognized using the acquisition method. The consideration transferred is measured as the fair value of assets contributed, equity issued and liabilities incurred at the transfer date. The identifiable assets and liabilities of the acquiree are measured at their fair value at the acquisition date. Any liabilities are only recognized if they are a present obligation at the date of the business combination and if their fair value can be reliably measured. For each business combination, the acquirer must measure all non-controlling interests held in the acquired company, either at their fair value at the acquisition date or at the corresponding share in the fair value of the assets and liabilities of the acquired company.

Any surplus of the consideration transferred and the value of non-controlling interests over the net fair value of the business' identifiable assets acquired and liabilities assumed, is recognized as goodwill. Costs directly linked to the acquisition are recognized as expenses.

IFRS 3 (revised) stipulates a maximum period of 12 months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.

As regards the treatment of deferred tax assets, the Group recognizes an adjustment to income for deferred tax assets unrecognized at the acquisition date or during the measurement period.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date control is transferred. Any difference between fair value and carrying amount of this investment is recognized in income.

Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.

Transactions that do not affect control (additional acquisition or disposal) are accounted for as equity transactions for which the equity is allocated proportionally between the owners of the parent and the non-controlling interest with no impact on profit or loss and/or goodwill adjustment.

Goodwill measurement and impairment

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment tests if there is an indication of impairment, and at least once a year. For the purposes of this test, assets are grouped into cash-generating units (CGUs). CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

An impairment loss must be recognized wherever the recoverable amount of goodwill is less than its carrying amount.

Klépierre has two types of goodwill:

Goodwill corresponding to optimized value of deferred taxes

This goodwill results from the recognition of deferred taxes at the date of the business combination. It represents the difference between the deferred tax liabilities recognized in the statement of financial position in accordance with IAS 12, and the tax expected to be paid in the event of a sale by means of a share deal. Accordingly, impairment tests performed on this type of goodwill at each reporting date consist in comparing the carrying amount with the amounts expected to arise from optimizing deferred taxes.

Goodwill of management companies

Goodwill may relate to management companies. Impairment tests are performed annually or when triggering events arise and are based on internal or external valuations. These valuations are based on the discounted cash flow (DCF) method in every country where the Klépierre Group conducts management activities. This method consists of three stages.

In the first stage, cash flows that may be generated in the future by each company's portfolio of business (*i.e.*, before consideration of explicit or implicit financing costs) are estimated on the basis of the specific business plans developed in each country where the Group conducts management activities for itself and for third parties.

In the second stage, forecast cash flows and the estimated future value of the management business portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is determined on the basis of the capital asset pricing model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast average market risk premium multiplied by the beta coefficient for the business portfolio) and a specific market risk premium (which takes account of the proportion of specific risk not already included in cash flows).

In the third and final stage, the value of shareholders' equity is obtained by deducting the company's net debt on the valuation date from the value of its business portfolio.

Impairment tests consist in comparing the carrying amount of the entity with their recoverable value as explained above. Recoverable values are determined by an independent expert.

As of December 31, 2021, goodwill totaled €480.5 million, *versus* €583.5 million as of December 31, 2020, breaking down as follows:

Goodwill of management companies

As of December 31, 2021, goodwill of management companies totaled €222.2 million, *versus* €233.2 million as of December 31, 2020.

In millions of euros	12/31/2020	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2021
France	117.7					117.7
Italy	53.7					53.7
Spain	32.0					32.0
Portugal	7.1					7.1
Netherlands	7.2			(3.1)		4.1
Germany	13.7			(6.1)		7.6
Scandinavia	1.9			(2.1)	0.2	
GOODWILL RELATING TO MANAGEMENT ACTIVITIES	**233.2**			**(11.3)**	**0.2**	**222.2**

The main assumptions used to calculate the enterprise value based on the latest valuations were as follows:

- The discount rate applied to France, Norway, Spain and Italy was stable compared to 2020 at 7.4%;
- The discount rate applied to Germany was stable compared to 2020 at 7.9%;
- The discount rate applied to other countries was stable compared to 2020 at 6.9%;
- Free cash flows over the duration of the business plan are based on business volume and operating margin assumptions that take into account economic and market assumptions at the date on which the plan was prepared;
- A growth rate for the 2022-2026 period based on the assumptions of the internal business plan by country;
- A terminal value determined using a growth rate of 1% applied from 2025.

The sensitivity of business values per country to changes in both discount rate and perpetual growth was assessed and is presented in the schedule below:

	Business Value 12/31/2021	Book Value 12/31/2021 (post impairment)	Spread vs. Business value	Discount rate	Discount rate up 50 bps	Perpetual growth	Perpetual growthate down 50 bps
France	170.3	132.2	+29%	7.4%	-6.4%	1.0%	-5.3%
Spain	43.1	32.5	+33%	7.4%	-6.6%	1.0%	-5.2%
Italy	61.4	54.5	+13%	7.4%	-6.5%	1.0%	-5.1%
Portugal	7.5	7.1	+6%	6.9%	-6.8%	1.0%	-5.4%
Czech Republic	10.8	0.1	n.m.	6.9%	-6.4%	1.0%	-5.1%
Poland	10.4	0.2	n.m.	6.9%	-6.8%	1.0%	-5.4%
Germany	7.6	7.6	0%	7.9%	-11.1%	1.0%	-9.3%
Norway	2.9	0		7.4%	-13.8%	1.0%	-12.1%
Sweden	0.0	0		6.9%	-	1.0%	-
Denmark	0.0	0		6.9%	-	1.0%	-
Netherlands	4.1	4.1	0%	6.9%	-15.6%	1.0%	-13.9%
TOTAL	**318.1**	**238.3**		**7.4%**	**-6.8%**	1.0%	**-5.5%**

Goodwill corresponding to the optimized value of deferred taxes

As of December 31, 2021, goodwill corresponding to the optimized value of deferred taxes totaled €258.3 million, *versus* €350.3 million as of December 31, 2020.

In millions of euros	12/31/2020	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	12/31/2021
Former Corio assets	276.9			(79.9)		197.0
IGC	31.3			(12.6)		18.7
Oslo City	33.3				1.6	34.9
Nueva Condo Murcia	4.7			(0.3)		4.4
Other	4.0			(0.7)		3.3
GOODWILL ARISING ON DEFERRED TAX LIABILITIES	**350.3**			**(93.5)**	**1.6**	**258.3**

The main impairments of €79.9 million and €12.6 million are related to the reevaluation of most of Italian assets as disclosed in note 1.2.

5.2 INTANGIBLE ASSETS

ACCOUNTING POLICIES

Intangible assets

An intangible asset is a non-monetary asset without physical substance. It must be simultaneously identifiable (and therefore separable from the acquired entity or arising from legal or contractual rights), controlled by the company as a result of past events and provide an expectation of future financial benefits.

IAS 38 states that an intangible asset is amortized only where it has an identified useful life. Intangible assets with an indefinite useful life are not amortized, but are tested annually for impairment (IAS 36) or whenever there is evidence of a loss of value.

Assets recognized as intangible assets with finite useful lives are amortized on a straight-line basis over periods that equate to their expected useful life.

Impairment of intangible assets

After initial recognition, other intangible assets are recognized at cost, less any related amortization or impairment losses.

Useful lives are examined annually and an impairment test is conducted if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized. The "indefinite" nature of the useful life is reviewed at least annually. These assets are tested for impairment annually, or if there is an indication of impairment, by comparing their carrying amount with the recoverable amount. In the event of decline in value, an impairment loss is recognized in income. The Klépierre Group's intangible assets are not subject to independent valuation.

Intangible assets with determined end-value:

In millions of euros	12/31/2020	Acquisitions and capitalized expenses	Disposals, retirement of assets	Allowance for the period	Currency movements	Changes in scope of consolidation	Reclassifications and other movements	12/31/2021
Software	94.8	6.4	(6.2)		0.9			95.9
Other intangible assets	8.5		(1.1)				0.3	7.7
Total gross value	**103.4**	**6.4**	**(7.3)**		**0.9**		**0.3**	**103.6**
Software	(76.1)		6.2	(7.3)	(0.6)			(77.8)
Other intangible assets	(5.9)		1.1	(0.2)	(0.1)		(0.3)	(5.5)
Total amortization	**(82.1)**		**7.3**	**(7.5)**	**(0.7)**		**(0.3)**	**(83.3)**
NET VALUE	**21.3**	**6.4**		**(7.5)**	**0.2**		**(0.0)**	**20.3**

Intangible assets with undetermined end-value:

In millions of euros	12/31/2020	Acquisition/ (Disposals)	Reclassifications and other movements	12/31/2021
Goodwill	4.1			4.1
Total gross value	**4.1**			**4.1**
Goodwill	(2.5)			(2.5)
Total impairment	**(2.5)**			**(2.5)**
NET VALUE	**1.6**			**1.6**

The remaining value of €1.6 million concerns the business goodwill recognized on the merger between French entities before 2005.

5.3 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICIES

Property, plant and equipment

In accordance with IAS 16, property plant and equipment are valued at their historical cost, less accumulated depreciation and any decreases in value. Depreciation is calculated based on the useful life of each operating asset class.

Property, plant and equipment include operating assets such as fixtures and other office equipment owned by the Group, related to headquarters buildings and offices.

Property, plant and equipment also include the remaining lease payments on head office leases, vehicle leases and other equipment leases, that are initially recognized in the form of a right-of-use asset in accordance with IFRS 16. They are subsequently depreciated on a straight-line basis over the lease term.

The Group considers that the useful life planned for those assets is not impacted by the Covid-19 crisis.

Property, plant and equipment and work in progress

In millions of euros	12/31/2020	Acquisitions and capitalized expenses	Disposals, retirement of assets	Additions for the period	Currency movements	Changes in scope of consolidation	Reclassifications and other movements	12/31/2021
Depreciable assets and work in progress	32.4	0.2	(1.4)		(0.8)	(0.1)	(0.4)	29.9
Right-of-use asset relating to property, plant and equipment[a]	35.5	2.2	(1.4)		(0.3)		0.4	36.4
Total gross value	67.9	2.4	(2.8)	-	(1.1)	(0.1)	-	66.3
Depreciable assets	(24.4)		1.4	(2.1)	0.3	0.1	0.4	(24.3)
Right-of-use asset relating to property, plant and equipment[a]	(16.2)		1.0	(8.4)	0.2		0.1	(23.3)
Total depreciation	(40.6)	-	2.4	(10.5)	0.5	0.1	0.5	(47.6)
Impairment								
PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**27.3**	**2.4**	**(0.4)**	**(10.5)**	**(0.6)**	**-**	**0.5**	**18.7**

(a) *Movements in property, plant and equipment relating to leases are described in note 8 "IFRS 16 'Leases'".*

5.4 INVESTMENT PROPERTIES

ACCOUNTING POLICIES

Investment properties (IAS 40, IFRS 13 and IFRS 16)

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. For all investment properties, current use equates to the best possible use.

Land held under operating leases is classified and accounted for by the Group as right-of-use asset under IFRS 16, as described in note 8. After initial recognition, it is measured using the fair value model in accordance with IAS 40 "Investment Property". They are subsequently measured at the amount equal to the remaining balance of the lease liability.

Investment property is measured initially at cost, including related transaction costs and, where applicable, eviction and borrowing costs (see below).

After initial recognition, investment property is carried at fair value. Investment property under construction, or significantly restructured, is measured at fair value if it is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- Stage of completion;
- Level of reliability of cash inflows after completion;
- Development risk specific to the property.

Additions to investment properties under construction consist of capital expenditure, eviction costs, capitalized interest, letting fees and other internal costs related to development. Certain internal staff and associated costs directly attributable to the management of major projects during the construction phase are also capitalized.

The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement in change in fair value of investment properties. The profit on disposal is determined as the difference between the sale proceeds and the carrying amount of the asset based on the carrying value at the closing.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be held as an investment property.

In addition, investment properties recorded at cost are tested for impairment at June 30 and December 31, whenever there is evidence of a loss of value. Where such evidence exists, the recoverable amount of the asset is compared with its carrying amount, and an impairment loss is recognized.

In determining the carrying amount of investment properties under the fair value model, assets or liabilities that are recognized as separate assets or liabilities are not double counted.

Borrowing costs

Under IAS 23, borrowing costs directly attributable to the acquisition or construction of eligible assets are included in the cost of the respective assets.

When a loan is not directly attributable to an asset, Klépierre capitalizes the interest rate applied to the expenses related to the asset in order to measure the attributable cost; if several non-specific borrowing lines exist, the interest rate is the weighted average rate of those loans observed during the fiscal year.

Fair value of investment property

The fair value of Klépierre's investment properties is determined by professionally qualified independent appraisers who have relevant expertise and recent industry experience in the locations and segments of the investment properties being valued. They perform their valuation of the Group's assets as of June 30 and December 31 of each year.

Investment properties are presented at fair value excluding transfer costs. These transfer costs are measured on a basis of an asset disposal. The fair values of investment properties are determined in compliance with the measurement rules described in IFRS 13. In addition, given the complexity of real estate asset valuations and the nature of certain non-public data (such as projected rent increases, capitalization and discount rates), the fair values of investment properties have been classified as level 3 on the IFRS 13 fair value hierarchy (see note 5.10). Accordingly, there are no transfers of properties between the fair value categories.

Given the fact that these valuations are, by their nature, estimates, it is possible that the amount realized on the disposal of some real estate assets will differ from the estimated value of those assets, even where such disposal occurs within a few months of the reporting date.

Klépierre entrusts the task of valuing its real estate assets to various independent appraisers:

- Jones Lang LaSalle (JLL) values all Greek and Turkish assets and most of the Italian portfolio;
- CBRE values all assets in Spain, Portugal, the Czech Republic, Slovakia and the Netherlands, and several assets in France and Italy;
- BNP Paribas Real Estate values all German assets;
- Cushman & Wakefield values a portion of the French portfolio, all Danish, Swedish, and Norwegian assets, as well as Polish assets.

Other retail assets are valued by BNP Paribas Real Estate.

All valuations are conducted in accordance with the principles of the *Charte de l'Expertise en Évaluation Immobilière*, the recommendations of the French financial markets authority (*Autorité des marchés financiers* – AMF) dated February 8, 2010 and Royal Institution of Chartered Surveyors standards. The fees paid to appraisers, agreed prior to their valuation of the properties concerned, are determined on a lump sum basis to reflect the number and complexity of the assets appraised. The fee is entirely unrelated to the appraised value of the assets concerned.

In thousand of euros	**2021 appraisal fees**
Cushman & Wakefield	266.6
CBRE	325.9
Jones Lang Lasalle	133.2
BNP Paribas Real Estate	98.5
TOTAL	**824.2**

The valuations performed by the independent appraisers are reviewed internally by senior management in charge of investments and relevant people within each operating division. This process includes discussions of the assumptions used by the independent appraiser, as well as a review of the resulting valuations. Discussions of the valuation process and results are held between senior management in charge of investments and the independent appraiser on a half-yearly basis.

All Klépierre Group assets are systematically appraised using two methods: the yield method (or capitalization methodology) and the discounted cash flows method. However, Klépierre only retains the latter. A cross-check with comparable transactions parameters is also realized.

According to the yield method, to determine the fair value of a shopping center, appraisers apply a yield rate to total net rent for occupied premises, and to the net market rent for vacant properties, discounted for the anticipated period of vacancy.

The yield rate is set by the appraiser based on a range of inputs, the most important of which are: retail sales area, layout, competition, type of ownership, gross rental income and extension potential and comparability with recent transactions in the market.

As regards the discounted cash flows approach, appraisers estimate the different cash flows over a ten-year period. To determine future cash flows, appraisers are provided with all relevant information (detailed rent rolls, footfall, retailer sales, occupancy cost ratios, etc.), which they use to make their own assessment.

They factor in their own leasing assumptions (ERV, vacancy, incentives, etc.) as well as future capital expenditures and non-recoverable operating expenses. Lastly, they apply a discount rate that varies from one property to another since it is a combination of the risk-free rate and the risk premium attached to each property due to its location, quality, size, and technical specificities.

Terminal value is calculated based on the net rental income for the tenth year, capitalized by an exit yield.

Fair value of investment property excludes prepaid or accrued operating lease income because they are recognised as a separates liability or asset.

5.4.1 Investment properties at fair value

In millions of euros

INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2020	**19,756.8**
Additions to the scope of consolidation	
Capital expenditures	173.6
Capitalized interest	2.5
Disposals and removals from the scope of consolidation	(832.0)
Other movements, reclassifications	51.0
Currency movements	(23.6)
Fair value adjustments	(399.7)
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2021	**18,728.6**

Investments for €173.6 million and capitalized interest for €2.5 million committed and recognized over the period mainly concern France for €75.6 million, Italy for €56.8 million, the Netherlands for €18.8 million, and Scandinavia for €16.0 million.

The Group completed disposals totaling €832.0 million of carrying value over the period. The information of the main disposals are disclosed in note 3.4.

"Other movements, reclassifications" includes the reclassification from "Investment properties at cost" to the "Investment properties at fair value" of the Gran Reno extension in Italy.

The table below presents the data used by external appraisers to determine the fair value of investment properties:

Shopping centers *(weighted average)*	**Discount rate**[a]	**Exit rate**[b]	**CAGR of NRI**[c]	**EPRA NIY**
France	6.2%	5.1%	2.5%	4.6%
Italy	7.2%	6.0%	2.1%	5.8%
Scandinavia	6.9%	4.9%	2.5%	4.5%
Iberia	7.7%	6.1%	2.6%	5.8%
Netherlands & Germany	5.9%	5.2%	2.3%	4.8%
Central Europe	6.8%	6.7%	0.2%	6.4%
Other countries	15.5%	8.8%	7.5%	7.4%
TOTAL GROUP	**6.8%**	**5.5%**	**2.4%**	**5.2%**

Discount and exit rates are weighted by shopping center portfolio valuation (including transfer taxes).

(a) Rate used to calculate the present value of future cash flows.

(b) Rate used to capitalize the exit rent to determine the exit value of an asset.

(c) Compound annual growth rate of net rental income determined by the appraiser at 10 years.

As of December 31, 2021, the average EPRA Net Initial Yield (NIY) of the portfolio stood at 5.2% (including transfer taxes). A 10-basis-point increase in yields would result in a €329 million decrease in the portfolio valuation (attributable to owners of the parent).

5.4.2 Investment properties at cost

In millions of euros

INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2020	**132.9**
Acquisition	
Entry in the scope of consolidation	
Capital expenditures	
Capitalized interest	
Disposals and removals from the scope of consolidation	
Other movements, reclassifications	(52.5)
Currency movements	
Impairment losses and reversals	(2.7)
INVESTMENT PROPERTIES AT COST – NET VALUE AS OF 12/31/2021	**77.7**

As of December 31, 2021, the main investment properties at cost comprise:

- In Denmark: a land plot in Odense;
- In Belgium: a land plot in Louvain-La-Neuve.

5.4.3 Investment properties held for sale

ACCOUNTING POLICIES

Investment properties held for sale

Investment properties that the Group has contractually committed to sell or entered into an agreement to sell are presented according to IFRS 5.

The accounting impacts for their presentation in the financial statements are as follows:

- Reclassification as investment property held for sale;
- Presentation on a separate line as current assets in the dedicated section in the balance sheet.

The Group has no held-for-sale investment property qualified as "discontinued" as defined by IFRS 5.

In millions of euros	
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2020	**28.3**
Disposals and removals from the scope of consolidation	(15.9)
Other movements, reclassifications	3.5
Currency movements	(0.1)
Fair value adjustments	
INVESTMENT PROPERTIES HELD FOR SALE – NET VALUE AS OF 12/31/2021	**15.8**

During the year 2021, the Group sold a set of nine retail units in France, classified as held for sale as of December 31, 2020.

The main assets classified as "Investment properties held for sale" as of December 31, 2021, concern mainly three retail units in France.

5.4.4 Investment property portfolio reconciliation

The following table reconciles the carrying amount of investment properties to the value of the property portfolio disclosed in the management report:

	12/31/2021				
In millions of euros	**Investment properties held by fully consolidated companies**	**Investments in equity accounted companies**[(a)]	**Transfer taxes**	**Lease liability**[(b)]	**Total portfolio value (including transfer taxes)**
Investment properties	18,351.2	1,254.5	945.8		20,551.5
Right-of-use asset relating to ground leases	377.4			(352.8)	24.6
Incl. upfront payments on ground leases	*24.6*				*24.6*
Investment properties at fair value	**18,728.6**	**1,254.5**	**945.8**	**(352.8)**	**20,576.1**
Investment properties at cost	77.7				77.7
Investment properties held for sale	15.8				15.8
Operating lease incentives	43.1				43.1
TOTAL	**18,865.2**	**1,254.5**	**945.8**	**(352.8)**	**20,712.7**

(a) Investments in equity-accounted assets are included based on the fair value of the shares held and taking into account shareholder's financing granted by the Group.
(b) The lease liability as defined by IFRS 16 is deducted from the investment property value in the portfolio valuation.

5.5 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

In millions of euros	12/31/2020 Attributable to owners of the parent	Share net income (loss)	Dividends received	Capital increases and decreases	Currency movements	Changes in scope of consolidation and other movements	12/31/2021 Attributable to owners of the parent
Investments in joint ventures	817.5	71.5	(22.1)	(11.1)	7.4	(31.1)	832.1
Investments in associates	170.9	12.8	(8.0)		(28.7)	(0.1)	146.9
EQUITY-ACCOUNTED COMPANIES	**988.4**	**84.3**	**(30.1)**	**(11.1)**	**(21.3)**	**(31.2)**	**979.0**

Thirty-seven companies were accounted for using the equity method as of December 31, 2021, of which twenty-six joint ventures and eleven associates.

Non-current assets presented in this section mainly concerned investment property held by equity-accounted companies. The valuation of the investment property follows the Group's rules as described in note 5.4.

Investments in joint ventures

The main items of the statements of financial position and income statements of joint ventures[1] are presented below (the values shown below include consolidation adjustments):

In millions of euros	12/31/2021		12/31/2020	
Net assets	**100%**	**Attributable to owners of the parent**	**100%**	**Attributable to owners of the parent**
Non-current assets	2,257.8	1,117.8	2,335.2	1,156.3
Current assets	83.6	40.5	97.6	47.5
Cash and cash equivalents	101.6	49.4	99.8	48.1
Non-current external financial liabilities	(59.3)	(27.4)	(67.8)	(31.5)
Non-current financial liabilities (Group and associates)	(484.6)	(242.3)	(508.1)	(253.5)
Non-current liabilities	(126.8)	(63.1)	(243.7)	(121.5)
Current external financial liabilities	(8.6)	(4.2)	(14.5)	(7.2)
Current liabilities	(80.1)	(38.6)	(43.8)	(20.6)
NET ASSETS	**1,683.6**	**832.1**	**1,654.6**	**817.5**

The year-on-year decrease in non-current assets is mainly due to the slight decline in value of investment properties.

Non-current liabilities mainly include deferred tax.

In millions of euros	12/31/2021		12/31/2020	
Net income	**100%**	**Attributable to owners of the parent**	**100%**	**Attributable to owners of the parent**
Revenues from ordinary activities	120.7	59.7	123.6	61.2
Operating expenses	(18.6)	(9.2)	(43.3)	(21.5)
Change in value of investment properties	(47.9)	(23.5)	(176.3)	(86.0)
Financial income (expense)	(18.8)	(9.4)	(19.6)	(9.8)
Profit (loss) before tax	35.4	17.6	(115.5)	(56.1)
Tax	108.0	53.9	11.4	5.7
NET INCOME (LOSS)	**143.4**	**71.5**	**(104.1)**	**(50.4)**

Klépierre's share in the external net debt (current and non-current external financial liabilities adjusted for cash and cash equivalents) of its joint ventures reached a net cash amounting to €17.8 million as of December 31, 2021.

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(1) *Cécobil SCS, Du Bassin Nord SCI, Le Havre Vauban SNC, Le Havre Lafayette SNC, Girardin 2 SCI, Société Immobilière de la Pommeraie SC, Parc de Coquelles SNC, Kleprim's SCI, Celsius Le Murier SNC, Celsius Haven SNC, Ventura SAS, Lobsta & K SAS, Clivia SpA, Galleria Commerciale Il Destriero SpA, CCDF SpA, Galleria Commerciale Porta di Roma SpA, Galleria Commerciale 9 Srl, Italian Shopping Centre Investment Srl, Holding Klege Srl, Metro Senter ANS, Økern Sentrum ANS, Økern Eiendom ANS, Metro Shopping AS, Økern Sentrum AS, Nordal ANS, and Klege Portugal SA.*

Investments in associates

The main components of the statement of financial position and income statements of associates(1) are presented below (the values shown below include consolidation adjustments):

In millions of euros **Net assets**	12/31/2021 **100%**	 **Attributable to owners of the parent**	12/31/2020 **100%**	 **Attributable to owners of the parent**
Non-current assets	977.9	151.6	1,043.2	176.0
Current assets	8.1	0.8	15.1	1.8
Cash and cash equivalents	23.0	4.7	21.0	5.4
Non-current external financial liabilities	(5.8)	(0.7)	(6.3)	(0.8)
Non-current financial liabilities (Group and associates)	(49.7)	(5.2)	(52.8)	(6.4)
Non-current liabilities	(10.2)	(1.5)	(10.5)	(1.5)
Current external financial liabilities	(0.1)		(0.1)	(0.0)
Current liabilities	(20.6)	(2.8)	(26.0)	(3.6)
NET ASSETS	**922.6**	**146.9**	**983.6**	**170.9**

In millions of euros **Net income**	12/31/2021 **100%**	 **Attributable to owners of the parent**	12/31/2020 **100%**	 **Attributable to owners of the parent**
Revenues from ordinary activities	53.4	10.9	50.4	9.7
Operating expenses	(11.5)	(2.5)	(14.0)	(2.8)
Change in value of investment properties	(1.8)	3.8	(56.9)	(9.4)
Financial income (expense)	0.9	0.6	0.9	0.6
Profit (loss) before tax	41.0	12.8	(19.7)	(1.9)
Tax			0.0	0.0
NET INCOME (LOSS)	**41.0**	**12.8**	**(19.7)**	**(1.9)**

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(1) *La Rocade SCI, La Rocade Ouest SCI, Du Plateau SCI, Achères 2000 SCI, Le Champ de Maïs SC, Société du Bois des Fenêtres SARL, Step In SAS, Secar SC, Antigaspi & K SAS, NEAG Boulogne SAS and Akmerkez Gayrimenkul Yatirim Ortakligi AS.*

5.6 OTHER NON-CURRENT ASSETS

ACCOUNTING POLICIES FOR FINANCIAL ASSETS (CURRENT AND NON-CURRENT)

Financial assets

Financial assets include long-term financial investments, current assets representing operating receivables, debt securities, investment securities (including derivatives) and cash.

The Group classifies financial assets in one of the categories identified by IFRS 9 on the acquisition date, based on the instrument's characteristics and the business model.

Assets at amortized cost

Financial assets are valued at amortized cost where they are recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding).

These assets comprise advances to equity-accounted companies, other loans and deposits. After initial recognition at fair value, they are recognized and measured at amortized cost using the effective interest method. The effective interest rate is the rate that precisely discounts estimated future cash flows to obtain the carrying amount of the instrument.

In accordance with IFRS 9, these assets are impaired based on a forward-looking expected credit loss (ECL) approach.

Assets at fair value through profit or loss

This category includes:

- Financial assets that are not held either to collect contractual cash flows or to sell the assets and whose contractual conditions do not solely give rise to payments of principal and interest on the principal amount outstanding;
- Assets designated at fair value whose performance and management are based on fair value and non-consolidated investments.

Fair value gains and losses are recognized in other financial income and expenses.

Assets at fair value through other comprehensive income with cumulative gains and losses reclassified to profit or loss upon derecognition

This category includes financial assets recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding) and potentially selling the assets.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of interest income recognized in other financial income and expenses. Fair value gains and losses are released to net income on the sale of the assets.

Assets at fair value through other comprehensive income without reclassification to profit or loss upon derecognition

This category includes equity instruments not held for trading and primarily concerns non-consolidated investments.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of dividends recognized in other financial income and expenses. Fair value gains and losses are not released to net income on the sale of the assets.

Movements in other non-current assets during the full-year 2021 are as follows:

In millions of euros	12/31/2020	Change in scope	Increases	Decreases	Other (including currency movements)	12/31/2021
Other long-term investments	0.4		0.5	(0.5)		0.4
Advances to equity-accounted companies and others	282.0		18.1	(34.5)	(2.5)	263.1
Deposits	16.4		1.1	(1.5)		16.0
Other long-term financial investments	1.1					1.1
TOTAL	**299.9**		**19.7**	**(36.5)**	**(2.5)**	**280.6**

The following tables present the net carrying amount of other non-current assets, in accordance with IFRS 9, as of December 31, 2021 and as of December 31, 2020:

In millions of euros	Carrying amount 12/31/2021	Amounts recognized in the statement of financial position according to IFRS 9	
		Amortized cost	Fair value recognized in profit or loss
Other long-term investments	0.4		0.4
Advances to equity-accounted companies and others	263.1	263.1	
Deposits	16.0	16.0	
Other long-term financial investments	1.1		1.1
TOTAL	**280.6**	**279.1**	**1.5**

In millions of euros	Carrying amount 12/31/2020	Amounts recognized in the statement of financial position according to IFRS 9	
		Amortized cost	Fair value recognized in profit or loss
Other long-term investments	0.4		0.4
Advances to equity-accounted companies and others	282.0	282.0	
Deposits	16.4	16.4	
Other long-term financial investments	1.1		1.1
TOTAL	**299.9**	**298.4**	**1.5**

5.7 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICIES

Trade and other receivables

Trade receivables are recognized and measured at face value minus allowances for non-recoverable amounts, in accordance with IFRS 9, as described in note 5.6.

Other receivables under this heading include the effect of recognizing lease incentives granted to tenants over time (step-up rents and rent-free periods). All receivables have a maturity of less than one year, except step-up rents and rent-free periods, which are spread over the expected term of the lease.

Impairment is based on the standard's simplified approach. Expected credit losses are calculated based on lifetime losses, using the Group's historical credit loss experience and forward-looking projections. In the context of the Covid-19 pandemic, a specific assessment has been applied, as described in note 1.1.

In millions of euros	12/31/2021	12/31/2020
Trade receivables	284.4	280.8
Allowances for bad debts	(183.8)	(185.7)
Net value of trade receivables	**100.6**	**95.2**
Step-up rents and rent-free periods	59.3	61.0
TRADE AND OTHER RECEIVABLES	**159.9**	**156.2**

As of December 31, 2021, trade receivables standed at €284.4 million, which corresponded to €360.2 million gross trade receivables deducted by €75.8 million Covid discounts accrued. Among the €360.2 million gross trade receivables, €227.1 million were related to 2021 and €133.1 million related to periods before 2021.

The impact of Covid-19 on trade receivables is presented in note 1.1.

5.8 OTHER RECEIVABLES

	12/31/2021			12/31/2020
In millions of euros	**Total**	**Less than one year**	**More than one year**	**Total**
Tax receivables	**74.8**	**74.8**		**63.7**
Income tax	21.4	21.4		9.4
VAT	36.9	36.9		41.3
Other tax receivables	16.5	16.5		13.0
Other	**258.3**	**258.3**		**268.5**
Service charges due	14.7	14.7		23.5
Downpayments to suppliers	129.1	129.1		96.6
Prepaid expenses	6.3	6.3		8.3
Funds from principals	76.3	76.3		83.8
Other	31.9	31.9		56.4
TOTAL	**333.1**	**333.1**		**332.3**

VAT mainly includes outstanding refunds in respect of construction projects in progress.

Funds managed by Klépierre Management on behalf of its principals stood at €76.3 million as of December 31, 2021 *versus* €83.8 million as of December 31, 2020. The management accounts of the principals are recognized under "Other liabilities" (see note 5.14) for the same amount.

The line "Other" mainly comprises dividend receivables from equity accounted investees and receivables from co-ownership associations related to construction works.

5.9 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash held in bank accounts, short-term deposits, money-market funds and other marketable securities.

Cash and cash equivalents meet the definition given by IAS 7 and IFRS 9, *i.e.*, short-term, highly-liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash and cash equivalents are recognized and measured at fair value through profit or loss in accordance with IFRS 9, as described in note 5.6.

In millions of euros	**12/31/2021**	**12/31/2020**
Cash equivalents	160.0	10.0
• Treasury bills and certificates of deposit	160.0	10.0
• Money-market investments		
Cash	480.0	452.1
Gross cash and cash equivalents	**640.0**	**462.1**
Bank overdrafts	**(15.5)**	**(9.4)**
NET CASH AND CASH EQUIVALENTS	**624.5**	**452.7**

5.10 FAIR VALUE OF FINANCIAL ASSETS

ACCOUNTING POLICIES

Measurement and recognition of financial assets and liabilities

The recognition and measurement of financial assets and liabilities is governed by IFRS 9, as described in note 5.6 and 5.12.

Method used to determine fair value of financial instruments

Financial assets and liabilities recognized at fair value are measured either on the basis of market price or by using measurement models that apply the market inputs prevailing on the reporting date. The term “model” refers to mathematical methods based on generally-accepted financial theories. The realizable value of these instruments may differ from the fair value adopted when preparing the financial statements.

Where prices quoted on an active market are available on the reporting date, they are used to determine fair value. Listed securities, bonds, and derivatives traded on organized markets such as futures or option markets are therefore measured in this way.

Most over the counter (OTC) derivatives, swaps, futures, caps, floors and simple options are traded on active markets. They are measured using generally-accepted models (discounted cash flow, Black-Scholes, etc.) based on the market prices of such instruments or similar underlying assets.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly, supply and demand are reasonably balanced, or in which transactions involve instruments that are very similar to the instrument being measured.

Fair value hierarchy of financial assets and liabilities

IFRS 13 sets out a fair value hierarchy that categorizes inputs to valuation techniques used to measure the fair value of all financial assets and financial liabilities into three levels.

Valuation techniques are based on:

- Quoted prices in an active market (level 1);
- Internal valuation techniques involving standard mathematical calculation methods integrating observable market data (forward rates, interest rate curves, etc.). Valuations produced by these models are adjusted to take account of a reasonable change in the credit risk of the Group or the counterparty (level 2);
- Internal valuation techniques integrating factors estimated by the Group in the absence of observable market data (level 3).

The following table presents the net carrying amount and the fair value hierarchy of Group financial assets as of December 31, 2021:

In millions of euros	**Carrying amount 12/31/2021**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Other long-term investments	0.4	0.4		0.4	
Advances to equity-accounted companies and others	263.1	263.1		263.1	
Loans	(0.0)	(0.0)		(0.0)	
Deposits	16.0	16.0		16.0	
Other long-term financial investments	1.1	1.1		1.1	
Total other non-current assets	**280.6**	**280.6**		**280.6**	
Cash equivalents	160.0	160.0	160.0		
• Treasury bills and certificates of deposit	160.0	160.0	160.0		
• Money-market investments					
Cash	480.0	480.0	480.0		
Gross cash and cash equivalents	**640.0**	**640.0**	**640.0**		
Bank overdrafts	**(15.5)**	**(15.5)**	**(15.5)**		
NET CASH AND CASH EQUIVALENTS	**624.5**	**624.5**	**624.5**		

The following table presents the positions as of December 31, 2020:

In millions of euros	Carrying amount 12/31/2020	Fair value	Level 1	Level 2	Level 3
Other long-term investments	0.4	0.4		0.4	
Advances to equity-accounted companies and others	282.0	282.0		282.0	
Loans	(0.0)	(0.0)		(0.0)	
Deposits	16.4	16.4		16.4	
Other long-term financial investments	1.1	1.1		1.1	
Total other non current assets	**299.9**	**299.9**		**299.9**	
Cash equivalents	10.0	10.0	10.0		
• Treasury bills and certificates of deposit	10.0	10.0	10.0		
• Money-market investments					
Cash	452.1	452.1	452.1		
Gross cash and cash equivalents	**462.1**	**462.1**	**462.1**		
Bank overdrafts	**(9.4)**	**(9.4)**	**(9.4)**		
NET CASH AND CASH EQUIVALENTS	**452.7**	**452.7**	**452.7**		

The fair value of financial assets is identical to the carrying amount of the Group's financial assets at amortized cost, as they are not remeasured.

5.11 EQUITY

5.11.1 Share capital, additional paid-in capital and capital reserves

As of December 31, 2021, the share capital comprised 286,861,172 fully paid-up shares each with a par value of €1.40. Shares are held in either registered or bearer form.

Per unit	Number of shares
As of January 1, 2021	299,939,198
Cancellation of shares in 2021	(13,078,026)
Shares issued in 2021	
Dividend distribution in 2021	
AS OF DECEMBER 31, 2021	**286,861,172**

In euros	Share capital	Legal reserve	Issue premiums	Merger premiums	Other premiums	Total capital reserves
As of January 1, 2021	419,914,877	44,009,849	4,426,768,551	6,872,715	303,842,957	4,781,494,072
Cancellation of shares in 2021	(18,309,236)		(381,280,034)			(381,280,034)
Shares issued in 2021						
Dividend distribution in 2021				(6,872,715)	(278,112,959)	(284,985,674)
AS OF DECEMBER 31, 2021	**401,605,641**	**44,009,849**	**4,045,488,517**		**25,729,998**	**4,115,228,363**

During the year 2021, the Group canceled 13,078,026 shares as described in note 5.11.2. Pursuant to this transaction, the share capital was reduced to €401.6 million and issue premiums to €4,045.5 million.

On June 17, 2021, the General Meeting of Shareholders approved the payment of a €1.00 per share cash distribution in respect of the 2020 fiscal year. The total distribution approved by Klépierre's shareholders amounted to €294.8 million (including treasury shares) and €285.3 million (excluding treasury shares).

The dividend distribution was deducted from merger premiums (€6.9 million), other premiums (€278.1 million) and other reserves (€0.3 million).

As of December 31, 2021, the legal reserve stood at €44 million.

5.11.2 Treasury shares

ACCOUNTING POLICIES

Treasury shares

All treasury shares held by the Group are recognized at their acquisition cost and deducted from equity. Any gain arising on the disposal of treasury shares is recognized immediately as equity, such that disposal gains or losses do not impact net income for the fiscal year.

As of December 31, 2021, Klépierre held 1,477,421 treasury shares, *versus* 14,714,116 shares as of December 31, 2020, the variation mainly arising from the cancellation of 13,078,026 shares acquired in 2019 under the February 6, 2019 share buyback program, as follows:

- On January 19, 2021, the Group cancelled 5,091,144 shares;
- On June 22, 2021, the Group cancelled 4,493,022 shares;
- On December 15, 2021, the Group cancelled 3,493,860 shares.

The following tables present the remaining stock of treasury shares as of December 31, 2021 and as of December 31, 2020:

	12/31/2021					
	Future performance share plans	**Performance shares allocated**	**Liquidity agreement**	**External growth**	**Share buyback programs**	**Total**
Number of shares	930,369	547,052				1,477,421
Acquisition value (in millions of euros)	*21.1*	*12.5*				*33.6*
Proceeds from sales (in millions of euros)		*(2.7)*	*(3.1)*			*(5.8)*

	12/31/2020					
	Future performance share plans	**Performance shares allocated**	**Liquidity agreement**	**External growth**	**Share buyback program**	**Total**
Number of shares	631,374	244,774	53,500	706,442	13,078,026	14,714,116
Acquisition value (in millions of euros)	*19.5*	*6.3*	*1.6*	*14.3*	*399.6*	*441.3*
Proceeds from sales (in millions of euros)		*(1.2)*	*(0.2)*			*(1.4)*

5.11.3 Other consolidated reserves

In millions of euros	**Other consolidated reserves**
As of January 1, 2021	4,216.6
Treasury share transactions	(1.2)
Allocation of net income (loss)	(785.7)
Dividends	(0.3)
Other items of comprehensive income	(53.5)
Changes in the scope of consolidation	(0.4)
Other movements	1.1
AS OF DECEMBER 31, 2021	**3,376.6**

The decrease from €4,216.6 million to €3,376.6 million in other consolidated reserves is mainly attributable to:

- The appropriation of 2020 consolidated net loss;
- The change of other items of comprehensive income.

5.11.4 Non-controlling interests

Non-controlling interests decreased by €63.4 million during 2021, from €2,252.1 million to €2,188.7 million, mainly reflecting:

- Net income for the period attributable to non-controlling interests (positive impact of €27.3 million);
- Payment of dividends (negative impact of €109.4 million);
- Foreign exchange impacts (positive impact of €13.5 million), mainly in Scandinavia and in Turkey;
- Gains and losses from cash flow hedges (positive impact of €7.7 million).

5.12 CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

ACCOUNTING POLICIES

Financial liabilities

Financial liabilities include borrowings, other forms of financing, bank overdrafts, derivatives and operating payables.

IFRS 9 “Financial Instruments” describes how financial assets and liabilities must be measured and recognized.

Measurement and recognition of financial liabilities

With the exception of derivatives, all loans and other financial liabilities are measured at amortized cost using the effective interest method.

Recognition of liabilities at amortized cost

In accordance with IFRS, premiums on bonds and debt issuance expenses are deducted from the nominal value of the loans concerned and incorporated into the calculation of the effective interest rate.

Application of the amortized cost method to liabilities hedged at fair value

Changes in the fair value of (the effective portion of) swaps used as fair value hedges are offset by the remeasurement of the hedged risk component of the debt.

Given that the characteristics of derivatives and items hedged at fair value are similar in most instances, any ineffective portion carried to hedging profit or loss may be minimal.

If a derivative is canceled before the due date of the hedged liability, the amount of the debt adjustment will be amortized over the residual term using the effective interest rate calculated at the date the hedging relationship ceased.

Measurement and recognition of derivatives

As the parent company, Klépierre takes responsibility for almost all Group funding and provides centralized management of interest and exchange rate risks. This financing policy involves Klépierre implementing the facilities and associated hedging instruments required by the Group.

Klépierre hedges its liabilities using derivatives and has consequently adopted hedge accounting in accordance with IFRS 9:
- Hedges to cover statement of financial position items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fair value hedges);
- Hedges to cover the exposure to future cash flow risk (cash flow hedges), which consists of setting the amount of future cash flows arising on a floating-rate liabilities or assets;
- Klépierre’s derivatives portfolio qualified for hedge accounting meets all IFRS 9 hedge definition and effectiveness criteria.

The adoption of hedge accounting has the following consequences:
- Fair value hedges of existing assets and liabilities: the hedged portion of the asset/liability is accounted for at fair value in the statement of financial position. The gains or losses resulting from changes in fair value are recognized immediately in profit or loss with a corresponding adjustment in the fair value of the hedging instrument, in line with its effectiveness;
- Cash flow hedges: the portion of the gain or loss on the fair value of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and reclassified to the income statement when the hedged cash transaction affects profit or loss. The gain or loss from the change in value of the ineffective portion of the hedging instrument is recognized immediately in profit or loss.

Financial instruments qualified in the trading category are measured at fair value with fair value movements recognized in profit or loss for the period.

Recognition date: trade or settlement

IFRS aims to reflect the time value of financial instruments as closely as possible by ensuring that, wherever possible, instruments with a deferred start date are recognized on the trade date, thus allowing calculation of the deferred start date.

However, this principle cannot be applied to all financial instruments in the same way.

For example, commercial paper is often renewed a few days before its due date. If these instruments were recognized at their trade date, this would artificially inflate the amount concerned between the renewal trade date of a paper and its effective start date.

Klépierre applies the following rules:
- Derivatives are recognized at their trade date, since their measurement effectively takes account of any deferred start dates;
- Other financial instruments (especially liabilities) are recognized on their settlement date.

Tax treatment of changes in fair value of financial instruments

Klépierre applies the following rules:
- Deferred taxes are calculated based on the change in fair value of financial instruments based on the tax-rate of the country where the instrument is held.
- For instruments held by SIIC eligible entities, deferred taxes are recognized for their non-SIIC portion in the SIIC/non-SIIC asset pro rata to Klépierre SA’s statement of financial position.

5.12.1 Change in debt

Changes in debt presented below do not include lease liabilities under IFRS 16, which are presented in note 8.

Current and non-current financial liabilities amounted to €8,708.2 million as of December 31, 2021 versus €9,626.1 million at year-end 2020.

In millions of euros	12/31/2021	12/31/2020
NON-CURRENT		
Bonds net of costs/premiums	**6,044.9**	**6,413.7**
- Of which fair value hedge adjustments	0.2	28.9
Bank loans and borrowings – long term	**649.5**	**677.6**
Fair value adjustments to debt[a]		**4.5**
Other loans and borrowings	**120.7**	**148.3**
- Advance payments to associates	113.5	141.1
- Other	7.2	7.2
Total non-current financial liabilities	6,815.1	7,244.1
CURRENT		
Bonds net of costs/premiums	**279.9**	**950.8**
- Of which fair value hedge adjustments		0.7
Bank loans and borrowings – short term	**33.5**	**29.9**
- Of which other borrowings issue costs	3.2	3.2
Fair value adjustments to debt[a]	**1.7**	
Accrued interest	**45.2**	**72.5**
- On bonds	42.2	68.0
- On bank loans	1.7	2.7
- On advance payments to associates	1.3	1.8
Commercial paper	**1,530.0**	**1,326.1**
Other loans and borrowings	**2.8**	**2.7**
- Advance payments to associates	2.8	2.7
Total current financial liabilities	1,893.1	2,381.9
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**8,708.2**	**9,626.1**

(a) Corresponds to the balance of the mark-to-market of Corio's debt recognized at the acquisition date.

Net debt totaled €8,006.0 million as of December 31, 2021, versus €9,054.4 million as of December 31, 2020. Net debt is the difference between financial liabilities (excluding both fair value hedge adjustments and the mark-to-market of Corio's debt recognized at the acquisition date) plus bank overdrafts minus available cash and marketable securities.

In millions of euros	12/31/2021	12/31/2020
Non-current and current financial liabilities	8,708.2	9,626.1
Bank overdrafts	15.5	9.4
Revaluation due to fair value hedge and cross currency swap	0.4	(30.7)
Fair value adjustement of debt[a]	(1.7)	(4.6)
Cash and cash equivalents[b]	(716.2)	(545.8)
NET DEBT	**8,006.0**	**9,054.4**

(a) Corresponds to the balance of the mark-to-market of Corio's debt recognized at the acquisition date.
(b) Includes cash managed for principals for €76.3 million as of December 31, 2021 and for €83.8 million as of December 31, 2020.

As of December 31, 2021, consolidated net debt totaled €8,006.0 million compared to €9,054.4 million at the end of 2020, down €1,048.4 million over the last twelve months. The main movements during the year were as follows:

- Cash inflows from operations and other items (foreign exchange, changes in working capital), amounting to €758 million;
- Cash inflows from disposals for €847 million;
- Cash outflows in respect of distributions for €391 million (including the 2020 distribution for €285 million and distributions to partners in joint-ventures for €106 million); and
- Cash outflows in respect of capital expenditure for €166 million (see section 3.3 "New investments over the period by operating segment").

5.12.2 Main sources of financing

The Group's main financial resources are detailed in the table below (nominal value).

	Group financing						
In millions of euros	**Borrower**	**Issue currency**	**Reference rate**	**Maturity date**	**Repayment profile**	**Maximum amount**	**Amount used as at 12/31/2021**
Bonds						**5,985**	**5,985**
	Klépierre SA	EUR	1.100%	05/25/2022	At maturity	100	100
	Klépierre SA	EUR	1.000%	04/17/2023	At maturity	750	750
	Klépierre SA	EUR	1.750%	11/06/2024	At maturity	630	630
	Klépierre SA	EUR	2.125%	10/22/2025	At maturity	255	255
	Klépierre SA	EUR	1.875%	02/19/2026	At maturity	500	500
	Klépierre SA	EUR	1.375%	02/16/2027	At maturity	600	600
	Klépierre SA	EUR	4.230%	05/21/2027	At maturity	50	50
	Klépierre SA	EUR	2.000%	05/12/2029	At maturity	600	600
	Klépierre SA	EUR	0.625%	07/01/2030	At maturity	600	600
	Klépierre SA	EUR	0.875%	02/17/2031	At maturity	600	600
	Klépierre SA	EUR	1.250%	09/29/2031	At maturity	600	600
	Klépierre SA	EUR	1.625%	12/13/2032	At maturity	700	700
						85	**85**
	Klépierre (formerly Corio)	EUR	3.516%	12/13/2022	At maturity	85	85
						304	**304**
	Steen & Strøm	NOK	2.620%	06/08/2022	At maturity	10	10
	Steen & Strøm	NOK	NIBOR	09/14/2022	At maturity	35	35
	Steen & Strøm	NOK	NIBOR	03/23/2023	At maturity	80	80
	Steen & Strøm	NOK	NIBOR	04/05/2023	At maturity	30	30
	Steen & Strøm	NOK	2.400%	11/07/2023	At maturity	50	50
	Steen & Strøm	NOK	2.550%	10/24/2024	At maturity	15	15
	Steen & Strøm	NOK	NIBOR	10/24/2024	At maturity	25	25
	Steen & Strøm	NOK	2.980%	05/23/2029	At maturity	10	10
	Steen & Strøm	SEK	1.093%	12/08/2022	At maturity	49	49
Bank loans and revolving credit facilities						**3,295**	**-**
	Klépierre SA	EUR	Euribor	12/16/2026	At maturity	1,385	-
	Klépierre SA	EUR	Euribor	(b)	At maturity	1,725	-
	Steen & Strøm	NOK	NIBOR	2022	At maturity	100	-
	Steen & Strøm	NOK	NIBOR	2023	At maturity	25	-
	Steen & Strøm	NOK	NIBOR	2025	At maturity	60	-
Mortgage loans						**677**	**677**
	Massalia Shopping Mall	EUR	Euribor	06/23/2026	At maturity	99	99
	Steen & Strøm	SEK	STIBOR	(c)		236	236
	Steen & Strøm	DKK	CIBOR	(c)		282	282
	Steen & Strøm	DKK	Fixed	(c)		60	60
Property finance leases						**11**	**11**
Short-term facilities and bank overdrafts						**395**	**-**
Commercial paper						**1,529**	**1,529**
	Klépierre SA	EUR	Euribor	-	At maturity	1,500	1,500
	Steen & Strøm	SEK	STIBOR		At maturity	29	29
GROUP TOTAL(a)						**10,753**	**8,590**

(a) Totals are calculated excluding backup lines of funding since the maximum amount of the "Commercial paper" line includes the backup line.
(b) These lines combine several facilities with maturities from 2023 to 2025 and differents lenders.
(c) These lines combine several mortgage loans with maturities from 2023 to 2040 and differents lenders.

As a general rule, the Group finances its assets with equity or debt raised by Klépierre SA. In some cases, especially in partnerships and in Scandinavian countries, the Group may use mortgage loans to fund its activities. The total amount of mortgages granted to secure these financings (€677 million) amounted to €915 million as of December 31, 2021.

5.12.3 Covenants

The Group's main credit agreements contain covenants. Failure to comply with these covenants could trigger mandatory repayments.

Covenants applicable to Klépierre SA financing

As of December 31, 2021, Klépierre SA complied with all its obligations arising from its borrowings.

Financing	Ratios/covenants	Limit(a)	12/31/2021	12/31/2020
Syndicated loans and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤60%	38.7%	41.4%
	EBITDA/Net interest expenses	≥2.0x	8.3	7.3
	Secured debt/Portfolio value(b)	≤20%	0.6%	0.6%
	Portfolio value(c)	≥€10bn	€17.7bn	€18.5bn
Bond issues	Secured debt/Revalued Net Asset Value(b)	≤50%	0.8%	0.9%

(a) *Covenants are based on the 2020 revolving credit facility.*
(b) *Excluding Steen & Strøm.*
(c) *Group share, including transfer taxes.*

Financial covenants applicable to fully consolidated companies with non-controlling interests

As of December 31, 2021, all of the Group's borrowing entities met their financial obligations arising from their financial debts. In relation to a non-recourse mortgage loan granted to Massalia Shopping Mall, one of the Group's subsidiaries, financial covenants which will be tested in 2022 may not be respected. However, as of December 31, 2021, the borrower estimates to have a sufficient liquidity to remedy any breach of a covenant within the period provided for by the loan agreement in this case. In any event, this would have no consequences on the other Group's financing obligations.

A portion of Steen & Strøm's debt is subject to a covenant that requires shareholders' equity to be above or equal to 20% of net asset value at all times. On December 31, 2021, this ratio was 55.7%.

5.12.4 Breakdown of borrowings by maturity date

The breakdown of borrowings by maturity date presented below does not include leases liabilities under IFRS 16, which are presented in note 8.

In millions of euros	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net of costs/premiums	**6,044.9**		**2,311.6**	**3,733.3**
• Of which fair value hedge adjustments	0.2		0.2	
Bank loans and borrowings – long term	**649.5**		**265.0**	**384.5**
Fair value adjustments to debt(a)				
Other loans and borrowings	**120.7**		**113.5**	**7.2**
• Advance payments to associates	113.5		113.5	
• Other	7.2			7.2
Total non-current financial liabilities	6,815.1		2,690.1	4,125.0
CURRENT				
Bonds net of costs/premiums	**279.9**	**279.9**		
• Of which fair value hedge adjustments				
Bank loans and borrowings – short term	**33.5**	**33.5**		
Fair value adjustments to debt(a)	**1.7**	**1.7**		
Accrued interest	**45.2**	**45.2**		
• On bonds	42.2	42.2		
• On bank loans	1.7	1.7		
• On advance payments to associates	1.3	1.3		
Commercial paper	**1,530.0**	**1,530.0**		
Other loans and borrowings	**2.8**	**2.8**		
• Advance payments to associates	2.8	2.8		
Total current financial liabilities	1,893.1	1,893.1		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**8,708.2**	**1,893.1**	**2,690.1**	**4,125.0**

(a) *Corresponds to the balance of the mark-to-market of Corio's debt recognized at the acquisition date.*

Commercial paper corresponds to short-term resources used on a rollover basis. There are fully covered by revolving credit facilities with a 4.8 years average duration.

5.12.5 Classification and fair value hierarchy of financial liabilities

ACCOUNTING POLICIES

Fair value hierarchy of financial liabilities

As described in note 5.10, IFRS 13 sets out a fair value hierarchy that categorizes the valuation techniques used to measure the fair value of all financial liabilities.

The table below presents the breakdown of financial liabilities by measurement approach in accordance with IFRS 9, as described in note 5.6.

		Amounts recognized in the statement of financial position according to IFRS 9			Fair value hierarchy		
In millions of euros	**Carrying amount 12/31/2021**	**Liability at amortized cost**	**Liability at fair value recognized in profit or loss[(a)]**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
NON-CURRENT							
Bonds net of costs/premiums	6,044.9	5,437.1	607.8	6,249.6	6,249.6		
Bank loans and borrowings – long term	649.5	649.5		650.9		650.9	
Fair value adjustments to debt							
Other loans and borrowings	120.7	120.7		120.7		120.7	
Total non-current financial liabilities	**6,815.1**	**6,207.3**	**607.8**	**7,021.2**	**6,249.6**	**771.6**	
CURRENT							
Bonds net of costs/premiums	279.9	279.9		280.3	280.3		
Bank loans and borrowings – short term	33.5	33.5		33.5		33.5	
Fair value adjustments to debt	1.7	1.7		1.7		1.7	
Accrued interest	45.2	45.2		45.2		45.2	
Commercial paper	1,530.0	1,530.0		1,530.0		1,530.0	
Other loans and borrowings	2.8	2.8		2.8		2.7	
Total current financial liabilities	**1,893.1**	**1,893.1**		**1,893.5**	**280.3**	**1,613.2**	
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**8,708.2**	**8,100.4**	**607.8**	**8,914.8**	**6,529.9**	**2,384.8**	

(a) *Corresponds to the reevaluated portion of the bonds as part of the Fair value hedge presented in notes 5.10 and 5.12.*

The carrying amount of financial liabilities whose fair value variation is recognized in profit or loss amounted to €608 million as of December 2021. It corresponds to fixed-rate bonds that were converted to floating rate debts through fixed rate receiver swaps qualified as fair value hedges.

The following table presents the positions as of December 31, 2020:

In millions of euros	Carrying amount 12/31/2020	Amounts recognized in the statement of financial position according to IFRS 9		Fair value	Fair value hierarchy		
		Amortized cost	Fair value recognized in profit or loss		Level 1	Level 2	Level 3
NON-CURRENT							
Bonds net of costs/premiums	6,413.7	5,778.8	634.9	6,778.7	6,778.7		
Bank loans and borrowings – long term	677.6	677.6		678.2		678.2	
Fair value adjustments to debt	4.5	4.5		4.5		4.5	
Other loans and borrowings	148.3	148.3		148.3		148.3	
Total non-current financial liabilities	**7,244.1**	**6,609.2**	**634.9**	**7,609.7**	**6,778.7**	**831.0**	
CURRENT							
Bonds net of costs/premiums	950.8	856.0	94.8	957.0	957.0		
Bank loans and borrowings – short term	29.9	29.9		29.9		29.9	
Fair value adjustments to debt							
Accrued interest	72.5	72.5		72.5		72.5	
Commercial paper	1,326.1	1,326.1		1,326.1		1,326.1	
Other loans and borrowings	2.7	2.7		2.7		2.7	
Total current financial liabilities	**2,381.9**	**2,287.2**	94.8	**2,388.1**	**957.0**	**1,431.1**	
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**9,626.1**	**8,896.4**	**729.7**	**9,997.9**	**7,735.7**	**2,262.2**	

The carrying amount of financial liabilities whose fair value variation is recognized in profit or loss amounted to €730 million as of December 2020. This corresponds to fixed rate bonds that were converted into floating rate debt through receiver swaps.

5.13 LONG-TERM PROVISIONS

ACCOUNTING POLICIES

Provisions and contingent liabilities

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized where the Group has a liability towards a third party, and it is probable or certain that an outflow of resources will be required to settle this liability without an equivalent or greater amount expected to be received from the third party concerned.

Non-interest-bearing long-term liabilities are discounted in accordance with IAS 37.

Long-term provisions amounted to €23.9 million as of December 31, 2021 versus €16.9 million as of December 31, 2020, and mainly concern business-related litigation and taxes outside the scope of IFRIC 23 in the different countries in which Klépierre operates.

5.14 PAYROLL, TAX LIABILITIES AND OTHER LIABILITIES

In millions of euros	12/31/2021	12/31/2020
Payroll and tax liabilities	**190.4**	**166.9**
Employees and related accounts	41.0	37.0
Social security and other bodies	11.0	10.3
Tax payables		
• Income tax	42.6	42.0
• VAT	36.3	46.1
Other taxes and duties	59.5	31.5
Other liabilities	**377.1**	**322.3**
Creditor customers	18.8	14.8
Prepaid income	28.1	29.1
Other liabilities	330.2	278.5

Creditor customers amount to €18.8 million and correspond to advance payments received from tenants in respect of service charges.

Other liabilities also include funds representing the management accounts of Klépierre Management's principals, offset in full by other receivables (see note 5.8 "Other receivables"). These funds totaled €76.3 million as of December 31, 2021 (€83.8 million as of December 31, 2020).

NOTE 6 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

6.1 GROSS RENTAL INCOME

ACCOUNTING POLICIES

IFRS 16 "Leases"

In accordance with IFRS 16, the Group, as landlord, distinguishes between two types of leases:

- Finance leases, which transfer substantially all the risks and rewards inherent in the ownership of an asset to the lessee. Title to the asset may or may not be transferred at the end of the lease term;
- All other leases are classified as operating leases.

Recognition of step-up rents and rent-free periods

Gross rental income from operating leases is recognized over the full lease term on a straight-line basis.

Step-up rents and rent-free periods are recognized as additions to, or deductions from, gross rental income for the fiscal year.

The reference period adopted is the first non-cancelable lease term.

Entry fees

Entry fees received by the lessor are recognized as additional rent.

Entry fees are part of the net amount exchanged between the lessor and the lessee under a lease. For this purpose, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement or the rent payment schedule. Entry fees are taken to income over the first non-cancelable lease term.

Early termination penalties

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties.

Such penalties are allocated to the terminated contract and credited to income for the period in which they are recognized.

IFRS 15 "Revenue from Contracts with Customers“

Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Gross rental income is excluded from the scope of IFRS 15.

Consequently, only service charges and management, administrative and related income are accounted for in accordance with IFRS 15.

Service charge revenues and services charge expenses are presented separately in the consolidated statements of comprehensive income.

Gross rental income breaks down as follows:

In millions of euros	12/31/2021	12/31/2020
Minimum guaranteed rents	1,030.8	1,072.6
Turnover rents	29.9	27.3
Specialty leasing	28.8	25.7
Parking	33.7	33.2
Lease incentives & discounts	(42.9)	(36.0)
Covid discounts	(104.9)	(102.3)
Gross rents	975.4	1,020.5
Other lease income	**31.0**	**41.9**
GROSS RENTAL INCOME	**1,006.4**	**1,062.4**

In the context of the Covid-19 pandemic, rent abatements have been granted to some tenants as described in note 1.1.

6.2 LAND EXPENSES (REAL ESTATE)

ACCOUNTING POLICIES

Ground leases: IFRS 16

Ground leases are recognized as a right-of-use asset and lease liability in the statement of financial position for the present value of the lease payments (fixed portion only) and are subsequently measured at fair value in accordance with IAS 40 (see note 8). The lease expenses are reclassified to "Interest expenses" and "Change in value of investment properties".

Consequently, "Land expenses" only comprises variable payments on ground leases not included in the right-of-use valuation, in accordance with IFRS 16.

For the year ended December 31, 2021, land expenses relating to variable payments on ground leases amounted to €7.1 million compared to €8.0 million for the year ended December 31, 2020.

6.3 SERVICE CHARGES

Service charge income corresponds to service charges invoiced to tenants, and is presented separately. Service charge income is recorded as income in the period in which it is earned.

Service charge expenses cover the cost of services such as general maintenance and repairs, security, heating, cooling, lighting and cleaning of common areas. Service charge expenses are presented for their gross amounts.

6.4 OWNERS' BUILDING EXPENSES

These expenses comprise owners' rental expenses, expenses related to construction work and legal costs, net allowances for credit losses, and intermediaries and other fees.

In millions of euros	12/31/2021	12/31/2020
Losses and allowance to provision for credit losses	(113.4)	(124.2)
Write-back provision for credit losses	91.3	7.9
Net impairment on credit losses	(22.1)	(116.3)
Other building expenses	(19.3)	(23.1)
BUILDING EXPENSES (OWNER)	**(41.4)**	**(139.5)**

The net allowances for credit losses for the year ended December 31, 2021 amounted to €22.1 million, and related mainly to the Covid-19 pandemic. The net reversal of the non used provision in respect of 2020 receivables amounts to €59.7 million.

6.5 MANAGEMENT, ADMINISTRATIVE AND RELATED INCOME

Management, administrative and related income amounted to €65.1 million in 2021 and is presented below:

In millions of euros	12/31/2021	12/31/2020
Real Estate development fees	5.9	8.8
Acquisition development fees	**5.9**	**8.8**
Rent management fees	9.1	7.2
Renewal and reletting fees	2.1	1.5
Real estate management fees	45.9	48.9
Other property fees	2.1	2.0
Property fees	**59.2**	**59.6**
MANAGEMENT, ADMINISTRATIVE AND RELATED INCOME	**65.1**	**68.4**

6.6 OTHER OPERATING INCOME

Other operating income notably includes works rebilled to tenants.

6.7 OTHER GENERAL EXPENSES

Other general expenses mainly comprise costs related to offices management, consultancy and audit, communication, IT and other admnistrative expenses. They amounted to €39.5 million for the year ended December 31, 2021 compared to €41.4 million in for the year ended December 31, 2020.

6.8 DEPRECIATION, AMORTIZATION AND IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

For the year ended December 31, 2021, depreciation, amortization and impairment of property, plant and equipment and intangible assets amounted to €18.1 million, of which €8.4 million in depreciation of right-of-use assets, as described in note 8.

6.9 CHANGE IN VALUE OF INVESTMENT PROPERTIES

As of December 31, 2021, changes in value of investment properties amounted to a negative €402.5 million, versus a negative €1,575.9 million as of December 31, 2020.

In millions of euros	12/31/2021	12/31/2020
Change in value of investment properties at fair value[(a)]	(399.8)	(1,579.9)
Change in value of investment properties at cost	(2.7)	4.0
TOTAL	**(402.5)**	**(1,575.9)**

(a) The change in value of the right-of-use asset relating to ground leases amounts to a negative €6.8 million (see note 8).

Recognition and measurement of investment properties at fair value and at cost are disclosed in note 5.4.

6.10 NET PROCEEDS FROM DISPOSALS OF INVESTMENT PROPERTIES AND EQUITY INVESTMENTS

Net proceeds from disposals over the year 2021 amounted to a positive €8.8 million.

The main disposals over the period are disclosed in note 3.4.

6.11 COST OF NET DEBT

The cost of net debt totaled €115.3 million as of December 31, 2021, versus €108.6 million as of December 31, 2020. Excluding IFRS 16 interest expense on lease liabilities and other accounting items (amortization of the fair value of debt, provision and capitalized interest, deferral of payments on swaps and capitalized interest), the restated cost of net debt slightly decreased compared to 2020 year-ended.

In millions of euros	12/31/2021	12/31/2020
Financial income	**32.3**	**71.4**
Income from sales of securities	0.0	0.0
Interest income on swaps	13.7	45.0
Deferral of payments on swaps	0.0	0.0
Capitalized interest	2.5	2.9
Interest on advances to associates	9.4	9.7
Sundry interest received	0.5	7.4
Other revenue and financial income	0.0	4.2
Currency translation gains	6.2	2.1
Financial expenses	**(139.3)**	**(171.8)**
Expenses from sales of securities		
Interest on bonds	(103.4)	(137.6)
Interest on bank loans	(0.9)	(9.8)
Interest expense on swaps	(10.8)	(15.3)
Deferral of payments on swaps	(0.1)	(3.3)
Interest on advances to associates	(2.1)	(2.3)
Sundry interest paid	(0.6)	(0.7)
Other financial expenses	(20.2)	(38.4)
Currency translation losses	(4.3)	(2.3)
Transfer of financial expenses	0.3	21.1
Amortization of the fair value of debt(a)	2.8	16.9
Cost of net debt	**(107.0)**	**(100.4)**
Interest expense on leases liabilities(b)	(8.3)	(8.2)
COST OF NET DEBT AFTER IFRS 16	**(115.3)**	**(108.6)**

(a) *Corresponds to the amortization of the mark-to-market of Corio's debt recognized at the acquisition date.*
(b) *The breakdown of interest expense on leases liabilities by type of contract is disclosed in note 8.*

NOTE 7 TAXES

ACCOUNTING POLICIES

Income tax and deferred tax

The corporate income tax charge is calculated in accordance with the rules and rates adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

Income taxes are offset by losses where such offsetting is legally permissible and where they originate within the same tax consolidation group and are subject to the same tax authority. The same principle is also applicable for deferred taxes.

Deferred taxes are recognized where there are timing differences between the carrying amounts of assets and liabilities and their tax bases, and taxable income is likely in future periods.

A deferred tax asset is recognized where tax losses are carried forward on the assumption that the entity concerned is likely to generate future taxable income against which those losses can be offset.

Deferred tax assets and liabilities are measured using the balance sheet liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the reporting date.

All current and deferred tax is recognized as tax income or expense in the income statement, except for deferred tax recognized or settled at the time of acquiring or disposing of a subsidiary or investment and unrealized capital gains and losses on assets held for sale. In these cases, the associated deferred tax is recognized as equity.

Deferred tax is calculated at the local rate prevailing at the reporting date. The rates applied are: France 25.83%, Spain 25%, Italy 27.9%, Belgium 25%, Greece 22%, Portugal 21% plus a surtax where applicable, Poland 19%, Czech Republic 19%, Sweden 20.6%, Norway 22%, Luxembourg 24.94%, Netherlands 25.8%, Denmark 22%, Turkey 23% or 20% and Germany 15.83% or 18.20%.

Tax status of *Sociétés d'investissement immobilier cotée* (SIIC)

General features of SIIC tax status – France

All SIICs are entitled to an income tax exemption provided that their stock is listed on a regulated French market, that they have share capital of at least €15 million and that their corporate purpose is either the purchase or construction of properties for rent or the direct or indirect investment in entities with that corporate purpose. The option to adopt SIIC status is irrevocable. French subsidiaries subject to corporate income tax and at least 95%- owned by the Group may also claim SIIC status.

In return for the tax exemption, SIICs have to pay out 95% of rental income and 70% of the capital gains made on property disposals. In addition, they must pay out 100% of any dividends received from SIIC or SIIC equivalent subsidiaries.

New entities claiming SIIC status are immediately subject to a 19% exit tax on unrealized gains on properties and on shares in partnerships not subject to income tax. The exit tax is payable over a four-year period, commencing at the point when the entity concerned adopts SIIC status.

Income tax on companies not eligible for SIIC equivalent

Since adopting SIIC status in 2003, Klépierre SA has made a distinction between SIICs that are exempt from rental income and capital gains taxes, and other companies that are subject to those taxes.

Income tax on non-SIIC French entities is calculated in accordance with French tax regulations.

Tax regime of Spanish SOCIMI entities

SOCIMIs are listed Spanish companies, or subsidiaries of listed companies subject to SOCIMI equivalent regulation, whose principal activity is the acquisition, promotion and rehabilitation of urban real estate assets for the purpose of leasing them, either directly or through equity investments in other real estate investment companies.

Real estate income for SOCIMIs is taxed at a 0% corporate tax (CIT) rate (instead of the general rate of 25%), provided that the requirements of the SOCIMI regime are met.

Capital gains prior to the entry into the SOCIMI regime are frozen and subject to current income tax when the asset is disposed of. However, incremental capital gains realized after election for the SOCIMI regime are exempt from capital gain tax and are subject to a distribution requirement.

Furthermore, SOCIMIs have to meet minimum profit-sharing requirements, as follows:

- 100% of the dividends received from participating entities;
- 80% of the profit resulting from the leasing of real estate and ancillary activities;
- 50% of the profits resulting from the transfer of properties and shares linked to the Company's business provided that the remaining profits are reinvested in other real estate properties or equity investments within a maximum period of three years from the date of the transfer or, failing this, 100% of the profits must be distributed as dividends once such period has elapsed.

Spanish SOCIMIs may be subject to a special 19% withholding tax on dividend distributions unless it can be proven that shareholders with an ownership interest of 5% or more are subject to tax at a minimum rate of 10%. When a direct shareholder is a SOCIMI or subject to SOCIMI-equivalent regulations (such as Klépierre SA), this requirement is assessed at the level of the parent-company shareholders.

In millions of euros	12/31/2021	12/31/2020
Current tax	(48.2)	(11.2)
Deferred tax	361.3	82.5
TOTAL	**313.1**	**71.3**

For the year ended December 31, 2021, the current tax charge amounted to €48.2 million, versus €11.2 million for the year ended December 31, 2020. The significant increase in this item is mainly attributable to the 3% tax due arising on the reevaluation of the Italian assets (€43.9 million, see significant events).

Deferred tax income amounted to €361.3 million for the year ended December 31, 2021, versus €82.5 million for the year ended December 31, 2020, with the change stemming mainly from the reversal for €367.1 million of deferred taxes on investment properties correlated to the Italian assets reevaluation (see significant events) and from deferred tax on fair value movements for a negative €5.8 million.

A breakdown of tax expense between French (SIIC sector and common law) and non-French companies is shown in the tax proof below:

	France					
In millions of euros	SIIC tax-exempt sector	SIIC taxable sector	SIIC sector	Common law	Other companies	Total
Pre-tax earnings and earnings from equity-accounted companies	135.9	(95.1)	40.8	(7.2)	141.1	174.6
Theoretical tax expense at 27.37%	(37.2)	26.0	(11.2)	2.0	(38.6)	(47.8)
Tax-exempt earnings under the SIIC and SOCIMI tax regimes	32.1		32.1		17.7	49.8
TAXABLE SECTORS						
Impact of permanent differences	0.0	(1.1)	(1.1)	(2.1)	(1.1)	(4.3)
Untaxed consolidation adjustments	0.2	0.2	0.4	(0.1)	7.6	7.8
Impact of non-capitalized losses		(25.2)	(25.2)	(0.1)	(13.4)	(38.7)
Assignment of non-capitalized losses		0.1	0.1	0.0	0.6	0.7
Change of tax regime						
Change in tax rates and other taxes	2.6	2.9	5.5	(3.8)	333.6	335.3
Differences in tax rates between France and other countries				0.0	10.3	10.3
EFFECTIVE TAX EXPENSE	**(2.3)**	**2.9**	**0.6**	**(4.2)**	**316.7**	**313.1**

Breakdown of deferred taxes:

In millions of euros	12/31/2020	Change in scope	Change in net income	Cash flow hedging reserves	Asset, liability reclassifications	Other changes	12/31/2021
Investment properties	(1,528.0)	49.9	376.6		0.1	(3.3)	(1,104.7)
Derivatives	2.0		(0.3)	(2.3)		0.0	(0.6)
Tax loss carryforwards	20.7		(1.0)		5.8	(0.4)	25.0
Other items	(2.9)	0.2	(2.6)		2.6	0.4	(2.3)
Total for entities in a net liability position	(1,508.3)	50.1	372.7	(2.3)	8.5	(3.3)	(1,082.6)
Investment properties	0.0	14.4	(7.0)		(0.1)	(0.2)	7.1
Derivatives	0.0			(0.0)			0.0
Tax loss carryforwards	10.5		0.0		(5.8)	0.0	4.7
Other items	21.4	(0.0)	(4.4)		(2.5)	(0.0)	14.4
Total for entities in a net asset position	31.9	14.4	(11.4)	(0.0)	(8.4)	(0.3)	26.2
NET POSITIONS	**(1,476.4)**	**64.5**	**361.3**	**(2.3)**	**0.1**	**(3.6)**	**(1,056.4)**

Deferred tax in the income statement represents income of €361.3 million and mainly comprises:

- €369.6 million in deferred tax income resulting from temporary differences arising on changes in the fair market value and tax value of investment properties, mainly linked to the asset revaluation for tax purposes in Italy (see significant events);
- A negative amount of €7 million in deferred tax expense presented in “Other items” which is mainly attributable to a negative €6.2 million in allowances for bad debts and provisions for discounts in Italy.

The inventory of tax losses carried forward by country is set out below:

Tax losses carried forward

Ordinary tax loss carryforwards are capitalized when their utilization is deemed probable. The expected time scale for recovering taxes loss carryforwards capitalized for all entities within the Group is three to nine years on average.

In millions of euros	Inventory of ordinary tax losses			Deferred tax on ordinary losses			
Country	**12/31/2020**	**Change in 2021**	**12/31/2021**	**Capitalized at 12/31/2020**	**Change in capitalized amounts**	**Capitalized at 12/31/2021**	**Not capitalized at 12/31/2021**
TOTAL GROUP	**(1,228.2)**	**(115.5)**	**(1,343.7)**	**31.2**	**(1.4)**	**29.7**	**183.3**
Germany	(119.9)	50.6	(69.3)				11.3
Belgium	(44.0)	(1.8)	(45.8)				11.4
Spain	(13.4)	(0.6)	(14.0)				3.5
France[(a)] - non SIIC	(336.9)	(92.4)	(429.3)				110.9
Italy	(38.4)	(4.0)	(42.4)	5.3	1.0	6.2	3.9
Luxembourg	(58.8)	(10.8)	(69.5)				17.3
Netherlands[(b)]	(80.2)	(5.8)	(86.0)	5.2	1.6	6.8	15.4
Poland	(6.7)	(1.5)	(8.3)		0.0	0.0	1.6
Portugal	(8.6)	5.3	(3.3)	0.8	(0.2)	0.7	
Sweden	(93.2)	15.2	(77.9)	19.2	(3.1)	16.0	0.0
Turkey	(40.4)	3.3	(37.0)				7.4
Other countries[(c)]	(7.2)	4.6	(2.6)	0.7	(0.7)		0.6
Total taxable regime	**(847.6)**	**(37.7)**	**(885.4)**	**31.2**	**(1.4)**	**29.7**	**183.3**
France - SIIC	(273.7)	(79.6)	(353.3)				
Spain - SOCIMI	(106.9)	1.8	(105.1)				
Total non taxable regime	**(380.6)**	**(77.8)**	**(458.4)**				

(a) As of December 31, 2021, the tax rate applicable to tax loss carryforwards in France changed from 27.37% to 25.83%.
(b) As of December 31, 2021, the tax rate applicable to tax loss carryforwards in the Netherlands changed from 25.00% to 25.80%.
(c) The line «Other countries» includes the losses carried forward from Greece, Czech Republic and Norway.

Non-capitalized deferred taxes on tax loss carryforwards amounted to €183.3 million as of December 31, 2021 versus €171.7 million as of December 31, 2020.

NOTE 8 IFRS 16 “LEASES”

ACCOUNTING POLICIES

Leases

Klépierre accounts for its leases, as lessee, as set below.

IFRS 16 requires lessees to record all leases as follows (with an exemption for low value assets and short-term leases):

- Recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position, initially measured at the present value of unavoidable lease payments;
- Depreciation of right-of-use assets and interest on lease liabilities over the lease term; and
- Separation of the total amount of cash paid into a principal portion and interest.

The main leases in the scope of IFRS 16 for the Group as lessee are ground leases, head office leases and vehicle leases. They are initially recognized as right-of-use assets and corresponding lease liabilities:

- Right-of-use assets relating to head office leases and vehicle leases are measured by applying a cost model and are depreciated on a straight-line basis over the lease term. There are recognized in property, plant and equipment;
- Right-of-use assets relating to ground leases that meet the definition of investment property are measured in accordance with IAS 40 using the fair value model. They are subsequently measured at an amount equal to the remaining balance of the lease liability. Right-of-use assets relating to ground leases are recognized in investment properties at fair value.

As of December 31, 2021, the amounts recorded on the statement of financial position and relating to leases, as lessee, are as follows:

In millions of euros	12/31/2020	Increase (new leases)	Decrease (lease terminations)	Reevaluation and other movements	Allowances and debt reimbursment	Currency movements	Change in scope	Reclassifications	12/31/2021
Gross right-of-use asset relating to property, plant and equipment	35.5	2.2	(1.4)	0.4		(0.3)			36.4
Amortization of right-of-use asset relating to property, plant and equipment	(16.2)		1.0	0.1	(8.4)	0.2			(23.3)
Total net right-of-use asset relating to property, plant and equipment	**19.3**	**2.2**	**(0.4)**	**0.5**	**(8.4)**	**(0.1)**			**13.1**
Right-of-use asset relating to ground leases at fair value	389.1	10.1		0.0		0.2	(3.4)		396.0
Change in fair value of right-of-use asset relating to ground leases	(13.6)			0.0	(6.8)	(0.1)	1.9		(18.6)
Total right-of-use asset relating to ground leases	**375.5**	**10.1**		**0.0**	**(6.8)**	**0.1**	**(1.5)**		**377.4**
TOTAL ASSETS	**394.8**	**12.3**	**(0.4)**	**0.5**	**(15.2)**	**(0.1)**	**(1.5)**		**390.5**
Leases liabilities – non-current	357.0	10.8	(0.4)	0.3		0.0	(1.3)	(13.2)	353.4
Leases liabilities – current	14.2	1.1		0.2	(14.9)	(0.1)	(0.2)	13.2	13.5
TOTAL LIABILITIES	**371.3**	**11.9**	**(0.4)**	**0.5**	**(14.9)**	**(0.0)**	**(1.4)**		**366.9**

The breakdown of current and non-current lease liabilities as of December 31, 2021 is presented below:

In millions of euros	Total	Less than one year	One to five years	More than five years
Leases liabilities – non-current	353.4		31.3	322.1
Leases liabilities – current	13.5	13.5		
TOTAL LEASES LIABILITIES	**366.9**	**13.5**	**31.3**	**322.1**

As lessee, the amounts recognized in comprehensive income for the year ended December 31, 2021 in respect of leases, by nature of contracts, are as follows:

In millions of euros	Right-of-use asset related to property, plant and equipment	Right-of-use asset related to ground leases	Total
Depreciation, amortization and impairment of property, plant and equipment	(8.4)		(8.4)
Change in value of right-of-use asset relating to ground lease		(6.8)	(6.8)
Interest expense on leases liabilities	(0.2)	(8.1)	(8.3)
Deferred tax on IFRS 16 restatement			
TOTAL	**(8.7)**	**(14.9)**	**(23.6)**

Variable rents on ground leases not restated in accordance with IFRS 16 amount to €7.1 million as of December 31, 2021 (see note 6.2).

Short-term leases, low-value assets and variable rents on property, plant and equipment, do not fall within the scope of IFRS 16. The rental expenses recorded in 2021 in relation to these leases are not material.

NOTE 9 RISK EXPOSURE AND HEDGING STRATEGY

Klépierre identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, market risk, etc.) and sets applicable management policies as required. The Group carefully manages the inherent financial risks in its business activity and the financial instruments it uses.

9.1 INTEREST-RATE RISK

9.1.1 Hedging strategy

As part of its risk management policy, Klépierre has set a target of hedging approximately 70% of its exposure, calculated as the ratio of fixed-rate debt (after hedging) to gross borrowings expressed as a percentage. Most of the fixed-rate position is made of fixed-rate debts and swaps but options may be used to raise the hedging ratio up to 100%.

To achieve its target hedging rate Klépierre may use:

- Payer swaps to convert debt from floating rate to fixed rate;
- Receiver swaps in order to convert fixed-rate debt to floating rates;
- Caps in order to limit the possible variations of short-term rates.

Given the nature of its business as a long-term property owner, Klépierre is structurally a borrower. Since the Group is not seeking to reduce the proportion of short-term debt in its total debt, it is highly likely that its short-term floating-rate debts will be renewed in the medium term.

Accordingly, Klépierre's hedging strategy covers both the long-term and short-term portions of its borrowings. Generally, payer swaps maturities may exceed those of the underlying borrowings provided Klépierre's financing plan emphasizes the high probability of these borrowings being renewed.

As of December 31, 2021, the hedging ratio reached 91%, made of 77% of fixed-rate debts or payer swaps and 14% of caps.

9.1.2 Exposure to floating-rate debt

Recurrence of floating-rate financing requirement

Floating-rate debt represented 27% of the Group's borrowings as of December 31, 2021 (before hedging), and comprises drawn bank loans and commercial paper.

Identified risk

An increase in interests rates against which floating-rate borrowings are indexed (Euribor, Nibor, Stibor and Cibor) could result in an increase in future interest rate expenses.

Measurement of risk exposure

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

Breakdown of floating rate financial borrowings after derivatives:

Interest rate position after hedging *In millions of euros*	**Amount**	**Impact of a 1% increase in interest rates on financial expenses**
Gross position before hedging (floating-rate debt)	**2,326.7**	**23.3**
• Net hedge	(1,583.3)	(10.0)
Gross position after hedging	**743.4**	**13.3**
NET POSITION AFTER HEDGING	**743.4**	**13.3**

The following table quantifies the likely impact on equity of an increase in interest rates based on Klépierre's cash flow hedge swaps portfolio at the period end.

Fair value of cash flow hedge *In millions of euros*	**Notional**	**Fair value net of accrued interest**	**Impact of a 1% increase in interest rates on shareholders' equity**
CASH FLOW HEDGE SWAPS AT 12/31/2021			
• Euro-denominated portfolio	98.5	(2.6)	4.8
• Steen & Strøm portfolio	495.6	6.0	9.7
CASH FLOW HEDGE SWAPS AT 12/31/2021	**594.1**	**3.4**	**14.5**

Breakdown of borrowings after interest rate hedging:

	Fixed-rate borrowings or borrowings converted to fixed-rate			Floating-rate borrowings			Total gross borrowings		Average all-in cost of debt at closing date(a)
In millions of euros	**Amount**	**Rate**	**Fixed portion**	**Amount**	**Rate**	**Floating portion**	**Amount**	**Rate**	
12/31/2020	9,439	1.15%	100%				9,439	1.15%	1.22%
12/31/2021	7,847	1.17%	91%	744	0.38%	9%	8,590	1.11%	1.15%

(a) *Including the deferral of issue cost/premiums.*

The average cost of debt calculated as of December 31, 2021 does not constitute a forecast over the coming period.

9.1.3 Exposure to fixed-rate debt

Description of fixed-rate borrowings

The bulk of Klépierre's fixed-rate borrowing comprises bonds (denominated in euros, Norwegian kronor and Swedish kronor) and mortgage loans.

Identified risk

Klépierre's fixed-rate debt exposes the Group to changes in risk-free rates, as the fair value of fixed-rate debt increases when rates fall, and vice versa.

At any given time, Klépierre may also need to increase its future fixed-rate debt (*e.g.*, for a future acquisition). It would then be exposed to the risk of a change in interest rates prior to arrangement of the loan. Klépierre may then consider hedging this risk, which may be treated as a cash flow hedge risk under IFRS.

Measurement of risk exposure and hedging strategy

As of December 31, 2021, the Group's fixed-rate debt stood at €6,264 million before hedging.

The fair value hedge strategy is calibrated to meet the overall hedging target. It is also based on the use of interest-rate instruments swapping fixed-rate payments for floating-rate payments. The credit margin component is not hedged.

As Klépierre intends to achieve a high level of hedge effectiveness as defined by IFRS 9, the terms of fair value hedging instruments never exceed the maturity of the underlying debt.

9.1.4 Interest rate hedging portfolio

Fair value of the interest rate derivatives portfolio:

In millions of euros	**Fair value net of accrued interest as of 12/31/2021(a)**	**Change in fair value during 2021**	**Matching entry**
Cash flow hedge	3.4	16.3	Shareholders' equity
Fair value hedge	0.2	(29.4)	Financial liabilities\Net income
Trading	11.6	(0.4)	Net income
TOTAL	**15.2**	**(13.5)**	

(a) *Fair value of the interest rate hedging portfolio are categorized on level 2.*

As of December 31, 2021, the breakdown of derivatives by maturity was as follows:

Hedging relationship	Klépierre Group Derivatives												
In millions of euros	**Currency**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**Total**
Cash flow hedge													**594**
	EUR					99							99
	NOK	50	30		30	30	50						190
	SEK	29				20	68						117
	DKK				40	40	108						188
Fair value hedge													**615**
	EUR									600			600
	NOK			15									15
	SEK												
	DKK												
Trading													**3,032**
	EUR	425	1,800	425	100								2,750
	NOK			40	35								75
	SEK		59										59
	DKK	108	40										148
GROUP TOTAL													**4,241**

The "trading" category includes a portfolio of caps (for a notional amount of €1.9 billion), a portfolio of payer swaps (€575 million) and a portfolio of receiver swaps (€600 milion). Cash-flow-hedge and fair value hedge category includes only swaps.

As of December 31, 2020, the breakdown of derivatives by maturity date was as follows:

Hedging relationship *In millions of euros*	Klépierre Group Derivatives												
	Currency	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**Total**
Cash flow hedge													**887**
	EUR	350					99						449
	NOK		48	29	38	62	29						205
	SEK	60	30					40					130
	DKK	63				40							103
Fair value hedge													**708**
	EUR	94									600		694
	NOK				14								14
	SEK												
	DKK												
Trading													**4,913**
	EUR	3,516	425	500	225								4,666
	NOK												
	SEK	40		60									100
	DKK		108	40									148
GROUP TOTAL		**4,122**	**610**	**629**	**278**	**102**	**128**	**40**			**600**		**6,509**

With regards to the reform of European benchmarks, Klépierre has not identified any material impact on the way it applies hedge accounting considering that the aggregate notional amount of derivatives concerned is limited (to €698.5 million as of December 31, 2021), of which:

- Four receiver swaps maturing in 2030 (notional amount of €600 million) are qualified as fair value hedges; and
- Two payer swaps maturing in 2026 (notional amount of €98.5 million) are qualified as cash flow hedges.

Since all these contracts are indexed to Euribor, the Company anticipates that the replacement index (calculated using a hybrid methodology) will match that applied to the underlying borrowings, such that it will be able to maintain high effectiveness.

9.1.5 Fair value of financial liabilities

The Group recognizes borrowings in the statement of financial position at amortized cost.

The following table compares the fair values of borrowings with their corresponding nominal values. Fair values are established on the basis of the following principles:

- Fair value of floating-rate bank debts is equal to the nominal value (assuming stable credit spreads);
- Fair value of fixed-rate bank debt is calculated solely on the basis of rate fluctuations;
- Bonds: use of prices quoted on an active market where these are available.

	12/31/2021			12/31/2020		
In millions of euros	**Par value**	**Fair value**	**Impact of a 1% increase in interest rates on fair value**[a]	**Par value**	**Fair value**	**Impact of a 1% increase in interest rates on fair value**[a]
Fixed-rate bonds	6,203.7	6,409.0	(346.0)	7,097.6	7,468.8	(317.2)
Fixed-rate bank loans	60.0	61.4	(1.0)	68.3	68.9	(1.0)
Other floating-rate loans	2,326.7	2,326.7		2,272.9	2,272.9	
TOTAL	**8,590.4**	**8,797.1**	**(347.0)**	**9,438.8**	**9,810.6**	**(318.2)**

(a) *Change in the fair value of the debt as a result of a parallel shift in the rate curve.*

Derivatives are recognized in the statement of financial position at their fair value. As of December 31, 2021, a 100-basis-point increase in interest would have resulted in a €22.9 million decrease in the value of the Group's euro-denominated interest rate derivatives.

9.2 LIQUIDITY RISK

Klépierre is attentive to the long-term refinancing needs of its business and the need to diversify maturity dates and sources of financing in such a way as to facilitate renewals.

The average maturity of drawn debt as of December 31, 2021 was 7.0 years, with borrowings spread between different markets (bonds, commercial paper, and bank loans). Within the banking market, Klépierre uses a range of different loan types (syndicated loans, bilateral loans, mortgage loans, etc.) and counterparties. Commercial papers, which represent the bulk of short-term financing, never exceed the backup credit lines. This means that the Group can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

As of December 31, 2021, the maturity schedule of contractual flows was as follows:

Repayment year *In millions of euros*	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 and beyond**	**Total**
Principal	1,839	965	736	281	625	676	26	636	2,806	8,590
Interest (loans and derivatives)	93	87	81	70	58	48	47	40	93	617
GROUP TOTAL (PRINCIPAL + INTEREST)	**1,933**	**1,051**	**818**	**351**	**682**	**724**	**73**	**676**	**2,899**	**9,207**

In 2022, two euro private placements (€185 million) will mature. The €1,500 million outstanding commercial paper expire in less than one year, but is generally rolled over.

As of December 31, 2021, Klépierre had undrawn credit lines totaling €2,161 million (including bank overdrafts). These resources are sufficient to absorb all the refinancing scheduled until end 2024.

Some of Klépierre's sources of funding (bilateral loans, bonds, etc.) contain covenants. Failure to comply with these covenants may trigger early repayment. These covenants are based on the standard ratios applying to real estate companies, and the limits imposed leave Klépierre with sufficient flexibility. Failure to comply with these covenants may result in mandatory repayment.

Some Klépierre SA bonds include a bearer put option, entitling the holder to request early repayment in the event of a change of control giving rise to a downgrade in Klépierre's credit rating to below investment grade. None of the Group's other covenants refer to Standard & Poor's rating for Klépierre.

The main covenants are described in note 5.12.3.

9.3 CURRENCY RISK

The bulk of Klépierre's business is currently conducted within the Eurozone, with the exception of Norway, Sweden, Denmark, Poland, Czech Republic and Turkey.

Given the limited exposure of the group on currencies outside the Euro zone, the currency risk in these countries has not been deemed to be sufficiently high to warrant hedging. Acquisitions and the corresponding financing have been denominated in euros (except for Scandinavia).

In Poland and the Czech Republic, rents are billed to lessees in euros and converted into the local currency at the billing date. Lessees may choose to pay their rents in local currency or in euros. The currency risk on minimum guaranteed rents is therefore limited to any variance between the rent as invoiced and the rent actually collected if the currency should fall in value against the euro between the Invoicing date and the date of payment in local currency by the lessee.

At the same time, Klépierre ensures that rent payments do not represent an excessively high proportion of tenants' revenue in order to avoid impairing their financial position in the event of a sharp increase in the value of the euro, which could increase the risk of defaulting on their payments to Klépierre.

In Turkey, rents are denominated in local currency, thereby eliminating any currency risk for tenants.

In Central Europe and in Turkey, financing is denominated in euros at Group level. Considering the limited exposure of the Group's portfolio to these countries and the expensive cost of forex hedging, especially for long durations, the Group has decided not to hedge this position.

In Scandinavia, as leases are denominated in local currency, funding is also raised in the country local currency. The Klépierre Group's main source of exposure to Scandinavian currency risk is therefore limited essentially to equity funds invested in the company (Steen & Strøm) and financed in euros.

At the end of 2019, Klépierre entered into a NOK/SEK cross currency swap (NOK 200 million or SEK 211 million). The economic effect of this swap is to convert a NOK bond into a SEK liability in order to adjust the currency exposure with the distribution of the Scandinavian portfolio. Its carrying amount will fluctuate in line with the NOK/SEK exchange rate. This transaction is qualified as net investment hedge, its change in the fair value over the exercise offsets the foreign exchange revaluation of the net investment recorded in shareholders' equity. As of December 31, 2021, the fair value of this instrument was equal to a negative €0.7 million.

Fair value of the foreign exchange rate derivatives portfolio

In millions of euros	**Fair value net of accrued interest as of 12/31/2021[(a)]**	**Change in fair value during 2021**	**Matching entry**
Net investment hedge	(0.7)	1.4	Shareholders' equity
TOTAL	**(0.7)**	**1.4**	

(a) Fair value of the interest rate hedging portfolio are categorized on level 2.

9.4 COUNTERPARTY RISK IN CONNECTION WITH FINANCING ACTIVITIES

Counterparty risk is limited by the fact that Klépierre is structurally a borrower. This risk is therefore essentially restricted to investments made by the Group and its derivative transaction counterparties. As part of its risk-management policy, Klépierre aims at diversifying its lending counterparties and pays attention to their financial strength.

9.4.1 Counterparty risk on marketable securities

The counterparty risk on investments is limited by the type of products used:

- Monetary UCITS managed by recognized institutions, and therefore invested in diversified portfolios;
- Government debt (loans or borrowings) of countries in which Klépierre operates;
- Occasionally, certificates of deposit issued by leading banks.

9.4.2 Counterparty risk on hedging instruments

Klépierre conducts derivative instrument transactions only with financial institutions recognized as financially sound. It also aims at diversifying its exposure among different counterparties.

9.5 EQUITY RISK

As of December 31, 2021, Klépierre held 1,477,421 treasury shares, which are recognized at their acquisition cost in deduction of the equity.

NOTE 10 FINANCE AND GUARANTEE COMMITMENTS

10.1 COMMITMENTS GIVEN

In millions of euros	Notes	12/31/2021	12/31/2020
Commitments related to the Group's consolidated scope	10.1.1		
Purchase commitments			
Commitments related to the Group's financing activities			
Financial guarantees given		[a]	[a]
Commitments related to the Group's operating activities	10.1.2	**59.6**	**69.7**
Commitments under conditions precedent			8.5
Work completion commitments		24.7	28.5
Rental guarantees and deposits		2.0	1.7
Other		33.9	31.0
TOTAL		**60.6**	**69.7**

(a) Since December 31, 2018 this information has been transferred to note 5.12.2 "Main sources of financing".

10.1.1 Commitments related to the Group's consolidated scope

Purchase commitments

As of December 31, 2021, there is no purchase commitments.

10.1.2 Commitments related to the Group's operating activities

Commitments under conditions precedent

The commitments under conditions precedent relates to purchase agreements on land or assets and contingent consideration on acquisitions.

Work completion commitments

Work completion commitments mainly relate to development projects in France.

Rental guarantees and deposits

"Rental guarantees and deposits" mainly comprise deposits related to local headquarters.

Other

Other commitments given mainly include payment guarantees given to tax authorities.

10.1.3 Other commitments given

Other commitments given related to leases

The construction of the Saint-Lazare shopping center was authorized as part of the temporary occupation license of the public estate. The license agreement was signed in July 2008 between SOAVAL (Klépierre Group) and SNCF (National French Rail Network) for a 40-year period.

Within this period, at predetermined intervals and in return for compensation, SNCF is entitled (i) to exercise a call option on the SOAVAL shares, and (ii) to terminate the temporary occupation license.

SIIC distribution obligations carried forward

The Group, within the framework of the tax regime of *Sociétés d'investissement immobilier cotées (SIIC)*, must satisfy tax distribution obligations by distributing 95% of its rental income, 70% of its real estate capital gains and 100% of its dividends stemming from subsidiaries having elected for the SIIC regime or an equivalent regime. However, this tax distribution obligation is capped at the statutory distributable income and is carried forward when the statutory distributable income is not sufficient. The carried forward tax distribution obligations for 2021 year amounts to €160.7 million and is added to the €170.3 million coming from the year 2020, for a total amount of €331.0 million. These deferred obligations will be satisfied when the Company will have sufficient distributable capacity.

10.2 MUTUAL COMMITMENTS

Commitments related to development projects amounted to €14.0 million as of December 31, 2021 versus €19.4 million as of December 31, 2020. These commitments concern development work engaged (but not paid) by the Group with contractors where financial completion warranties have been received, in connection with Hoog Catharijne in the Netherlands.

10.3 COMMITMENTS RECEIVED

In millions of euros	Notes	12/31/2021	12/31/2020
Commitments related to the Group's financing activities	10.3.1	**1,765.2**	**2,338.9**
Financing agreements obtained and not used[a]		1,765.2	2,338.9
Commitments related to the Group's operating activities	10.3.2	**424.6**	**411.6**
Sale commitments		79.1	30.2
Financial guarantees received in connection with management activities (Loi Hoguet)		160.0	190.0
Financial guarantees received from tenants and suppliers		185.5	191.4
TOTAL		**2,189.8**	**2,750.5**

(a) Net of drawings on the commercial paper program.

10.3.1 Commitments related to the Group's financing activities

Financing agreements obtained and not used

As of December 31, 2021, Klépierre had €1,765 million in undrawn committed credit facilities, net of commercial paper.

10.3.2 Commitments related to the Group's operating activities

Sale commitments

As of December 31, 2021, sale commitments relate mainly to certain assets in France, Sweden and Denmark.

Financial guarantees received in connection with management activities (Loi Hoguet)

As part of its real-estate, leasing and property management activities, banking guarantees have been delivered to Klépierre Management for an amount capped at €160 million as of December 31, 2021.

Financial guarantees received from tenants and suppliers

As part of its rental business, the Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed by tenants and suppliers.

To the best of Klépierre's knowledge, there are no other material or potentially material off-balance sheet commitments, as defined by the applicable accounting standards.

10.4 SHAREHOLDERS' AGREEMENTS

The main shareholders' agreements are detailed below:

Companies (countries)	Parties to the agreement	Date of the agreement or last amendment	% controlled by the Group	Type of control	Comments
Secar SC (France)	Cardif Group, AXA Group	06/25/2021	10.00%	Significant Influence	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales (first refusal, full tag-along rights, forced tag-along rights) and in particular in the event of end of the asset management mandate assigned to Klépierre Management.
Ventura SAS	Advanced Retail SAS	06/09/2021	50.00%	Joint Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales.
Lobsta & K SAS	Lobsta SAS	07/30/2021	50.00%	Joint Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales.
Antigaspi & K SAS, NEAG Boulogne SAS	Nous Epiceries Anti Gaspi SAS	07/28/2021	30.00%	Significant Influence	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales.
Bègles Arcins SCS (France)	Assurécureuil Pierre 3 SC	09/02/2003	52.00%	Exclusive Control	The agreement contains provisions relating to the governance of the Company, and the usual protections in the event of proposed share sales, as well as a dispute resolution clause.
Secovalde SCI (France)	AXA Group	06/25/2021	54.99%	Exclusive Control	The agreement contains the usual protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and change of control of a shareholder.
Portes de Claye SCI (France)	Cardif Assurances Vie	04/16/2012	55.00%	Exclusive Control	The agreement contains provisions governing relations between the Company's shareholders. It provides the usual protections in the event of a proposed sale of shares to a third party: reciprocal preemption right, reciprocal full tag-along right, full tag-along obligation for non-controlling shareholders in the event the controlling shareholder plans to sell its full equity stake. It also gives non-controlling shareholders a right of first offer in the event of a sale of assets by the Company.
Massalia Invest SCI, Massalia Shopping Mall SCI (France)	Lacydon SA	09/27/2017	60.00%	Exclusive Control	The agreement contains provisions governing relationships between shareholders of said companies, particularly with respect to the governance of Massalia Invest and Massalia Shopping Mall SCI, the terms relating to the sale and divestment by shareholders of their investment in Massalia Invest (right of first refusal, tag-along right, a change of control clause, call option) and the conditions and main methods of funding of Massalia Invest and Massalia Shopping Mall SCI. The latest amendement modifies the rules applicable to the management committee when voting on decisions related to the shopping center's food superstore.
Nordica Holdco AB, Storm Holding Norway AS and Steen & Strøm AS (Sweden & Norway)	Stichting Pensioenfonds ABP, Storm ABP Holding BV and PG Strategic Real Estate Pool NV and Stichting Depositary APG Real Estate Pool	10/07/2008	56.10%	Exclusive Control	The agreement contains the usual protections for non-controlling interests: qualified majority voting for certain decisions, call option in the event of deadlock and tag-along rights, as well as the following provisions: • A one-year lock-up period applied to Steen & Strøm shares from the date of acquisition; • Each party has a right of first offer on any shares which the other party wishes to transfer to a third party. However, if shares are transferred by a party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer; • From the sixth year following the acquisition, either party may request a meeting of shareholders to vote on the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company. The vote will be subject to a two-thirds majority. The Group has the right to appoint three members to the Board of Directors including the Chairman, whereas the partner can appoint two members. The partner has protective rights pursuant to the shareholders' agreement and following the analysis of the decisions reserved for the partner.

Companies (countries)	Parties to the agreement	Date of the agreement or last amendment	% controlled by the Group	Type of control	Comments
Kleprim's SC (France)	Holdprim's SAS	11/30/2016	50.00%	Joint Control	The agreement gives Kleprojet 1 exit rights if the conditions precedent are not met as well as the usual protections in the event of a proposed sale of shares to a third party (first refusal and full-tag along rights), change of control of a shareholder and other provisions governing relations between shareholders.
Cecobil SCS (France)	Vendôme Commerces SCI	10/25/2007	50.00%	Joint Control	The agreement provides the usual protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and change of control of a shareholder.
Du Bassin Nord SCI (France)	Icade SA	NA	50.00%	Joint Control	The company Bassin Nord is jointly held by Klépierre SA and Icade SA and is jointly managed. The co-managing directors' compensation is approved by collective decision of the shareholders, who can only withdraw totally or partially when unanimously authorized by the other shareholders.
Holding Klege Sarl (Luxembourg – Portugal)	Torelli SARL	11/24/2008	50.00%	Joint Control	The agreement contains the usual provisions governing share capital transactions, decision-making and the right to information. Both parties have pre-emption rights in the event of a proposed sale of shares in the company to a third party. Each partner has the right to appoint the same number of members to the Board of Directors. The Chairman is appointed for a period of twelve continuous months on an alternating basis with the partner. All decisions are adopted on simple majority.
Italian Shopping Centre Investment SRL (Italy)	Allianz Lebenversicherungs-Aktiengesellschaft	08/05/2016	50.00%	Joint Control	The agreement contains provisions governing the relationship between shareholders, including decisions which must be submitted to shareholders for approval. It includes a right of first offer and a clause of dispute resolution process ("deadlock").
Clivia SpA, Il Destriero SpA (Italy)	Finiper, Finiper Real Estate & Investment, Iper Montebello, Immobiliare Finiper et Cedro 99	12/14/2007 Tacitly renewed on 12/14/2017 for an additional 10-year period	50.00%	Joint Control	The agreement contains provisions governing relations between shareholders, including a pre-emption right in the event of the sale of shares to third parties, as well as a tag-along right. The agreement also contains provisions relating to the governance of the company, and to the majority required to approve certain company decisions.
Akmerkez Gayrimenkul Yatirim Ortakligi AS (Turkey)	Several individuals	2005	46.00%	Significant Influence	The agreement contains provisions governing relations between shareholders including the composition of the Board of Directors, particularly the number of representatives of each shareholder on said Board. It also contains provisions related to the majority required to adopt decisions which must be submitted to the Board of Directors for approval.

10.5 COMMITMENTS UNDER OPERATING LEASES – LESSORS

The main clauses contained in the lessor's lease agreement are described below. Rental periods vary by country. The terms for setting and indexing rents are set out in the agreement. Indexation is used to revise the minimum guaranteed rent. The indices applied vary from country to country.

Indexation specific to each country

In France, leases are indexed to the French commercial rents index (ILC) or cost of construction index (ICC). The ILC is a compound index derived from the French consumer price index (CPI), retail trade sales value index (ICAV) and cost of construction index (ICC). Leases are modified in line with the last known index at January 1 of each year. Most leases are indexed to the ILC for the second quarter, which is published in October and applicable from January 1 of the following year.

In Belgium, the index used is the Health index (the value of this index is determined by removing a number of products from the consumer price index product basket, in particular alcoholic beverages, tobacco products and motor fuels except for LPG). Leases are indexed every year on the effective date of the lease.

In Spain, the consumer price index is measured annually on January 1.

In Italy, the system is based on the consumer price indices (excluding tobacco) for workers and employees (ISTAT), but is more complex in its implementation. Depending on the lease, either 75% (locazione regulated leases) or 100% of the ISTAT is applied.

In Portugal, the index used is the consumer price index, excluding real estate.

In Greece, the consumer price index is applied.

The Eurostat eurozone IPCH index used in Central Europe is based on consumer prices in the EMU countries.

In Norway, leases are usually written for periods of five or ten years. Unless agreed otherwise, each party may request an annual rent review based on the trend in the Norwegian consumer price index.

In Sweden, if a lease is signed for a period of more than three years, an annual indexation based on the Swedish consumer price index is usually included in the lease contract.

In Denmark, in most cases the rent is revised annually based on changes in the Danish consumer price index. Pursuant to Danish law applicable to commercial leases, either party may request that the rent is adjusted to reflect the market rate every four years. This provision applies unless the parties agree otherwise.

In the Netherlands, in most cases the rent is revised annually based on changes in the Dutch monthly consumer price index. Furthermore, pursuant to Dutch law applicable to commercial leases, either party may request the rent to be adjusted to reflect the market rate after the end of the first lease period, or every five years from the date of the new lease.

In Germany in most cases the index used is the consumer price index, however some tenants might have a contractually agreed minimum rate of indexation that differs from the consumer price index.

In Turkey, starting from September 2018, rents are denominated in Turkish lira in advance for each rental year, with a large majority of leases subject to indexation of consumer price index per year. Leases are generally signed for a five-year period and allow the lessee to extend the contract every year, for a maximum period of ten years. In cases where the lessee uses the option to extend the lease period, the rent will increase by consumer price index per year.

Minimum guaranteed rent and variable rent

Appraised on a year-by-year basis, the rent payable is equivalent to a percentage of the revenues generated by the lessee during the calendar year concerned. The rate applied differs depending on business type. The total amount of this two-tier rent (a fixed portion plus a variable portion) can never be less than the minimum guaranteed rent (MGR).

The MGR is revised annually by applying the index rate according to the terms specified above. The variable portion of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.

All or part of the variable rent is consolidated into the MGR on renewal of the lease. In this way, the variable portion of the rent is usually reduced to zero at the beginning of the new lease. Every year, it is mechanically reduced in an amount equivalent to the rise in the MGR resulting from indexation.

Total amount of conditional rents recognized in income

The conditional rent is the portion of rental payments that is not fixed, but determined based on a factor other than time (*e.g.*, percentage of revenues, degree of use, price indices, market interest rates, etc.).

Minimum payments made under the lease are payments that the lessee is, or may be, required to make during the term of the lease, excluding the conditional rent, the cost of services and taxes to be paid or refunded to the lessor.

Future minimum rents receivable

As of December 31, 2021, future minimum rents receivable under non-cancelable operating leases were as follows:

In millions of euros	12/31/2021
Less than one year	883.0
Between one and five years	1,483.0
More than five years	369.0
TOTAL	**2,735.0**

NOTE 11 EMPLOYEE COMPENSATION AND BENEFITS

11.1 PAYROLL EXPENSES

Total payroll expenses amounted to €107.6 million as of December 31, 2021, and include fixed and variable salaries plus mandatory and discretionary profit sharing for €79.4 million, pension-related expenses, retirement expenses and payroll costs for €25.8 million, and taxes and similar compensation-related payments for €2.3 million.

11.2 HEADCOUNT

As of December 31, 2021, the Group had an average of 1,027 employees, breaking down as 417 employees in France (including Belgium) and 610 employees in the other geographic segments, including 126 employees at the Scandinavian real estate company Steen & Strøm. The Klépierre Group's average headcount in 2021 breaks down as follows:

	12/31/2021	12/31/2020
France	417	429
Scandinavia	126	132
Italy	169	172
Iberia	110	111
Netherlands	52	55
Germany	44	45
Central Europe & Other	109	108
TOTAL	**1,027**	**1,052**

11.3 EMPLOYEE BENEFITS

ACCOUNTING POLICIES

Employee benefits

Employee benefits are recognized as required by IAS 19, which applies to all payments made for services rendered, except for share-based payment, which is covered by IFRS 2.

All short or long-term employee benefits, whether paid in cash or in kind, must be classified into one of the following four main categories:

- Short-term benefits, such as salaries, annual vacation, mandatory and discretionary profit-sharing plans and employer top-up contributions;
- Post-employment benefits, which relate primarily to supplementary pension payments in France, and private pension plans elsewhere;
- Other long-term benefits, which include paid vacation, long-service payments, and certain deferred payment schemes paid in monetary units;
- Severance pay.

Measurement and recognition methods for employee benefits vary depending on the category.

Short-term benefits

The Company recognizes an expense when it uses services provided by its employees and pays agreed benefits in return.

Post-employment benefits

In accordance with generally-accepted accounting principles, the Group makes a distinction between defined contribution plans and defined benefit plans.

Defined contribution plans do not generate a liability for the Group, and no provision is therefore set aside. Contributions paid during the period are recognized as an expense.

Only defined benefit plans generate a liability for the Group, and are therefore measured and provisioned.

The classification of a benefit into one of these categories depends on its economic substance, which is used to determine whether the Group is required to provide the promised benefit to the employee under the terms of an agreement or an implicit obligation.

Post-employment benefits classified as defined benefit plans are subject to actuarial valuations based on demographic and financial assumptions.

The amount of the commitment to be provisioned is calculated using the actuarial assumptions adopted by the company and by applying the projected unit credit method. The value of any hedging assets (plan assets and reimbursement rights) is deducted from the resulting figure. In accordance with IAS 19 (revised), actuarial gains and losses are recognized in equity.

In May 2021, the IFRS interpretations committee published a decision related to the principles to be applied when attributing benefit to periods of service for a defined benefit plan.

As a reminder, paragraphs 70-74 of IAS 19 require an entity to attribute benefit to periods of service under the plan's benefit formula from the date when the employee service first leads to benefits the plan until the date when further employee service will lead to no material amount of further benefits under the plan.

The committee clarified the paragraphs and concluded that:

- The retirement benefit is capped to the last 16 years of service till the age of 62 years;
- Any service the employee renders before the age of 46 does not lead to benefits under the plan.

Long-term benefits

These are benefits other than post-employment benefits and severance pay, which are not payable in full within twelve months of the end of the financial year in which the employees concerned provided the services in question.

The actuarial measurement method applied is similar to that used for defined benefit plans, and the actuarial gains and losses are recognized directly in equity. Furthermore, any gain or loss resulting from changes in the plan, but deemed to apply to past services, is recognized immediately.

Severance pay

Employees receive severance pay if the Group terminates their employment contract before they reach the statutory retirement age or if they accept voluntary redundancy. Severance pay falling due more than twelve months after the reporting date is discounted.

Share-based payments

In accordance with IFRS 2, all share-based payments must be recognized as expenses when use is made of the goods or services provided in return for these payments.

For the Klépierre Group, this standard applies primarily to the purchase of shares to meet the commitments arising from its employee performance share plans.

Performance share plans granted to employees are measured at fair value at the grant date. This fair value is not subsequently remeasured for equity-settled share-based payment transactions.

This value is applied to the number of performance shares that vest at the end of the vesting period and is booked as an expense whose counterpart increases the equity and is spread over the vesting period.

This employee expense reflecting the performance shares granted (corresponding to the fair value of services rendered by employees) is measured by an independent expert. The model adopted complies with the basic assumptions of the Black-Scholes model, adapted to the specific characteristics of the options concerned.

11.3.1 Defined contribution plans

In France, the Klépierre Group contributes to a number of national and inter-professional core and supplementary pension organizations.

11.3.2 Defined benefit plans

Provisions recognized for defined benefit pension plans totaled €10.0 million as of December 31, 2021.

In millions of euros	12/31/2020	Increases during the period	Reversals (used provisions)	Reversals (surplus provisions)	Other movements	Changes in the scope of consolidation	12/31/2021
Provisions for employee benefit obligations							
• Defined benefit plans	9.4			0.6	(2.2)		7.8
• Other long term benefits	2.4			0.1	(0.3)		2.2
TOTAL	**11.8**			**0.7**	**(2.5)**		**10.0**

The defined benefit plans in place in **France** are subject to an independent actuarial assessment, using the projected unit credit method to calculate the expense relating to rights vested by employees and the outstanding benefits to be paid to pre-retirees and retirees. The demographic and financial assumptions used when estimating the discounted value of the plan obligations and plan assets reflect the economic conditions specific to the monetary zone concerned.

Klépierre has set up supplementary pension plans under a corporate agreement. Under these supplementary plans, employee beneficiaries will, on retirement, receive additional income over and above their national state pensions (where applicable) in accordance with the type of plan they are entitled to.

Group employees also benefit from agreed or contractual personal protection plans in various forms, such as retirement benefits.

In **Italy,** Klépierre Management Italia operates a *Trattamento di Fine Rapporto* (TFR) plan. The amount payable by the employer on termination of the employment contract (as a result of resignation, dismissal or retirement) is calculated by applying an annual coefficient for each year worked. The final amount is capped. Since the liability is known, it can be recognized under other liabilities and not as a provision for contingencies.

Until December 31, 2014, Scandinavia had both public and supplementary pension plans. Both plans provided for mandatory annual contributions to pension funds. In addition to these plans, Steen & Strøm had put in place a private plan for some employees in **Norway**. This system met the definition of a defined benefit plan within the meaning of IAS 19 (revised). As of December 31, 2015, the subsidiary in Norway terminated their defined benefit plan and set-up a defined contribution plan. Under the defined contribution plan the entity's obligation is limited to the amount that it agrees to contribute to the fund responsible for the payment of the obligation.

In **Spain,** a provision for employee benefit commitments may be recognized where specific provision is made in the collective bargaining agreement, but this does not affect employees of the Klépierre Group in Spain. The existing commitments for post-employment medical assistance plans are measured based on assumed rises in medical costs. These assumptions, based on historical observations, take into account the estimated future changes in the cost of medical services resulting from both the cost of medical benefits and inflation.

COMPONENTS OF THE NET OBLIGATION (FIVE-YEAR COMPARISON OF ACTUARIAL LIABILITIES)

In millions of euros	2021	2020	2019	2018	2017
SURPLUS (PLAN ASSETS LESS OBLIGATIONS)					
Gross discounted value of obligations fully or partially funded by assets	**9.5**	**9.1**	**10.5**	**10.5**	**11.1**
Fair value of plan assets	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)
Discounted value of unfunded obligations	9.4	8.9	10.4	10.4	11.0
Costs not yet recognized in accordance with IAS 19					
Past service cost	0.8	0.8	1.1	1.1	1.2
Net actuarial losses or gains	(0.9)	(0.0)	(2.4)	(1.0)	(1.4)
Acquisitions/Disposals					(0.1)
Length of service awards due	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)
Others	(1.3)				
NET OBLIGATION RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION FOR DEFINED BENEFIT PLANS	**7.8**	**9.4**	**8.9**	**10.4**	**10.4**

CHANGE IN THE NET OBLIGATION

In millions of euros	12/31/2021
Net obligation at the beginning of the period	9.4
Retirement expense recognized in income for the period	0.8
Contributions paid by Klépierre recognized in income for the period	
Acquisitions/Disposals	
Benefits paid to recipients of unfunded benefits	(0.2)
Change in actuarial gains and losses, and other rights modifications	(0.9)
Others	(1.3)
Translation differences	
NET OBLIGATION AT THE END OF THE PERIOD	**7.8**

COMPONENTS OF RETIREMENT EXPENSES

In millions of euros	12/31/2021
Cost of services rendered during the year	0.8
Financial cost	
Expected return on plan assets	
Amortization of actuarial gains and losses	
Amortization of past services	
Impact of plan curtailments and settlements	
Translation differences	
TOTAL RECOGNIZED IN PAYROLL EXPENSES	**0.8**

MAIN ACTUARIAL ASSUMPTIONS USED FOR STATEMENT OF FINANCIAL POSITION CALCULATIONS

	12/31/2021	12/31/2020
Discount rate	0.49%	0.16%
Expected rate of return on plan assets	0.49%	0.16%
Expected rate of return on reimbursement rights	NA	NA
FUTURE SALARY INCREASE RATE	**1.50% – 2.50%**	**0.50% – 2.25%**

The discount rate is determined using the yield on the 10-year iBoxx AA corporate bonds index.

An impact of change of €1.2 million in actuarial gains and losses has been recognized directly in equity for the year 2021.

11.4 PERFORMANCE SHARES

There are currently five performance share plans in place for Group executives and employees.

	Plan no. 6	
Plan authorized in 2017	**France**	**Other**
Granted Date	04/18/2017	04/18/2017
End of vesting period	04/18/2020	04/18/2021
End of lock-up period	04/18/2022	-
Shares allotted	216,300	94,600
Shares canceled	22,666	19,617
Shares fully vested	25,172	9,646
Lapsed shares at December 31, 2021	168,462	65,337
Outstanding shares at December 31, 2021		

	Plan no. 7		
	France	Other	France
Plan authorized in 2018	**Part 1**	**Part 1**	**Part 2**
Granted Date	04/24/2018	04/24/2018	07/09/2018
End of vesting period	04/24/2021	04/24/2022	07/09/2021
End of lock-up period	04/24/2023	-	07/09/2023
Shares allotted	220,500	88,800	3,300
Shares canceled	31,966	9,900	
Shares fully vested	94,267		1,256
Lapsed shares at December 31, 2021	94,267	39,450	2,044
Outstanding shares at December 31, 2021, conditional upon active employment		39,450	

	Plan no. 8	
Plan authorized in 2019	**France**	**Other**
Granted Date	05/06/2019	05/06/2019
End of vesting period	05/06/2022	05/06/2023
End of lock-up period	05/06/2024	-
Shares allotted	226,000	95,800
Shares canceled	49,700	9,000
Shares fully vested		
Lapsed shares at December 31, 2021		
Outstanding shares at December 31, 2021	176,300	86,800

	Plan no. 9		
	France	Other	France
Plan authorized in 2020	**Part 1**	**Part 1**	**Part 2**
Granted Date	05/07/2020	05/07/2020	12/22/2020
End of vesting period	05/07/2023	05/07/2024	12/22/2023
End of lock-up period	05/07/2025	-	-
Shares allotted	215,300	97,600	7,250
Shares canceled	28,000	3,500	
Shares fully vested			
Lapsed shares at December 31, 2021			
Outstanding shares at December 31, 2021	187,300	94,100	7,250

On July 1, 2021, 486,500 shares were allotted to management and Group employees, as part of a performance share plan, authorized by the Executive Board. The characteristics of this plan are as follows:

	Plan no. 10	
	France	Other
Plan authorized in 2021	**Part 1**	**Part 1**
Granted Date	07/01/2021	07/01/2021
End of vesting period	07/01/2024	07/01/2025
End of lock-up period	07/01/2026	-
Shares allotted	331,500	155,000
Shares canceled	5,500	3,500
Shares fully vested		
Lapsed shares at December 31, 2021		
Outstanding shares at December 31, 2021	326,000	151,500

The total expense recognized for the period for all performance share plans amounted to €2.3 million and includes updates to the performance criteria for Plans no. 8, no. 9 and no. 10. It also takes into account an estimate of the number of beneficiaries at the end of each vesting period, as they may forfeit their entitlements if they leave the Klépierre Group during the period.

11.4.1 Other information

The following tables present the assumptions used to measure the value of performance share plans and the expenses recognized over the period.

	Plan no. 6	
Plan authorized in 2017	**France**	**Other**
Share price on the allotment date	€37.15	€37.15
Average of the 40 opening share prices preceding April 18, 2017	€36.02	€36.02
Klépierre share price volatility: Historical volatility over 3 years, calculated as of April 18, 2017 based on daily variations	21.5% Klépierre share and 15% FTSE EPRA eurozone; correlation: 0.88	
Dividend per share	€1.82	€1.82
Share value	€18.39	€17.64
Expense for the period	€0.0 million	€0.1 million

	Plan no. 7	
Plan authorized in 2018	**France**	**Other**
Share price on the allotment date	€33.37	€33.37
Average of the 40 opening share prices preceding April 28, 2018	€33.72	€33.72
Klépierre share price volatility: Historical volatility over 3 years, calculated as of April 28, 2018 based on daily variations	22% Klépierre share and 14% FTSE EPRA eurozone; correlation: 0.72	
Dividend per share	€1.96	€1.96
Share value	€21.12	€19.75
Expense for the period	€0.2 million	€0.2 million

	Plan no. 8	
Plan authorized in 2019	**France**	**Other**
Share price on the allotment date	€31.09	€31.09
Average of the 40 opening share prices preceding May 6, 2019	€31.45	€31.45
Klépierre share price volatility: Historical volatility over 3 years, calculated as of May 6, 2019 based on daily variations	17% Klépierre share and 11% on the panel indicator; correlation: 0.61	
Dividend per share	€2.10	€2.10
Share value	€19.00	€17.66
Expense for the period	€0.4 million	€0.1 million

	Plan no. 9	
Plan authorized in 2020	**France**	**Other**
Share price on the allotment date	€16.90	€16.90
Average of the 40 opening share prices preceding May 7, 2020	€17.91	€17.91
Klépierre share price volatility: Historical volatility over 3 years, calculated as of May 7, 2020 based on daily variations	30% Klépierre share and 20% on the panel indicator; correlation: 0.67	
Dividend per share	€2.20	€2.20
Share value	€5.32	€4.63
Expense for the period	€0.3 million	€0.1 million

	Plan no. 10	
Plan authorized in 2021	**France**	**Other**
Share price on the allotment date	€21.85	€21.85
Average of the 40 opening share prices preceding July 1, 2021	€22.60	€22.60
Klépierre share price volatility: Historical volatility over 3 years, calculated as of July 1, 2021 based on daily variations	48% Klépierre share and 40% on the panel indicator; correlation: 0.65	
Dividend per share	€1.00	€1.00
Share value	€9.84	€9.01
Expense for the period	€0.6 million	€0.2 million

NOTE 12 ADDITIONAL INFORMATION

12.1 TRANSACTIONS WITH RELATED PARTIES

12.1.1 Transactions with Simon Property Group

To the Company's knowledge and including treasury shares, Simon Property Group held a 22.28% stake in Klépierre SA as of December 31, 2021.

As of the date this document was prepared, there were no transactions between these two companies.

12.1.2 Transactions with APG Group

To the Company's knowledge and including treasury shares, APG Group held a 6.15% stake in Klépierre SA as of December 31, 2021.

As of the date this document was prepared, there were no transactions between these two companies.

12.1.3 Relationships between Klépierre Group companies

Transactions between related parties are carried out at arm's length conditions. Period-end asset and liability positions and transactions conducted during the period between fully consolidated companies are eliminated in full in consolidation.

The following tables show the positions and transactions of equity-accounted companies (over which the Group has significant influence or joint control), which are not eliminated in consolidation. A full list of Klépierre Group companies accounted for using the equity method is provided in note 12.8 "List of consolidated entities".

ASSET AND LIABILITY POSITIONS WITH RELATED PARTIES AT PERIOD-END

	12/31/2021	12/31/2020
In millions of euros	**Equity-accounted companies**	**Equity-accounted companies**
Loans and advances to equity-accounted companies	247.5	259.4
Non-current assets	247.5	259.4
Trade and other receivables	1.0	2.2
Other receivables	14.9	4.1
Current assets	15.9	6.3
TOTAL ASSETS	**263.4**	**265.7**
Loans and advances from equity-accounted companies	1.2	1.1
Non-current liabilities	1.2	1.1
Trade payables	1.1	1.2
Other liabilities		
Current liabilities	1.1	1.2
TOTAL LIABILITIES	**2.3**	**2.3**

INCOME STATEMENT ITEMS RELATED TO TRANSACTIONS WITH RELATED PARTIES

	12/31/2021	12/31/2020
In millions of euros	Equity-accounted companies	Equity-accounted companies
Management, administrative and related income	9.8	8.2
Operating income	**9.8**	**8.2**
Cost of net debt	9.3	9.6
Profit before tax	**19.1**	**17.8**
CONSOLIDATED NET INCOME	**19.1**	**17.8**

Most of these items relate to management and administration fees and income on financings provided mainly to equity-accounted investees.

12.2 POST-EMPLOYMENT BENEFITS

The main post-employment benefits are length-of-service awards and defined benefit or defined contribution pension plans.

Post-employment benefit plans are administered by insurance companies and other independent management companies external to the Klépierre Group.

12.3 COMPENSATION FOR SUPERVISORY BOARD, EXECUTIVE BOARD AND CORPORATE MANAGEMENT TEAM MEMBERS

Klépierre SA, the parent company of the Klépierre Group, is a French joint-stock corporation (*société anonyme*) with a dual governance structure comprising an Executive Board and a Supervisory Board. The Executive Board is backed by a Corporate Management Team (CMT)

Compensation allocated to members of the Supervisory Board for fiscal year 2021 totaled €688,000, including €100,367 payable to the Chairman of the Supervisory Board.

Cost of compensation for the Executive Board and Corporate Management Team members breaks down as follows:

In thousand of euros	12/31/2021
Short-term benefits excluding employer's contribution	4,331.8
Short-term benefits: employer's contribution	2,070.7
Post-employment benefits	657.0
Other long-term benefits	120.1
Share-based payment[(a)]	1,067.6

(a) *Expense posted in the statement of comprehensive income related to free share plans.*

12.4 CONTINGENT LIABILITIES

During the period, neither Klépierre nor its subsidiaries were subject to any governmental, judicial or arbitration proceedings (including any proceedings of which Klépierre has knowledge, which are currently suspended or are threatened) which have recently had a material impact on the financial position or profitability of the issuer and/or the Group.

A portion of the plot of land housing the Anatolium shopping center has been subject to a dispute with the Bursa Municipality (Turkey) since 2012. A claim was introduced by the previous landowners against the municipality following the expropriation of a portion of the land. As of December 31, 2021, this proceeding is now closed.

During July 2021, the proponent of L'Espanade shopping center in Louvain-la-Neuve initiated a claim against companies of the Group to obtain the payment of two earn-outs related to building rights of land plots adjacent to the shopping center.

The preliminary hearing is expected to take place during the second half of 2022 year.

12.5 SUBSEQUENT EVENTS

Following the completion of €342 million in disposals in December 2021, Klépierre launched early in January a tender offer on two of its shortest public bonds maturing in April 2023 (€750 million bearing a 1% coupon) and November 2024 (€630 million bearing a 1.75% coupon). This transaction aimed at reducing the cash position while repaying debt. At the end of the offer, €297 million worth of notes were tendered, €226 million on the April 2023 and €71 million on the November 2024. The notes were repurchased and canceled on January 18, 2022.

12.6 STATUTORY AUDITORS' FEES

	Deloitte				EY			
In millions of euros	2021	2020	2021	2020	2021	2020	2021	2020
Audit services	1.3	1.3	91%	95%	1.0	1.1	98%	98%
Audit and review of individual and consolidated financial statements								
• Issuer	0.2	0.2	17%	17%	0.2	0.2	21%	20%
• Fully-consolidated subsidiaries	1.0	1.0	74%	73%	0.8	0.8	77%	73%
Other services directly related to the Statutory Auditors' engagement								
• Issuer		0.0		2%		0.0		3%
• Fully-consolidated subsidiaries		0.0		2%		0.0		3%
Other non-audit services*	0.1	0.1	9%	5%	0.0	0.0	2%	2%
• Legal, tax, employment-related and other services	0.1	0.1	9%	5%	0.0	0.0	2%	2%
TOTAL	**1.4**	**1.4**	**100%**	**100%**	**1.0**	**1.1**	**100%**	**100%**

* *Other non-audit services for the year ended December 31, 2021 are mainly:*
- Confort letter on Euro Medium Term Note program – Update;
- Report on verification of the declaration in the extra-financial performance;
- Audit of services charges for a subsidiary of the Group;
- Limited reviews on sold companies as of disposal date;
- Report on funds managed by a subsidiary of the Group.

12.7 IDENTITY OF CONSOLIDATING COMPANIES

As of December 31, 2021, Klépierre was accounted for by the equity method in the consolidated financial statements of Simon Property Group, which holds a 22.28% stake in the share capital of Klépierre (including treasury shares).

Klépierre is included in the consolidated financial statements of APG Group, which as of December 31, 2021 held a 6.15% stake in the share capital of Klépierre (including treasury shares).

12.8 LIST OF CONSOLIDATED ENTITIES

List of consolidated companies		% interest			% control		
Fully consolidated companies	**Country**	**12/31/2021**	**12/31/2020**	**Change**	**12/31/2021**	**12/31/2020**	**Change**
HOLDING COMPANY – HEAD OF THE GROUP							
Klépierre SA	France	100.00%	100.00%		100.00%	100.00%	
SHOPPING CENTERS – FRANCE							
KLE 1 SAS	France	100.00%	100.00%		100.00%	100.00%	
SCOO SC	France	53.64%	53.64%		53.64%	53.64%	
Klécar France SNC	France	83.00%	83.00%		83.00%	83.00%	
KC3 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC4 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC5 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC9 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC10 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC12 SNC	France	83.00%	83.00%		100.00%	100.00%	
KC20 SNC	France	83.00%	83.00%		100.00%	100.00%	
LP7 SAS	France	100.00%	100.00%		100.00%	100.00%	
Solorec SC	France	80.00%	80.00%		80.00%	80.00%	
Centre Bourse SNC	France	100.00%	100.00%		100.00%	100.00%	
Bègles Arcins SCS	France	52.00%	52.00%		52.00%	52.00%	
Bègles Papin SNC	France	100.00%	100.00%		100.00%	100.00%	
Sécovalde SCI	France	55.00%	55.00%		55.00%	55.00%	
Cécoville SAS	France	100.00%	100.00%		100.00%	100.00%	
Soaval SCS	France	100.00%	100.00%		100.00%	100.00%	
Klémurs SASU	France	100.00%	100.00%		100.00%	100.00%	
Nancy Bonsecours SCI	France	100.00%	100.00%		100.00%	100.00%	
Sodevac SNC	France	100.00%	100.00%		100.00%	100.00%	
Odysseum Place de France SNC	France	100.00%	100.00%		100.00%	100.00%	
Klécar Participations Italie SAS	France	83.00%	83.00%		83.00%	83.00%	
Pasteur SNC	France	100.00%	100.00%		100.00%	100.00%	
Holding Gondomar 1 SAS	France	100.00%	100.00%		100.00%	100.00%	
Holding Gondomar 3 SAS	France	100.00%	100.00%		100.00%	100.00%	

List of consolidated companies Fully consolidated companies	Country	% interest			% control		
		12/31/2021	12/31/2020	Change	12/31/2021	12/31/2020	Change
Beau Sevran Invest SCI	France	83.00%	83.00%		100.00%	100.00%	
Valdebac SCI	France	55.00%	55.00%		55.00%	55.00%	
Progest SAS	France	100.00%	100.00%		100.00%	100.00%	
Belvedere Invest SARL	France	55.00%	55.00%		55.00%	55.00%	
Haies Haute Pommeraie SCI	France	53.00%	53.00%		53.00%	53.00%	
Forving SARL	France	95.33%	95.33%		95.33%	95.33%	
Saint Maximin Construction SCI	France	55.00%	55.00%		55.00%	55.00%	
Pommeraie Parc SCI	France	60.00%	60.00%		60.00%	60.00%	
Champs des Haies SCI	France	60.00%	60.00%		60.00%	60.00%	
La Rive SCI	France	85.00%	85.00%		85.00%	85.00%	
Rebecca SCI	France	70.00%	70.00%		70.00%	70.00%	
Le Maïs SCI	France	80.00%	80.00%		80.00%	80.00%	
Le Grand Pré SCI	France	60.00%	60.00%		60.00%	60.00%	
LC SCI	France	88.00%	88.00%		100.00%	100.00%	
Kle Projet 1 SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Créteil SCI	France	100.00%	100.00%		100.00%	100.00%	
Albert 31 SCI	France	83.00%	83.00%		100.00%	100.00%	
Galeries Drancéennes SNC	France	100.00%	100.00%		100.00%	100.00%	
Portes de Claye SCI	France	55.00%	55.00%		55.00%	55.00%	
Klecab SCI	France	100.00%	100.00%		100.00%	100.00%	
Kleber Odysseum SCI	France	100.00%	100.00%		100.00%	100.00%	
Klé Arcades SCI	France	53.69%	53.69%		100.00%	100.00%	
Le Havre Colbert SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Massalia SAS	France	100.00%	100.00%		100.00%	100.00%	
Massalia Shopping Mall SCI	France	60.00%	60.00%		100.00%	100.00%	
Massalia Invest SCI	France	60.00%	60.00%		60.00%	60.00%	
Klépierre & Cie SNC	France	100.00%	100.00%		100.00%	100.00%	
Sanoux SCI	France	75.00%	75.00%		75.00%	75.00%	
Centre Deux SNC	France	100.00%	100.00%		100.00%	100.00%	
Mob SC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Alpes SAS	France	100.00%	100.00%		100.00%	100.00%	
Galerie du Livre SAS	France	100.00%	100.00%		100.00%	100.00%	
Les Portes de Chevreuse SNC	France	100.00%	100.00%		100.00%	100.00%	
Caetoile SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Echirolles SNC	France	100.00%	100.00%		100.00%	100.00%	
Sagep SAS	France	100.00%	100.00%		100.00%	100.00%	
Maya SNC	France	100.00%	100.00%		100.00%	100.00%	
Ayam SNC	France	100.00%	100.00%		100.00%	100.00%	
Dense SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Grand Littoral SASU	France	100.00%	100.00%		100.00%	100.00%	
SERVICE PROVIDERS – FRANCE							
Klépierre Management SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Conseil SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Brand Ventures SNC	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Gift Cards SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Finance SAS	France	100.00%	100.00%		100.00%	100.00%	
Financière Corio SAS	France	100.00%	100.00%		100.00%	100.00%	
Kle Start SAS	France	100.00%	100.00%		100.00%	100.00%	
Kle Dir SAS	France	100.00%	100.00%		100.00%	100.00%	
Klépierre Procurement International SNC	France	100.00%	100.00%		100.00%	100.00%	
SHOPPING CENTERS – INTERNATIONAL							
Klépierre Duisburg GmbH	Germany	94.99%	94.99%		94.99%	94.99%	
Klépierre Duisburg Leasing GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Duisburg Leasing II GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Dresden Leasing GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Duisburg II GmbH	Germany	94.99%	94.99%		94.99%	94.99%	
Klépierre Dresden GmnH	Germany	94.99%	94.99%		94.99%	94.99%	
Klépierre Köln Holding GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Unter Goldschmied Köln GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Hildesheim Holding GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Projekt A GmbH & CoKG	Germany	94.90%	94.90%		94.90%	94.90%	
Projekt A Vermietung GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Coimbra SA	Belgium	100.00%	100.00%		100.00%	100.00%	

List of consolidated companies		% interest			% control		
Fully consolidated companies	**Country**	**12/31/2021**	**12/31/2020**	**Change**	**12/31/2021**	**12/31/2020**	**Change**
Les Cinémas de l'Esplanade SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Foncière de Louvain-La-Neuve SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Bryggen, Vejle A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Bruun's Galleri ApS	Denmark	56.10%	56.10%		100.00%	100.00%	
Field's Copenhagen I/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Viva, Odense A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm CenterUdvikling VI A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Klecar Foncier Iberica SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klecar Foncier España SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Vallecas SA	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Molina SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Plenilunio Socimi SA	Spain	100.00%	100.00%		100.00%	100.00%	
Principe Pio Gestion SA	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Real Estate España SL	Spain	100.00%	100.00%		100.00%	100.00%	
SC Nueva Condo Murcia SLU	Spain	100.00%	100.00%		100.00%	100.00%	
Clounlake Invest SL	Spain	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Nea Efkarpia AE	Greece	100.00%	100.00%		100.00%	100.00%	
Klépierre Foncier Makedonia AE	Greece	100.00%	100.00%		100.00%	100.00%	
Klépierre Peribola Patras AE	Greece	100.00%	100.00%		100.00%	100.00%	
Immobiliare Gallerie Commerciali S.p.A	Italy	100.00%	100.00%		100.00%	100.00%	
Klecar Italia S.p.A	Italy	83.00%	83.00%		100.00%	100.00%	
Galleria Commerciale Di Collegno S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Serravalle S.p.A	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Assago S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Klépierre S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Cavallino S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Galleria Commerciale Solbiate S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Matera S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Caserta S.r.l	Italy	83.00%	83.00%		100.00%	100.00%	
Shopville Le Gru S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Grandemilia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Shopville Gran Reno S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Il Maestrale S.p.A.	Italy	100.00%	100.00%		100.00%	100.00%	
Comes – Commercio e Sviluppo S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Globodue S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Globotre S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Generalcostruzioni S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
B.L.O S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Gruliasco S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Italia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Acquario S.r.l	Italy	95.06%	95.06%		95.06%	95.06%	
Reluxco International SA	Luxembourg	100.00%	100.00%		100.00%	100.00%	
Storm Holding Norway AS	Norway	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm AS	Norway	56.10%	56.10%		100.00%	100.00%	
Hamar Storsenter AS	Norway	56.10%	56.10%		100.00%	100.00%	
Stavanger Storsenter AS	Norway	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm Mediapartner Norge AS	Norway	56.10%	56.10%		100.00%	100.00%	
Oslo City Kjopesenter AS	Norway	56.10%	56.10%		100.00%	100.00%	
Oslo City Parkering AS	Norway	56.10%	56.10%		100.00%	100.00%	
Gulskogen Senter AS	Norway	56.10%	56.10%		100.00%	100.00%	
Capucine BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Nordica BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Beleggingen I BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Nederland BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Hoog Catharijne BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Nederland BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
Bresta I BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
CCA German Retail I BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
CCA German Retail II BV	Netherlands	100.00%	100.00%		100.00%	100.00%	
KLP Polska Sp. z o.o. Poznań SKA w likwidacji	Poland	100.00%	100.00%		100.00%	100.00%	
Klépierre Pologne Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Polska Sp. z o.o. Rybnik SKA	Poland	100.00%	100.00%		100.00%	100.00%	

List of consolidated companies		% interest			% control		
Fully consolidated companies	**Country**	**12/31/2021**	**12/31/2020**	**Change**	**12/31/2021**	**12/31/2020**	**Change**
Sosnowiec Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%		100.00%	100.00%	
Sadyba Best Mall Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Poznań Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Ruda Śląska Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Investment Poland Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Rybnik Property KLP Polska Sp. z o.o. sp.k.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Lublin Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
KLP Polska Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Klelou Imobiliaria Spa SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Galeria Parque Nascente SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Gondobrico SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Klenord Imobiliaria SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Kleminho Imobiliaria SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Corio Espaço Guimarães SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Klépierre Cz S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Klépierre Plzen AS	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Nový Smíchov First Floor S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Nordica Holdco AB	Sweden	56.10%	56.10%		56.10%	56.10%	
Steen & Strøm Holding AB	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB CentrumInvest	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Emporia	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Borlänge Köpcentrum	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Marieberg Galleria	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Allum	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB P Brodalen	Sweden	56.10%	56.10%		100.00%	100.00%	
Partille Lexby AB	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB P Åkanten	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB P Porthälla	Sweden	56.10%	56.10%		100.00%	100.00%	
FAB Centrum Västerort	Sweden	56.10%	56.10%		100.00%	100.00%	
Klépierre Gayrimenkul Yönetimi ve Yatirim Ticaret AS	Turkey	100.00%	100.00%		100.00%	100.00%	
Miratur Turizm Insaat ve Ticaret AS	Turkey	100.00%	100.00%		100.00%	100.00%	
Tan Gayrimenkul Yatirim Insaat Turizm Pazarlama ve Ticaret AS	Turkey	51.00%	51.00%		51.00%	51.00%	
SERVICE PROVIDERS – INTERNATIONAL							
Projekt Arnekenstrasse Verwaltung GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Deutschland GmbH	Germany	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Belgique SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Klépierre Finance Belgique SA	Belgium	100.00%	100.00%		100.00%	100.00%	
Steen & Strøm CenterService A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Steen & Strøm Danemark A/S	Denmark	56.10%	56.10%		100.00%	100.00%	
Klépierre Management Espana SL	Spain	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Hellas AE	Greece	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Italia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Klépierre Finance Italia S.r.l	Italy	100.00%	100.00%		100.00%	100.00%	
Steen & Strøm Senterservice AS	Norway	56.10%	56.10%		100.00%	100.00%	
Klépierre Vastgoed Ontwikkeling B.V.	Netherlands	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Polska Sp. z o.o.	Poland	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Portugal SA	Portugal	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Ceska Républika S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Klépierre Energy CZ S.R.O.	Czech Republic	100.00%	100.00%		100.00%	100.00%	
Klépierre Management Slovensko S.R.O.	Slovakia	100.00%	100.00%		100.00%	100.00%	
Steen & Strøm Sverige AB	Sweden	56.10%	56.10%		100.00%	100.00%	

List of consolidated companies Equity-accounted companies: joint control	**Country**	**% interest**			**% control**		
		12/31/2021	**12/31/2020**	**Change**	**12/31/2021**	**12/31/2020**	**Change**
Cécobil SCS	France	50.00%	50.00%		50.00%	50.00%	
Du Bassin Nord SCI	France	50.00%	50.00%		50.00%	50.00%	
Le Havre Vauban SNC	France	50.00%	50.00%		50.00%	50.00%	
Le Havre Lafayette SNC	France	50.00%	50.00%		50.00%	50.00%	
Girardin 2 SCI	France	33.40%	33.40%		33.40%	33.40%	
Société Immobilière de la Pommeraie SC	France	50.00%	50.00%		50.00%	50.00%	
Parc de Coquelles SNC	France	50.00%	50.00%		50.00%	50.00%	
Kleprim's SCI	France	50.00%	50.00%		50.00%	50.00%	
Celsius Le Murier SNC	France	40.00%	40.00%		40.00%	40.00%	
Celsius Haven SNC	France	40.00%	40.00%		40.00%	40.00%	
Ventura SAS	France	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Lobsta & K SAS	France	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Clivia S.p.A	Italy	50.00%	50.00%		50.00%	50.00%	
Galleria Commerciale Il Destriero S.p.A	Italy	50.00%	50.00%		50.00%	50.00%	
CCDF S.p.A	Italy	49.00%	49.00%		49.00%	49.00%	
Galleria Commerciale Porta di Roma S.p.A	Italy	50.00%	50.00%		50.00%	50.00%	
Galleria Commerciale 9 S.r.l	Italy	50.00%	50.00%		50.00%	50.00%	
Italian Shopping Centre Investment S.r.l	Italy	50.00%	50.00%		50.00%	50.00%	
Holding Klege S.r.l	Luxembourg	50.00%	50.00%		50.00%	50.00%	
Metro Senter ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Økern Sentrum ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Økern Eiendom ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Metro Shopping AS	Norway	28.05%	28.05%		50.00%	50.00%	
Økern Sentrum AS	Norway	28.05%	28.05%		50.00%	50.00%	
Nordal ANS	Norway	28.05%	28.05%		50.00%	50.00%	
Klege Portugal SA	Portugal	50.00%	50.00%		50.00%	50.00%	

List of consolidated companies Equity-accounted companies: significant influence	**Country**	**% interest**			**% control**		
		12/31/2021	**12/31/2020**	**Change**	**12/31/2021**	**12/31/2020**	**Change**
La Rocade SCI	France	38.00%	38.00%		38.00%	38.00%	
La Rocade Ouest SCI	France	36.73%	36.73%		36.73%	36.73%	
Du Plateau SCI	France	19.65%	19.65%		30.00%	30.00%	
Achères 2000 SCI	France	30.00%	30.00%		30.00%	30.00%	
Le Champs de Mais SC	France	40.00%	40.00%		40.00%	40.00%	
Société du bois des fenêtres SARL	France	20.00%	20.00%		20.00%	20.00%	
Step In SAS	France	24.46%	24.46%		24.46%	24.46%	
Secar SC	France	10.00%	10.00%		10.00%	10.00%	
Antigaspi & K SAS	France	30.00%	0.00%	30.00%	30.00%	0.00%	30.00%
NEAG Boulogne SAS	France	30.00%	0.00%	30.00%	30.00%	0.00%	30.00%
Akmerkez Gayrimenkul Yatirim Ortakligi AS	Turkey	45.93%	46.00%	(0.07%)	45.93%	46.00%	(0.07%)

List of deconsolidated companies at 12/31/2021	**Country**	**% interest**		**% control**		**Comments**
		12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**	
KLP Polska Sp. z o.o. Lublin sp.k.	Poland	0.00%	100.00%	0.00%	100.00%	Liquidated
FAB Lackeraren Borlänge	Sweden	0.00%	56.10%	0.00%	100.00%	Disposed
Girardin SCI	France	0.00%	33.40%	0.00%	33.40%	Merged
Slagenveien 2 AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Amanda Storsenter AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Farmandstredet Eiendom AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Nerstranda AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Vinterbro Senter DA	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
Hovlandparken AS	Norway	0.00%	28.05%	0.00%	50.00%	Disposed
Hovlandparken DA	Norway	0.00%	28.05%	0.00%	50.00%	Disposed
Arcol Group S.R.O.	Slovakia	0.00%	100.00%	0.00%	100.00%	Disposed
KLP Polska Sp. z o.o. Sadyba SKA w likwidacji	Poland	0.00%	100.00%	0.00%	100.00%	Liquidated
KLP Polska Sp. z o.o. Kraków sp.k.	Poland	0.00%	100.00%	0.00%	100.00%	Liquidated
Klépierre Berlin GmbH	Germany	0.00%	94.99%	0.00%	94.99%	Disposed
Klépierre Berlin Leasing GmbH	Germany	0.00%	100.00%	0.00%	100.00%	Disposed
Corio Nederland Kantoren BV	Netherlands	0.00%	100.00%	0.00%	100.00%	Merged
Kletel Imobiliaria SA	Portugal	0.00%	100.00%	0.00%	100.00%	Liquidated
Torgterrassen AS(a)	Norway	0.00%	0.00%	0.00%	0.00%	Disposed

(a) New company consolidated over the period and disposed over the period.

4.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Klépierre,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Klépierre for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and on the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of investment properties at fair value

RISK IDENTIFIED	OUR RESPONSE
As at December 31, 2021, as mentioned in Note 5.4.4 to the consolidated financial statements, the Group's investment properties, which are recognized at fair value, amount to €18,729 million and investments in equity-accounted companies relating to investment properties recognized at fair value amount to €1,255 million. The fair values used by management are based on independent appraisals. These fair values incorporate many assumptions and estimates, in particular projected rent changes, discount rates and exit rates, estimated market rent levels, as well as recent transactions. For development assets, other factors are considered, such as projected development costs, rental stage of completion and the risks incurred until projects are completed. Determining the fair value of investment properties requires significant judgment, more particularly in the context of the COVID-19 pandemic. Therefore, given the materiality of the item in the consolidated financial statements taken as a whole and the level of judgment used in determining the fair value, the valuation of investment properties is considered to be a key audit matter. Please refer to Notes 1.1 and 5.4 to the consolidated financial statements.	We obtained an understanding of management's controls relating to data used for valuations as well as the controls concerning the analysis of changes in value compared with prior periods. We tested the efficiency of the controls that we considered to be most relevant. We assessed the competence and independence of the independent appraisers. With our specialists in real estate appraisal included in the audit team, we participated in meetings with independent appraisers, in order to understand the methodology adopted and the main assumptions used underlying the valuation of investment properties, including in particular market trends in expected rents, market yields and, for development assets, the taking into account of future development costs. We examined how recent market transactions were taken into account by the independent appraisers and we considered the potential impact of the COVID-19 pandemic on the projection of revenues in the discounted cash-flow model. We reconciled the valuations of the independent appraisers with the consolidated financial statements. We performed analytical procedures by comparing the valuations with those of prior periods, as well as the assumptions used, such as discount rates and exit rates with the relevant market data. We carried out specific procedures on investment properties whose valuation and, where applicable, variations were significant, as well as those whose assumptions and variations were not consistent with market data. In this context, together with our specialists in real estate appraisal, we reviewed the main parameters used by the independent appraisers, such as projected rent changes, market rent levels, discount rates and exit rates. Interviews with management were conducted when necessary. We also assessed the appropriateness of the information on investment properties at fair value disclosed in the notes to the consolidated financial statements.

Measurement of rent abatements and provision for expected credit losses on receivables in the context of the COVID-19 health crisis

RISK IDENTIFIED	OUR RESPONSE
As mentioned in Note 1.1 to the consolidated financial statements, continental Europe has faced several new waves of the COVID-19 pandemic, resulting for the group in the closure of tenants' stores. As a consequence, a specific method of assessment has been applied by the group in relation to tenants' solvency (receivables relating to insolvent or bankrupt tenants have been provisioned in full) but also to operating losses faced by tenants during store closure periods. As at December 31, 2021, trade receivables stood at €284.4 million and are impaired for €183.8 million (note 5.7 to the consolidated financial statements). In addition, abatements under negotiation to be granted to tenants amount to €75.8 million as at December 31, 2021 (note 5.7 to the consolidated financial statements). We have considered these valuations to be a key audit matter for the consolidated financial statements due to: • the materiality of rent abatements liable to be granted and of impairment for credit losses taken as a whole for the consolidated financial statements, and • the level of judgment required by management in the context of the COVID-19 pandemic.	We obtained an understanding of the processes implemented and the controls in place regarding the assessment of abatements under negotiation and impairment of receivables. For accrued abatements: • we tested management assumptions linked to the collection rates by tenant depending on closure periods and; • we assessed those assumptions considering, where applicable, tenants' eligibility for government measures during financial year 2021; • we also compared abatements entered into in 2021 with the estimated abatements as at December 31, 2020. For impairment of receivables: • we obtained an understanding of the procedures implemented by management to assess the solvency profile of tenants taking into account collection rates by tenant depending on the billing periods for financial year 2021 and the closure periods; • we tested on a sample basis the parameters used to determine impairment depending tenants and billing periods; • we performed a sensitivity analysis of receivable recovery expectations based on the collection rates noted at December 31, 2021 per billing period, which we compared with the impairment recorded on receivables related to financial year 2021; • we assessed whether receivables net of abatements to be granted in respect of financial years prior to 2021 had been fully impaired as indicated in note 1.1 to the consolidated financial statements; • we compared payments received in early 2022 with the impairment booked as at December 31, 2021. Tests and reviews were adapted country by country, depending on the significance of the abatements and/or impairment.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Executive Board's Group management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group management report, it being specified that, in accordance with Article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chairman of the Executive Board, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Klépierre by your Annual General Meeting held on June 28, 2006 for DELOITTE & ASSOCIES and on April 19, 2016 for ERNST & YOUNG Audit.

As at December 31, 2021, DELOITTE & ASSOCIES was in its sixteenth year of total uninterrupted engagement and ERNST & YOUNG Audit in its sixth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Executive Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 29, 2022
The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit
Damien Leurent	**Emmanuel Proudhon**	**Bernard Heller**

4.3 COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

4.3.1 Balance sheet

4.3.1.1 Assets

		12/31/2021			12/31/2020
In thousands of euros	**Notes**	**Gross**	**Depreciation, amortization and impairment**	**Net**	**Net**
NON-CURRENT ASSETS					
Intangible assets	3.1	193,354	193,354	-	-
Property, plant and equipment	3.1	358,968	127,361	231,608	240,247
Land		62,104	10,960	51,144	54,079
Buildings and fixtures		240,213	116,115	124,098	128,354
Technical installations, plant and equipment		19	19	-	-
Other		51,779	266	51,513	51,568
Property, plant and equipment in progress		4,853	-	4,853	6,245
Advances and prepayments		-	-	-	-
Financial assets	3.2	15,057,732	1,853,634	13,204,098	13,621,738
Investments	3.2.1	9,717,652	1,750,028	7,967,624	8,239,728
Advances to equity investments	3.2.2	5,189,891	103,427	5,086,464	4,969,071
Other long-term investments		179	179	-	-
Other financial assets	3.2.3	150,010	-	150,010	412,938
TOTAL I		15,610,054	2,174,348	13,435,706	13,861,984
CURRENT ASSETS					
Advances and prepayments to suppliers		9,046	-	9,046	7,113
Receivables	3.3	27,049	7,648	19,400	16,837
Trade accounts and notes receivable		20,476	5,452	15,025	12,923
Other		6,572	2,197	4,376	3,914
Marketable securities	3.4	43,554	2,777	40,777	29,241
Cash and cash equivalents	3.5	178,691	-	178,691	424,794
Prepaid expenses	3.6	6	-	6	52
TOTAL II		258,346	10,425	247,921	478,037
Deferred expenses (III)	3.6	**28,273**	**-**	**28,273**	**33,832**
Loan issue premiums (IV)	3.6	**29,504**	**-**	**29,504**	**33,527**
Currency translation adjustment – assets (V)		**-**	**-**	**-**	**-**
GRAND TOTAL (I+II+III+IV+V)		**15,926,177**	**2,184,773**	**13,741,403**	**14,407,380**

4.3.1.2 Shareholders' equity and liabilities

In thousands of euros	Notes	12/31/2021	12/31/2020
SHAREHOLDERS' EQUITY	**4.1**		
Share capital (of which paid-up: 401,606)		401,606	419,915
Additional paid-in capital (from share issues, mergers and contributions)		4,071,219	4,737,847
Legal reserve		44,010	44,010
Other reserves		-	-
Retained earnings		(147,095)	23,040
Net income		**60,165**	**(170,135)**
Regulated provisions		-	-
TOTAL I		**4,429,904**	**5,054,676**
Provisions for contingencies and losses	**4.2**	**15,235**	**15,345**
Provision for contingencies		15,127	15,300
Provision for losses		108	45
TOTAL II		**15,235**	**15,345**
LIABILITIES			
Borrowings	**4.3**	**9,254,825**	**9,301,690**
Bonds		6,112,189	7,001,224
Bank loans and borrowings		1,609	1,674
Other loans and borrowings		3,141,026	2,298,792
Due on trade receivables		**1,273**	**449**
Operating payables		**20,810**	**15,845**
Trade payables	4.4	14,496	11,649
Accrued taxes and payroll costs	4.5	6,315	4,196
Other payables	**4.6**	**7,089**	**7,143**
Due to suppliers of property and equipment		2	-
Other		7,087	7,143
Prepaid income	**4.7**	**5,330**	**5,283**
TOTAL III		**9,289,327**	**9,330,410**
Currency translation adjustment – liabilities (IV)	**4.8**	**6,937**	**6,948**
GRAND TOTAL (I+II+III+IV)		**13,741,403**	**14,407,380**

4.3.2 Income statement

In thousands of euros	**Notes**		**12/31/2021**	**12/31/2020**
OPERATING INCOME				
Rental income			25,538	30,217
• Property rentals			19,262	23,031
• Costs recharged to tenants			6,276	7,186
Fees			809	608
Reversals of depreciation, impairment, provisions, and expense transfers			4,102	3,580
Other income			1,387	1,857
		TOTAL I	31,836	36,262
OPERATING EXPENSES				
Purchases and external charges			(18,972)	(19,766)
Taxes other than on income			(2,469)	(2,932)
Wages and salaries			(3,863)	(1,655)
Payroll taxes			(2,955)	(940)
Depreciation, amortization, impairment and provisions				
• Depreciation and amortization of non-current assets and deferred expenses			(8,851)	(8,891)
• Impairment of non-current assets			(2,641)	(7,666)
• Impairment of current assets			(4,617)	(2,470)
• Provision for contingencies and losses			(796)	(133)
Other expenses			(1,677)	(2,638)
		TOTAL II	(46,841)	(47,091)
Net operating income (I+II)	5.1		(15,006)	(10,829)
SHARE OF INCOME FROM JOINT OPERATIONS	**5.2**			
Profits allocated or losses transferred		III	97,706	82,869
Losses incurred or profits transferred		IV	(21,695)	(14,429)
FINANCIAL INCOME	**5.3.1**			
From investments in subsidiaries and affiliates			343,945	252,485
From other marketable securities and receivables on non-current assets			-	-
Other interest income			13,423	27,319
Reversals of provisions and expense transfers			32,466	41,308
Foreign exchange gains			905	443
Net income from disposals of marketable securities			-	-
		TOTAL V	390,739	321,554
FINANCIAL EXPENSES	**5.3.2**			
Depreciation, amortization and impairment			(298,224)	(385,825)
Interest expense			(103,030)	(156,370)
Foreign exchange losses			(985)	(475)
Net expenses on disposals of marketable securities			-	-
		TOTAL VI	(402,238)	(542,670)
Net financial income (V+VI)			(11,499)	(221,116)
Net income from ordinary operations before tax (I+II+III+IV+V+VI)			49,506	(163,504)
NON-RECURRING INCOME				
On management transactions			-	45
On capital transactions			51,200	48,643
Reversals of provisions and expense transfers			97,390	9,806
		TOTAL VII	148,590	58,494
NON-RECURRING EXPENSES				
On management transactions			-	-
On capital transactions			(137,860)	(63,936)
Depreciation, amortization, impairment and provisions			(1,710)	(2,438)
		TOTAL VIII	(139,570)	(66,374)
Net non-recurring income/(loss) (VII-VIII)	5.4		9,020	(7,879)
Employee profit-sharing		**IX**	**-**	**-**
Income tax	5.5	**X**	**1,640**	**1,249**
Total income (I+III+V+VII)			668,870	499,179
Total expenses (II+IV+VI+VIII+IX+X)			(608,704)	(669,314)
NET INCOME			**60,165**	**(170,135)**

4.3.3 Notes to the Company financial statements

Klépierre is a French joint-stock corporation *(société anonyme)* listed on Euronext Paris (compartment A). The Company's registered office is located at 26, boulevard des Capucines, 75009, Paris. The financial statements were prepared in thousands of euros, and were established for publication by the Executive Board on February 9, 2022.

NOTE 1 SIGNIFICANT EVENTS

1.1 IMPACTS OF THE COVID-19 HEALTH CRISIS

The European economy has been impacted by the Covid-19 pandemic since early 2020, with government-imposed health restrictions in the countries in which Klépierre SA owns shopping centers (France) or holds equity interests (Europe) having an adverse impact on the Company's financial statements.

During 2021, Europe faced several fresh waves of the pandemic, prompting governments to reintroduce restrictions. As a result, the Klépierre Group's activities were impacted by shopping center closures during certain periods but to a lesser extent than in 2020.

The main impacts are summarized below:

- A €133.4 million decline in the value of equity investments held by Klépierre SA due to a decrease in the value of its assets (see note 3.2.1);
- A €7.6 million increase in the share of income from subsidiaries attributable to Klépierre SA compared to 2020 (see note 5.2), although still down by €28.2 million compared to 2019;
- A €2.3 million decrease in rental income attributable mainly to rent abatements granted to tenants on assets held directly by Klépierre SA (see note 5.1);
- A €0.4 million net increase in allowances for doubtful debts relating to unpaid tenant arrears, particularly in respect of administrative closure periods (see note 5.1).

1.2 DISTRIBUTION APPROVED BY THE GENERAL MEETING

On June 17, 2021, the General Meeting of Shareholders approved the proposed payment of a €1.00 per share cash distribution in respect of 2020, deducted from equity premiums.

The distribution was paid to shareholders on June 23, 2021 in a total amount of €285.3 million (excluding treasury shares).

1.3 TREASURY SHARE TRANSACTIONS

On January 19, 2021, Klépierre SA canceled 5,091,144 shares acquired in 2019 under the February 2019 share buyback program for a total amount of €157.8 million.

On June 22, 2021, Klépierre SA canceled 4,493,022 shares acquired in 2019 under the February 2019 share buyback program for a total amount of €142 million.

On December 15, 2021, Klépierre SA canceled 3,493,860 shares acquired in 2019 under the February 2019 share buyback program for a total amount of €99.7 million.

1.4 CHANGES IN NET DEBT

In 2021, Klépierre repaid €863.2 million in notes maturing in February (€298.8 million) and March (€564.4 million).

These operations were financed by the use of available cash as well as by the increase in outstanding commercial paper.

1.5 DISPOSAL OF THE BOULEVARD BERLIN SHOPPING CENTER IN GERMANY

On December 20, 2021, the Klépierre Group announced the disposal of the Boulevard Berlin shopping center, in which it held a 95% stake. Accordingly, Klépierre SA sold all the shares held in Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH for an amount of €46.7 million.

NOTE 2 SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 APPLICATION OF ACCOUNTING POLICIES

The Company financial statements were prepared in accordance with the French Commercial Code *(Code de commerce)*, the French General Chart of Accounts *(Plan comptable général)* in force (ANC Regulation no. 2014-03), French law and French generally accepted accounting principles.

Generally accepted accounting principles were applied in accordance with the principle of prudence, the accrual basis of accounting and on a going concern basis.

2.2 CHANGES IN ACCOUNTING RULES AND METHODS

There was no change in accounting methods or estimates during the year.

2.3 RECOGNITION AND MEASUREMENT METHODS

The Company applies the historical cost convention to measure and recognize assets. Property, plant and equipment and intangible assets are recognized as assets when both of the following conditions have been met:

- It is probable that the future economic benefits associated with the asset will flow to the entity;
- Their cost or value can be measured reliably.

At the recognition date, asset values are measured either at acquisition cost or cost of construction.

2.3.1 Intangible assets

Intangible assets primarily comprise technical losses allocated to "Business goodwill", and are written down in the event of impairment.

2.3.2 Property, plant and equipment

Property, plant and equipment mainly include real estate assets held by the Company (principally shopping centers and adjacent land).

Gross value of property, plant and equipment

Real estate assets are recorded on the balance sheet at acquisition cost, contribution value or cost of construction or restructuring, based on the manner in which they are acquired. Gross value includes directly attributable acquisition costs (transfer taxes, fees, commissions, legal and administrative fees). Interest and other expense relating specifically to the development of property, plant and equipment is capitalized in the acquisition cost.

Acquisition cost also includes eviction indemnities paid to tenants when their departure is necessitated by building renovation, reconstruction and restructuring work.

In accordance with ANC Regulation no. 2014-03, the component approach is used, where the gross value of real estate assets (other than land) is allocated to four separate components, based on the following percentages:

Components	Shopping center properties
Structures	50%
Facades	15%
General and technical installations	25%
Fittings	10%

As these scales were based on assumed "as new" values, a multiplier was applied at first time adoption depending on the age of the individual asset components. The same method has been applied to all subsequently acquired or contributed real estate assets.

Depreciation

Real estate assets are depreciated on a straight-line basis over the useful life of each component. Land is not depreciated. Based on French Federation of Real Estate Companies (FSIF) studies, the depreciation periods used are as follows:

Components	Depreciation periode (straight-line basis)
Structures	35 to 50 years
Facades	25 years
General and technical installations	20 years
Fittings	10 to 15 years

No residual value is provided for on the assets currently held.

Impairment of real estate assets

When the carrying amount of real estate assets exceeds estimated present value, an impairment loss is recognized to write down the carrying amount to present value. Present value corresponds to fair value or value in use. Impairment is first recognized against non-depreciable components. Where applicable, any technical losses allocated for accounting purposes to the related components are taken into consideration.

The fair value of real estate assets corresponds to the market value excluding transfer taxes at the reporting date, as determined by independent real estate appraisers or internally, with the exception of assets acquired within the past six months whose fair value is estimated only in the event of a loss in value. The fair value of assets covered by an agreement to sell *(promesse de vente)* is appraised at the selling price net of disposal costs.

Accordingly, since these are by nature estimates, the disposal price for certain real estate assets may differ from the appraised values, even where it occurs within a few months of the reporting date.

2.3.3 Non-current financial assets

Non-current financial assets mainly comprise:

- Equity investments held by Klépierre SA in companies directly or indirectly holding real estate assets;
- Advances to equity investments;
- Treasury shares recognized.

This item also includes merger losses and share cancellation premiums arising on unrealized gains on shares.

Equity investments

Equity investments are recognized on the balance sheet at cost, contribution value or subscription value. Acquisition costs are expensed as incurred and are not included in the carrying amount of the shares on the balance sheet.

When the value in use is lower than the carrying value plus the technical losses allocated for accounting purposes to equity investments, an impairment loss is booked first against the merger loss and subsequently against the equity investment. The value in use is determined on a multi-criteria basis taking into account the subsidiaries' net asset value and profitability outlook.

The net asset value of real estate companies is estimated based on external appraisals conducted by independent real estate appraisers, internal appraisals, or based on the value of sale commitments, in the same manner as for directly-held properties (see impairment of real estate assets).

The carrying amount of management company shares is remeasured at each reporting date by an independent appraiser using the discounted future cash flows method.

Advances to equity investments

Advances to equity investments held by Klépierre SA are recognized at face value and may be written down in the event that there is a risk of non-recovery. The Company takes account of the characteristics of the advance granted, the ability of the subsidiary to reimburse the advance, and its future prospects as appropriate. Advances to equity investments are written down only where the corresponding shares have already been written down in full.

Treasury shares

Treasury shares are recognized at cost under non-current financial assets, except for treasury shares acquired in the context of employee share grants or for market-making purposes, which are shown in marketable securities.

An impairment loss is recognized if the average share price for the last month of the fiscal year is lower than the acquisition value, except for treasury shares held for cancellation as part of a capital decrease, and for shares allocated to employee share grants, which are never written down.

2.3.4 Receivables

Receivables are recognized at face value.

The Company conducted a line-by-line analysis of trade receivables to assess counterparty risk.

An allowance is recognized against trade receivables where there is a risk of non-recovery, assessed on a multi-criteria basis taking into account the age of the receivables, their nature, the status of any ongoing recovery procedures, and the quality of any guarantees held. The amount of the allowance is calculated with or without deduction of security deposits further to the contract-by-contract risk assessment. Note 2.5 sets out the accounting treatment applied to receivables denominated in foreign currency.

Other receivables include balancing payments on swaps and deferred premiums paid further to the cancellation or restructuring of derivative hedging instruments (for further information, see the section on the accounting treatment of hedging transactions).

2.3.5 Marketable securities

Marketable securities are recognized at cost net of provisions. Marketable securities comprise term deposits and treasury shares other than those classified as non-current financial assets. They are held mainly to cover performance share plans or under the liquidity agreement.

Marketable securities are written down when their acquisition value exceeds fair value, determined based on the average stock market price for the last month of the fiscal year. For further information, see section 2.3.3 on treasury shares.

2.4 ACCOUNTING METHODS – LIABILITIES AND EQUITY

2.4.1 Borrowings

Borrowings and other financial liabilities are recognized at their reimbursement face value, including accrued interest not yet due. Note 2.5 sets out the accounting treatment applied to borrowings denominated in foreign currency.

2.4.2 Bond issue costs

Bond issue costs and premiums, and commissions and fees relating to bank loans are recognized under assets and taken to income on a straight-line basis over the term of the underlying agreement.

2.4.3 Forward financial instruments and hedging transactions

Derivative instruments – hedging transactions

Klépierre SA subscribes to various derivative contracts such as interest rate and currency swaps and interest rate caps to reduce the exposure of the Company's earnings, cash flows and equity to interest rate and currency fluctuations.

Klépierre SA applies the hedge accounting principles set out in the French General Chart of Accounts (Articles 628-6 to 628-17) and ANC Regulation no. 2015-05 relating to forward financial instruments and hedging transactions.

Hedging costs (option premiums, balancing payments and other costs) are recognized to match the gains and losses on the hedged item.

Gains and losses arising on hedging transactions are recognized in the income statement to match the recognition of income and expenses of the hedged item. Gains and losses on forward financial instruments (swaps) contracted for the purpose of hedging exposure to changes in interest rates are taken to income at a rate that matches the recognition of the interest expense on the hedged borrowings.

Gains and losses on hedging instruments are classified in the same way as the hedged item and under the same income statement classification (operating or financial income and expenses).

Unrealized gains and losses on hedging transactions arising on the difference between the estimated market value of hedging agreements and their carrying amount at the reporting date are only recognized where doing so ensures matching treatment with the hedged item.

The value in use of an investment in a foreign operation may be hedged up to the equivalent value of the carrying amount in foreign currency. The impact of hedging is taken into account in the calculation of impairment losses on shares.

Gains and losses on foreign exchange derivatives arranged in connection with the hedging of foreign currency loans are taken to income over the hedging period to match gains and losses on the hedged item.

Derivative instruments – transactions not meeting the eligibility criteria for hedge accounting

Transactions that are not eligible for hedge accounting are treated for accounting purposes as "isolated open positions", in accordance with Article no. 628-18 of the French General Chart of Accounts. Gains and losses arising on these transactions are immediately recognized in the income statement, in financial income and expenses.

Any unrealized gains and losses arising on the difference between the estimated market value of the agreements and their carrying amount at the reporting date are recognized in financial income and expenses, with a contra-entry to provisions. Pursuant to the prudence principle, unrealized gains are not taken to income regardless of the market on which the instrument is traded.

Interest income and expense on these transactions is recognized in financial income and expenses.

2.4.4 Employee benefits

In accordance with Recommendation no. 2013-02 of November 7, 2013, pension obligations are provided for in full (preferred method) and are valued in accordance with the recommended method in IAS 19 (revised). This is the same accounting treatment that is applied in the consolidated financial statements. As the Company has no employees, no commitment is calculated at the level of the parent.

2.5 CURRENCY TRANSLATION ADJUSTMENTS – TRANSACTIONS DENOMINATED IN FOREIGN CURRENCY

Receivables and payables denominated in foreign currency are translated at the period end and recognized in local currency based on the latest exchange rate published by Banque de France.

If the application of the exchange rate on the reporting date changes the previously-recognized local currency amounts, any translation differences are recorded under currency translation adjustments.

Unrealized gains ("Currency translation adjustment – liabilities") are not recognized in income but are recorded under liabilities, whereas a provision for contingencies ("Currency translation adjustment – assets") is set aside for unrealized losses to the extent of the unhedged risk.

Payments related to these receivables and payables are compared to the original historical values and give rise to the recognition of foreign exchange gains and losses. These gains and losses are not offset.

2.6 ACCOUNTING METHODS – INCOME STATEMENT

2.6.1 Operating income and expenses related to the leasing business

Operating income and expenses mainly comprise rents and rebilled expenses. Rents are recognized on a straight-line basis over the term of the lease. Service charges are invoiced to tenants based on the approved budget, and adjusted once the settlement of service charges realized.

Step-up rents and rent-free periods

Step-up rents and rent-free periods are recognized on a straight-line basis over the reference period. The reference period adopted is the first non-cancelable lease term.

Early termination penalties

Tenants who terminate leases prior to the contractual expiration date are liable to pay early termination penalties, which are credited to income for the period when in which they are recognized.

Key money

Key money paid by tenants is recognized over the non-cancelable lease term.

Letting fees

Letting, re-letting and renewal fees are recognized as expenses for the fiscal year.

Recognition of income from fixed assets passed on to tenants

Income from fixed assets passed on to tenants is recognized over the non-cancelable lease term to the extent that the annual amount exceeds €0.6 million per property.

2.6.2 Mergers and similar transactions

Gains and losses arising on merger transactions are determined as the difference between the net financial position of the merged entity and the carrying amount of the shares in the balance sheet of the parent entity.

Technical surpluses

Any gains from these transactions are recognized in financial income to the extent of the share in the merged entity's accumulated retained earnings since the acquisition of its shares. Any surpluses are taken to equity.

Technical losses

Losses arising on mergers that cannot be justified by unrealized gains that are not recognized in the financial statements of the merged entity are recognized in financial income and expenses. Technical losses corresponding to unrealized and unrecognized gains (generally the case for mergers of entities under joint control carried out at book value) are recognized under other property, plant and equipment, intangible assets, non-current financial assets or in a current asset account based on the classification of the unrealized gains on the underlying transferred assets. Technical losses are subject to the same depreciation, amortization and impairment rules as the underlying asset to which they are allocated.

2.6.3 Tax regime adopted by the Company

Klépierre SA has elected to be taxed under the French real estate investment company (*Sociétés d'investissement immobilier cotées* – SIIC) tax regime in accordance with the terms of Article 208 C of the French Tax Code.

As such, it is exempt from corporate income tax on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a corporate purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated;
- Dividends received (i) from subsidiaries having elected for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, or (ii) from subsidiaries outside France subject to a tax regime that is comparable to SIIC status, provided that they are redistributed during the fiscal year following the year in which they are generated.

The Company is subject to income tax under the conditions of ordinary law on its other income (including financial income, dividends from French or foreign subsidiaries not subject to SIIC rules or a comparable regime outside of France, and its real estate management activity carried out through pass-through subsidiaries).

NOTE 3 NOTES TO BALANCE SHEET ASSETS

3.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

3.1.1 Gross non-current assets

In thousands of euros	Gross amount at 12/31/2020	Acquisitions, new businesses and contributions	Reductions by disposals, retirement of assets	Inter-item transfers	Gross amount at 12/31/2021
INTANGIBLE ASSETS					
Technical merger loss	184,564	-	-	-	184,564
Other	8,790	-	-	-	8,790
Total	193,353	-	-	-	193,353
PROPERTY, PLANT AND EQUIPMENT					
Land	62,613	-	(509)	-	62,104
Structures	126,752	-	(1,750)	54	125,056
Facades, cladding and roofing	30,408	-	-	56	30,465
General and technical installations	51,330	-	-	62	51,391
Fittings	28,873	-	-	4,429	33,302
Property, plant and equipment in progress	6,245	4,198	(988)	(4,602)	4,853
Other property, plant and equipment	51,797	-	-	-	51,797
• Technical loss on land	49,364	-	-	-	49,364
• Technical loss on structures	2,399	-	-	-	2,399
• Other	34	-	-	-	34
Total	358,018	4,198	(3,248)	-	358,968
TOTAL GROSS NON-CURRENT ASSETS	**551,372**	**4,198**	**(3,248)**	**-**	**552,322**

The amount of €184.6 million in technical losses corresponds to the unallocated portion of the technical loss resulting from the merger of Corio NV. This technical loss was written down in full at the end of the 2015 fiscal year.

Technical merger losses allocated to land and structures

Transaction	Date	Underlying assets transferred in the merger or transfer of assets and liabilities	Gross amount
Merger Centre Jaude	06/08/2015	Real estate asset (Centre Jaude shopping center)	46,342
Merger Carré Jaude 2	07/31/2015	Real estate asset (Carré Jaude 2 shopping center)	1,459
Merger Corio SAS	03/13/2017	Real estate asset (Saint-Étienne Centre Deux shopping center)	3,963
TOTAL			**51,763**

Property, plant and equipment in progress mainly corresponds to investment expense related to work on the Clermont Jaude, Saint-Étienne and Metz Saint-Jacques shopping centers.

3.1.2 Depreciation, amortization and impairment

In thousands of euros	Depreciation and amortization at 12/31/2020	Additions	Disposals	Inter-item transfers	Depreciation and amortization at 12/31/2021
INTANGIBLE ASSETS					
Technical merger loss	184,564	-	-	-	184,564
Other	8,789	-	-	-	8,789
Total	193,353	-	-	-	193,353
PROPERTY, PLANT AND EQUIPMENT					
Structures	42,097	2,920	(541)	-	44,476
Facades, cladding and roofing	13,741	1,088	-	-	14,829
General and technical installations	25,808	2,444	-	-	28,253
Fittings	13,984	1,932	-	-	15,916
Other property, plant and equipment	230	54	-	-	284
• Technical loss on land	-	-	-	-	-
• Technical loss on structures	211	54	-	-	265
• Other	19	-	-	-	19
Total	95,860	8,439	(541)	-	103,758
TOTAL DEPRECIATION AND AMORTIZATION	**289,214**	**8,439**	**(541)**	**-**	**297,111**

In thousands of euros	Impairment at 12/31/2020	Additions	Reversals	Inter-item transfers	Impairment at 12/31/2021
PROPERTY, PLANT AND EQUIPMENT					
Land	8,534	2,641	(215)	-	10,960
Structures	13,377	-	(735)	-	12,642
TOTAL IMPAIRMENT	**21,911**	**2,641**	**(950)**	**-**	**23,602**
TOTAL DEPRECIATION AND IMPAIRMENT	**311,125**	**11,080**	**(1,491)**	**-**	**320,713**

The changes in this item in 2021 were mainly attributable to:

- Impairment for an asset for €2.4 million;
- The reversal of the impairment of the Metz Saint-Jacques shopping center for €0.7 million.

3.1.3 Net non-current assets

In thousands of euros	Net amount at 12/31/2020	Increases net of depreciation, amortization and impairment	Decreases net of reversals	Inter-item transfers	Net amount at 12/31/2021
INTANGIBLE ASSETS					
Technical merger loss	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PROPERTY, PLANT AND EQUIPMENT					
Land	54,079	(2,641)	(294)	-	51,144
Structures	71,278	(2,920)	(474)	54	67,938
Facades, cladding and roofing	16,667	(1,088)	-	56	15,635
General and technical installations	25,521	(2,444)	-	62	23,138
Fittings	14,889	(1,932)	-	4,429	17,386
Property, plant and equipment in progress	6,245	4,198	(988)	(4,602)	4,853
Other property, plant and equipment	51,567	(54)	-	-	51,513
• Technical loss on land	49,364	-	-	-	49,364
• Technical loss on structures	2,189	(54)	-	-	2,135
• Other	15	-	-	-	15
Total	240,247	(6,882)	(768)	-	231,607
TOTAL NET NON-CURRENT ASSETS	**240,247**	**(6,882)**	**(768)**	**-**	**231,607**

3.2 NON-CURRENT FINANCIAL ASSETS

3.2.1 Equity investments

In thousands of euros	
GROSS EQUITY INVESTMENTS AT BEGINNING OF YEAR	**9,856,380**
Acquisitions of shares	**1,561**
Decreases in shares	**(13,274)**
Disposals and transfers of shares	**(127,016)**
Technical losses on equity investments	**-**
GROSS EQUITY INVESTMENTS AT END OF YEAR	**9,717,652**

Acquisitions of shares mainly correspond to the capital increase of Klépierre Finance SAS.

Decreases in shares mainly correspond to the capital decrease and distributions of premiums by SCI Du Bassin Nord.

Disposals and transfers of shares correspond to:

- The disposal of shares in the German companies Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH for a total amount of €126.6 million;
- The disposal of a portion of the shares in Akmerkez Gayrimenkul Yatirim Ortakligi AS for €0.4 million.

Impairment of equity investments

In thousands of euros	Impairment at 12/31/2020	Additions	Reversals	Mergers	Impairment at 12/31/2021
NON-CURRENT FINANCIAL ASSETS					
Impairment of equity investments	1,616,653	246,881	(113,505)	-	1,750,028
TOTAL PROVISIONS	**1,616,653**	**246,881**	**(113,505)**	**-**	**1,750,028**

Impairment of equity investments mainly corresponds to:

- Impairment losses recognized during the year, concerning:
  - Klépierre Nederland BV for €161.2 million,
  - Akmerkez Gayrimenkul Yatirim Ortakligi AS for €24.6 million,
  - Klépierre Alpes SAS for €17.5 million;
- Reversals of impairment losses on the shares of:
  - Klépierre Berlin GmbH for €93.5 million further to the disposal of the corresponding shares, and
  - Klecar Foncier España SL for €10.8 million.

Financial information on subsidiaries and investments

Financial information on subsidiaries and investments *In thousands of euros*	**Share capital**	**Shareholders equity other than share capital and net income**	**% interest**	**Net income at year end**	**Pre-tax revenues**	**Gross book value**	**Net book value**	**Guarantees and sureties given**	**Loans and advances granted**	**Dividends received**
1. SUBSIDIARIES MORE THAN 50% OWNED										
Ayam SNC	3	-	90	209	-	8,029	4,316	-	1,252	-
Bègles d'Arcins SCS	26,679	18,818	52	32,806	22,472	44,991	44,991	-	19,404	-
Bègles Papin SNC	765	6,871	100	22,255	2,059	7,636	7,306	-	10,118	-
Bresta I BV	23	(44)	100	(25)	-	21,088	-	-	-	-
Caetoile SNC	3	38,365	90	5,503	9,492	152,582	152,582	-	799	4,405
Capucine BV	39,494	343,537	100	32,424	-	515,979	515,979	-	-	-
Cécoville SAS	3,286	183,029	100	7,026	29,169	256,588	256,588	-	58,220	2,020
Centre Bourse SNC	3,813	-	100	(173)	3,160	47,419	8,461	-	29,931	-
Centre Deux SNC	3	27,175	90	1,389	4,929	82,913	58,840	-	7,000	1,364
Dense SNC	3	19,284	90	2,854	7,064	83,010	83,010	-	13,073	2,555
Financière Corio SAS	3	(11)	100	(36)	-	1,571	-	-	47,325	-
Foncière de Louvain-la-Neuve SA	12,062	(15,919)	100	2,818	-	12,061	12,061	-	49,764	-
Galerie du livre SAS	76	1,987	100	34	92	6,309	6,124	-	-	8
Galleria Commerciale Klépierre SRL	1,560	31,668	100	(626)	2,791	41,052	41,052	-	2,800	796
Galeries Drancéennes SNC	4	600	100	1,196	3,867	58,341	19,918	-	11,796	-
Le Havre Colbert SNC	80	9,947	100	879	1,525	10,016	10,016	-	3,998	-
Holding Gondomar 1 SAS	5,085	24,361	100	1,643	6,170	64,739	64,739	-	8,889	2,866
Holding Gondomar 3 SAS	835	6,432	100	475	-	8,021	8,021	-	-	525
KLE 1 SAS	8,785	36,155	100	6,154	124	98,166	98,166	-	72,226	5,567
Klecab SCI	450	1,350	100	198	460	1,800	1,800	-	1,778	-
Klé Projet 1 SAS	3,754	20,092	100	1,303	1,020	37,201	31,468	-	7,589	-
Kleber Odysseum SCI	743	77,273	100	3,930	-	78,016	78,016	-	41,748	-
Klécar Foncier España SL	250	1,709	100	6,553	12,442	192,735	163,460	615	53,512	3,441
Klécar France SNC	333,086	-	83	24,720	2,515	455,060	455,060	-	5,893	-
Klécar Foncier Iberica SL	251	50	100	35	281	46,316	3,294	-	-	445
Klécar Participations Italie SAS	20,456	2,051	83	29,955	-	17,587	17,587	-	34,867	2,429
Klémurs SAS	91,542	78,740	100	15,282	15,552	238,942	219,749	-	-	15,435
Klépierre Alpes SAS	153	46,026	100	4,610	15,699	232,597	215,103	-	45,838	4,699
Klépierre Beleggingen I BV	18	(56)	100	(24)	-	2,348	-	-	-	-
Klépierre Conseil SAS	1,108	5,622	100	40	60	7,934	7,934	-	121	90
Klépierre Créteil SCI	21,073	23,104	100	307	3,869	75,624	47,195	-	27,821	-
Klépierre Échirolles SNC	3	(2,905)	100	(4,342)	35	6,566	1,068	-	27,461	-
Klépierre et Cie SNC	503	10,128	100	1,032	-	40,205	38,927	-	-	2,411
Klépierre Finance SAS	38	218	100	(283)	555	1,599	-	-	-	-
Klépierre Foncier Macedonia SA	190	(13,573)	100	110	924	1,999	-	-	18,958	-
Klépierre Grand Littoral SAS	69,427	(385)	100	3,415	13,032	360,115	61,596	-	66,370	-
Klépierre Italia SRL	62,390	36,243	100	479,287	-	1,144,425	1,144,425	-	1,436,061	-
Klépierre Management Ceska Republika SRO	121	(3)	100	77	-	10,500	10,500	-	-	-
Klépierre Management Deutschland GmbH	25	301	100	1,912	40	25	25	-	13,490	-
Klépierre Management Espana SL	205	907	100	(758)	-	37,862	37,862	598	-	-
Klépierre Management Hellas SA	48	(390)	100	(112)	-	1,597	-	-	200	-
Klépierre Management Polska Sp. z o.o.	11	1,052	100	159	-	10,900	10,900	-	-	-
Klépierre Management Portugal SA	200	116	100	321	-	16,965	8,148	-	-	374
Klépierre Management SNC	1,682	12,431	100	753	86,700	136,473	136,473	1,208	-	-
Klépierre Massalia SAS	10,864	12,430	100	(30)	-	13,208	-	-	14,636	-
Klépierre NEA Efkarpia SA	90	(220)	100	77	181	240	-	-	1,657	-
Klépierre Nederland BV	136,182	1,103,195	100	(863)	-	1,888,564	1,246,345	-	773,322	145,000
Klépierre Nordica BV	377,640	418,735	100	114,841	-	675,657	675,657	-	-	-
Klépierre Perivola Patras SA	674	632	100	294	676	675	675	-	4,005	235
Klépierre Plenilunio Socimi SA	5,000	42,658	100	15,399	23,443	234,514	234,514	-	96,768	13,660
Klépierre Procurement International SNC	3,693	-	100	(5,312)	3,133	3,693	3,693	-	64	-
Klépierre Real Estate España SL	54,437	11,924	100	716	10,388	262,059	135,358	-	36,636	1,683
Klépierre Vallecas SA	60	69,590	100	16,051	23,226	248,900	248,900	-	109,163	12,258
Klé Start SAS	5	(3)	100	(229)	23	861	-	-	221	-
Les Portes de Chevreuse SNC	2	(17,081)	99	(240)	-	-	-	-	16,075	-

Financial information on subsidiaries and investments *In thousands of euros*	**Share capital**	**Shareholders equity other than share capital and net income**	**% interest**	**Net income at year end**	**Pre-tax revenues**	**Gross book value**	**Net book value**	**Guarantees and sureties given**	**Loans and advances granted**	**Dividends received**
LP 7 SAS	45	26	100	40	-	380	231	-	-	-
Maya SNC	3	-	90	1,222	-	33,596	25,413	-	4,802	-
Mob SCI	-	(1,520)	100	40	105	4,104	2,072	-	-	-
Nancy Bonsecours SCI	3,054	3,053	100	(150)	-	6,565	6,565	-	2,537	-
Nueva Condo Murcia SLU	6,949	106,473	100	9,974	18,701	174,068	174,068	-	32,175	7,950
Pasteur SC	227	(4,903)	100	3,447	2,325	2,091	-	2,427	25,995	-
Portes de Claye SCI	56,262	170,318	55	(1,448)	13,313	124,619	124,619	-	-	-
Principe Pio Gestion SA	7,212	35,070	100	6,476	13,448	180,000	150,680	-	9,047	6,472
Progest SAS	7,703	25,462	100	5,902	866	116,055	116,055	-	10,039	5,145
Reluxco International SA	730	(12,746)	100	(4,035)	-	122,080	-	-	112,807	-
Sagep SAS	329	6,377	100	(1,661)	907	28,004	5,215	-	3,755	2,986
Saint Maximin Construction SCI	2	-	55	43	45	524	326	-	-	-
Sanoux SCI	14	(11,023)	75	515	3,691	-	-	-	-	-
SCOO SC	25,215	342,086	54	11,966	46,184	207,856	207,856	-	-	-
Sécovalde SCI	12,189	115,929	55	19,635	43,349	92,482	92,482	-	59,684	-
Soaval SCS	4,501	33,346	99	5,921	24,623	42,046	42,046	-	54,499	-
Sodévac SNC	2,918	26,245	100	1,610	5,616	29,163	29,163	-	3,671	-
TOTAL I				885,486	480,341	9,167,909	7,604,696	4,848	3,489,860	244,818
2. INVESTMENTS BETWEEN 10% AND 50% OWNED										
Akmerkez Gayrimenkul Yatirim Ortakligi AS	1,123	3,642	46	2,537	-	229,637	54,735	-	-	4,538
Du Bassin Nord SCI	70,645	28,680	50	(30,433)	8,832	49,663	48,758	-	-	-
Cecobil SCS	5,122	10,165	50	8,001	15,492	7,642	7,642	-	16,595	-
Forving SARL	11	26	26	(1)	-	682	379	-	-	-
Klépierre Brand Ventures SNC	330	-	49	(274)	10,121	490	154	-	343	-
Klépierre Köln Holding GmbH	25	2,665	10	(38)	-	2,703	1,723	-	-	
Klépierre Management Slovensko SRO	7	27	15	19	-	4	4	-	-	3
Le Havre Lafayette SNC	525	9	50	1,864	4,033	1,702	1,702	-	4,104	-
Le Havre Vauban SNC	300	5	50	(155)	373	463	463	-	4,013	-
Odysseum Place de France SNC	97,712	-	50	7,819	20,020	49,004	49,004	1,495	46,349	-
Secar SC	9,150	-	10	21,839	42,337	80,330	74,691	-	5,354	-
Solorec SC	4,869	2,768	49	19,854	44,731	124,104	124,104	-	107,219	-
Ucgen bakim ve yonetim hizmetleri A			10	-	-	16	-	-	-	7
TOTAL II				31,032	145,939	546,439	363,359	1,495	183,977	4,548
3. INVESTMENTS LESS THAN 10% OWNED										
Du Plateau SCI	-	502	4	2,239	2,527	895	895	-	-	-
Kle Arcades SC	10	-	-	105	260	-	-	-	-	-
Klépierre Gayrimenkul Yönetimi ve Yatrim Ticaret AS	48,882	(38,906)	1	(13,471)	8,669	760	248	-	-	-
La Rive SCI	2	(1,750)	2	2,895	4,055	709	709	-	-	-
La Rocade Ouest SCI	383	-	8	714	851	908	829	-	-	-
Miratur Turizm Insaat ve Ticaret AS	723	190	-	(93)	704	21	2	-	-	-
Valdebac SCI	1,324	11,916	-	221	251	-	-	-	-	-
TOTAL III				(7,390)	17,317	3,293	2,683	-	-	-
GRAND TOTAL I + II + III				**909,128**	**643,597**	**9,717,642**	**7,970,738**	**6,343**	**3,673,837**	**249,366**

3.2.2 Advances to equity investments

In thousands of euros	12/31/2021	12/31/2020
Advances to equity investments	5,016,429	4,879,189
Accrued interest on advances	69,654	89,337
Share of net income and dividends	103,808	69,868
Impairment of advances to equity investments	(103,427)	(69,323)
TOTAL	**5,086,463**	**4,969,071**

See the table of subsidiaries and investments for details of advances granted by subsidiary.

Changes in advances to equity investments are mainly attributable to:

- The capitalization at January 1, 2021 of outstanding interest at December 31, 2020 for €58.9 million;
- The increase in the advance granted to Klépierre Italia S.r.l. for €314 million, of which €244 million was used to repay the short-term advance received from Klépierre Finance SAS under the cash pool;
- The decrease related to the disposal of Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH for a total of €230.3 million.

Impairment of advances to equity investments recognized during the year, notably:

- Reluxco International SA for €23.9 million;
- Massalia Shopping Mall SCI for €4.2 million.

3.2.3 Other financial assets

In thousands of euros	12/31/2021	12/31/2020
Treasury shares (buyback of shares in view of their subsequent cancellation)	-	399,589
Treasury shares (external growth transaction)	-	14,334
Impairment of treasury shares	-	(985)
Other fixed assets	150,010	-
TOTAL	**150,010**	**412,938**

In accordance with the initial objective, the treasury shares acquired under the February 2019 share buyback program implemented were all canceled within 24 months of their acquisition.

Other receivables correspond to term deposits taken out to invest available cash.

3.3 TRADE AND OTHER RECEIVABLES

Receivables amounted to €19.4 million compared to €16.8 million at December 31, 2020. It includes trade and other receivables.

Trade receivables represent a gross value of €20.4 million, or €15 million on a net basis after deducting the €5.5 million allowance for doubtful debts. The net value of trade receivables at December 31, 2020 was €12.9 million.

In thousands of euros	12/31/2021	12/31/2020
Trade receivables	20,476	18,010
Allowances for bad debts	(5,452)	(5,086)
NET VALUE OF TRADE RECEIVABLES	**15,025**	**12,923**

The bulk of trade receivables are due in less than one year.

Other receivables (detailed below) represent €4.4 million on a net basis, corresponding mainly to tax credits related to government support during the Covid-19 crisis and work not yet re-invoiced to tenants in respect of the renovation of the Clermont Jaude center.

In thousands of euros	12/31/2021	12/31/2020
Tax receivables	**3,452**	**1,818**
• VAT	1,483	1,254
• Other taxes and duties	1,969	564
Other receivables	**925**	**2,095**
TOTAL	**4,376**	**3,914**

Maturity schedule of other receivables

In thousands of euros	Total	Less than one year	One to five years	More than five years
Tax receivables	**3,452**	**1,483**	**1,969**	**-**
• VAT	1,483	1,483	-	-
• Other taxes and duties	1,969	-	1,969	-
Other receivables	**925**	**925**	**-**	**-**
TOTAL	**4,376**	**2,408**	**1,969**	**-**

3.4 MARKETABLE SECURITIES AND TREASURY SHARES

Marketable securities amounted to €43.6 million, of which:

- €33.6 million in treasury shares held in connection with the liquidity agreement and performance share plans;
- €10 million in term deposits.

Information on treasury shares

At December 31, 2021, the Company held a total of 1,477,421 treasury shares (0.52% of shares in issue), with a carrying amount of €33.6 million (see note 3.2.3 and hereafter).

These treasury shares are allocated as follows:

- 39,450 shares held for the 2018 performance share plan;
- 68,869 shares held for the 2019 performance share plan;
- 115,730 shares held for the 2020 performance share plan;
- 323,003 shares earmarked on July 1, 2021 to the 2021 performance share plan;
- 930,369 shares earmarked to cover future performance share plans.

1,360,020 treasury shares held under the liquidity agreement were sold during 2021, resulting in a net gain of €3 million.

3.5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents correspond mainly to bank accounts.

3.6 PREPAID EXPENSES – DEFERRED EXPENSES

In thousands of euros	12/31/2021	12/31/2020
Prepaid expenses	**6**	**52**
Deferred expenses	**28,273**	**33,832**
• Bond issue costs	21,092	24,200
• Bank loan issue costs	7,181	9,632
Bond premiums	**29,504**	**33,527**
TOTAL	**57,783**	**67,411**

Refinancing transactions are described in note 4.3.

NOTE 4 NOTES TO BALANCE SHEET LIABILITIES

4.1 SHAREHOLDERS' EQUITY

In thousands of euros	12/31/2020	Appropriation of profit	Distribution	Other	12/31/2021
Share capital[(a)]	**419,915**	**-**	**-**	**(18,309)**[(b)]	**401,606**
Additional paid-in capital from share issues, mergers and contributions					
• Issue premiums	4,426,769	-	-	(381,280)[(b)]	4,045,489
• EOC issue premiums	174,012	-	(174,012)	-	-
• Contribution premiums	129,831	-	(113,601)	9,500[(c)]	25,730
• Merger premiums	6,873	-	(6,873)	-	-
Technical merger surplus	362	-	(362)	-	-
Share cancellation premium	-	-	-	-	-
Legal reserve	44,010	-	-	-	44,010
Other reserves					
• Untaxed reserves	-	-	-	-	-
• Other reserves	-	-	-	-	-
Retained earnings	**23,040**	**(170,135)**	-	**-**	**(147,095)**
Net income/(loss) for the year	**(170,135)**	**170,135**	**-**	**-**	**60,165**
TOTAL	**5,054,676**	**-**	**(294,848)**	**(390,089)**	**4,429,904**
(a) Composition of share capital					
Ordinary shares	*299,939,198*			*(13,078,026)*	*286,861,172*
Par value (in euros)	*1.40*				*1.40*

(b) Capital decrease by the cancellation of 13,078,026 shares.

(c) Parts of the distribution relating to treasury shares.

On January 19, 2021, June 22, 2021 and December 15, 2021, the Company canceled a total of 13,078,026 shares acquired in 2019 and 2020 under the February 2019 share buyback program (note 3.2.3). Pursuant to this transaction, the share capital was reduced to €401.6 million and issue premiums to €4,045.5 million.

In accordance with the resolutions approved by the General Meeting of Shareholders on June 17, 2021, the Company distributed a total amount of €294.8 million (including distributions payable on treasury shares). The amount distributed included €174 million in bond redemption premiums, €113.6 million in contribution premiums, and €7.2 million in merger premiums.

Distributions payable on treasury shares were allocated to retained earnings in an amount of €9.5 million.

4.2 PROVISIONS FOR CONTINGENCIES AND LOSSES

In thousands of euros	12/31/2020	Additions	Reversals	12/31/2021
Other provisions for contingencies and losses	15,345	8,150	8,260	15,235
TOTAL	**15,345**	**8,150**	**8,260**	**15,235**

Additions for the period are mainly attributable to provisions for performance share plans in the amount of €6.3 million on the basis of the average share price for the last month of the fiscal year.

Reversals of provisions mainly correspond to a reversal of a provision on the shares of Sanoux SCI for €2.6 million, a reversal of provisions for a litigation for €2.4 million, and a reversal of provisions for performance shares for €1.9 million.

4.3 LOANS AND BORROWINGS

In thousands of euros	12/31/2021	12/31/2020
Bonds	**6,112,189**	**7,001,224**
• Principal	6,070,000	6,933,211
• Accrued interest[(a)]	42,189	68,013
Bank loans and borrowings	**1,609**	**1,674**
• Credit facilities	-	-
• Accrued interest on credit facilities	480	445
• Bank overdrafts	626	113
• Accrued interest on *swaps*	503	1,115
Other loans and borrowings	**3,141,026**	**2,298,792**
• Security deposits and guarantees received	3,968	4,437
• Cash pooling	1,613,748	1,073,808
• Accrued interest on cash pooling	-	319
• Commercial paper	1,500,000	1,200,000
• Share in net income	23,310	20,227
TOTAL	**9,254,825**	**9,301,690**

(a) *Coupon payable annually depending on the due date of the loan.*

Klépierre redeemed €863.2 million worth of bonds in 2021. These operations were financed by the use of available cash and by the increase in outstanding commercial paper.

Maturity dates of borrowings as of December 31, 2021

In thousands of euros	Total	Less than one year	One to five years	More than five years
Bonds	**6,112,189**	**227,189**	**2,135,000**	**3,750,000**
• Principal	6,070,000	185,000(a)	2,135,000(b)	3,750,000(c)
• Accrued interest	42,189	42,189	-	-
Bank loans and borrowings	**1,609**	**1,609**	**-**	**-**
• Credit facilities	-	-	-	-
• Accrued interest on credit facilities	480	480	-	-
• Bank overdrafts	626	626	-	-
• Accrued interest on *swaps*	503	503	-	-
Other loans and borrowings	**3,141,026**	**3,137,058**	**-**	**3,968**
• Security deposits and guarantees received	3,968	-	-	3,968
• Cash pooling	1,613,748	1,613,748	-	-
• Accrued interest on cash pooling	-	-	-	-
• Commercial paper	1,500,000	1,500,000	-	-
• Share in net income	23,310	23,310	-	-
TOTAL	**9,254,825**	**3,365,857**	**2,135,000**	**3,753,968**

(a) *May 2022: €100,000,000, December 2022: €85,000,000.*
(b) *April 2023: €750,000,000, November 2024: €630,000,000, October 2025: €255,000,000, February 2026: €500,000,000.*
(c) *February 2027: €600,000,000, May 2027: €50,000,000, May 2029: €600,000,000, July 2030: €600,000,000, February 2031: €600,000,000, September 2031: €600,000,000, December 2032: €700,000,000.*

Klépierre SA's main credit agreements contain covenants, whose breach could result in the mandatory early repayment of the debt. As of December 31, 2021, Klépierre SA complied with all its obligations arising from its borrowings, as regards the covenants applicable to the following financing:

Financing	Ratios/covenants	Limit[(a)]	12/31/2021	12/31/2020
Syndicated loans and bilateral loans	Net debt/portfolio value ("Loan to Value")	≤ 60%	38.7%	41.4%
	EBITDA/Net interest expenses[(b)]	≥ 2.0x	8.3x	7.3x
	Secured debt/portfolio value[(c)]	≤ 20%	0.6%	0.6%
	Portfolio value[(d)]	≥ €10 bn	€17.7 bn	€18.5 bn
Bond issues	Secured debt/Revalued Net Asset Value[(c)]	≤ 50%	0.8%	0.9%

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

The above ratios are calculated on the basis of the Group's consolidated accounts.

4.4 TRADE PAYABLES

On average, suppliers are paid within approximately 38 days of receipt of the related invoice (versus 34 days at December 31, 2020).

In order to improve the readability of the balance sheet, advances and payments on invoices relating to charges on buildings are presented as a deduction from trade payables.

4.5 ACCRUED TAXES AND PAYROLL COSTS

In thousands of euros	12/31/2021	12/31/2020
Payroll and other	2,517	917
Other taxes	3,797	3,279
TOTAL	**6,315**	**4,196**

In 2021, "Other taxes" mainly correspond to VAT for €1.8 million and accrued payroll taxes for €1.3 million.

4.6 OTHER PAYABLES

Most of these payables are due in less than one year.

In thousands of euros	12/31/2021	12/31/2020
Discounts granted to customers	3,691	3,009
Deferral of payment on *swaps*	-	-
Other	3,396	4,134
TOTAL	**7,087**	**7,143**

"Discounts granted to customers" corresponds mainly to Covid-19-related rent abatements for €3.7 million including VAT (see note 1.1).

"Other" mainly corresponds to the following items:

- €1.1 million in credit notes to be issued to tenants in respect of the settlement of charges;
- €0.7 million in work to be re-invoiced to tenants for the renovation of the Clermont Jaude center;
- €0.7 million in compensation payable to directors.

4.7 PREPAID INCOME

In thousands of euros	12/31/2021	12/31/2020
Prepaid income		
• Deferral of bond issue premiums	1,102	2,035
• Key money	294	510
• Other	3,934	2,738
TOTAL	**5,330**	**5,283**

Other prepaid income corresponds to the recognition of deferred interest income on commercial paper for €2.7 million and the recognition of income from capital expenditure rebilled to tenants for €1.3 million.

4.8 CURRENCY TRANSLATION ADJUSTMENT – LIABILITIES

Currency translation adjustments recorded under liabilities correspond to the cumulative foreign exchange gains realized on currency swaps hedging USD exposure in connection with Akmerkez's Turkish assets for an amount of €6.9 million.

NOTE 5 NOTES TO INCOME STATEMENT ITEMS

5.1 NET OPERATING INCOME (EXPENSE)

At December 31, 2021, rental income amounted to €25.5 million, including €19.3 million in rent and €6.3 million in rebilled rental expenses.

Net operating expense came to €15 million, down €4.2 million compared to the net deficit of 2020, due chiefly to a €4 million decrease in rental income further to the sale of the Caen Côte de Nacre shopping center, and to €2.4 million in impairment charged against real estate assets.

5.2 SHARE OF INCOME FROM JOINT OPERATIONS

This item amounted to €97.7 million in 2021, and mainly included:

- The Company's share of 2021 net income in Cécobil SCS, Soaval SCS and Bègles Arcins SCS for €10.9 million, which was distributed in accordance with the decisions of the shareholders of the limited partnerships;
- The Company's share of 2021 net income in Bègles Papin SNC for €22.3 million, Klécar France SNC for €20.5 million, Sécovalde SCI for €10.8 million and Solorec SC for €9.8 million;
- The Company's share of the 2021 net losses recorded at Du Bassin Nord SCI and Klépierre Procurement International SNC.

5.3 NET FINANCIAL EXPENSE

The Company recorded net financial expense of €11.5 million for the year ended December 31, 2021, versus net financial expense of €221.1 million for the year ended December 31, 2020. This change mainly reflects the increase in income from equity investments, the decrease in impairment of investments due to the more positive trend in 2021 than in 2020 in the value of real estate assets held by them, and the decrease in financial expenses due to the reduction in debt.

5.3.1 Financial income

In thousands of euros	12/31/2021	12/31/2020
Income from equity investments	257,639	149,373
Interest on advances to associates	86,305	103,112
Bank interest on loans[(a)]	5,915	3,481
Interest on current accounts and deposits[(a)]	24	89
Other financial income	4,587	23,749
Swap-related and other hedging instrument expenses[(a)]	2,897	-
Reversal of financial provisions	32,132	20,188
Transferred financial expenses	335	21,119
Income from swaps not qualifying for hedge accounting[(a)]	-	8
Other foreign exchange gains	905	435
TOTAL FINANCIAL INCOME	**390,739**	**321,554**

(a) Gains and losses on swaps, interest on borrowings and cash pooling are netted.

Income from equity investments mainly corresponds to dividends in respect of 2020 received during the year, as well as to distributions of premiums received (note 3.2.1, see table of Financial information on subsidiaries and investments). The change is mainly due to the exceptional distribution of 145 million euros from Klepierre Nederland BV in 2021.

Other financial income mainly includes provisions for the re-invoicing of unvested performance shares to Group employees for €3.5 million.

As at December 31, 2021, the net income on interest rate swaps and other hedging transactions corresponds to:

- Premiums and balancing payments on swaps and hedging instruments, representing a net expense of €6.2 million;
- Net gains of €9.2 million on interest rate swaps qualifying as hedges.

Reversals of financial provisions primarily correspond to reversals of provisions for equity investments in an amount of €23.9 million (see note 3.2.1) and the reversal of provision on treasury shares for €8.2 million.

In 2021, transferred financial expenses comprise bond issue fees, recognized over the term of the bonds.

5.3.2 Financial expenses

In thousands of euros	12/31/2021	12/31/2020
Interest on bonds	94,413	125,756
Interest on associates' advances	22	67
Interest on current accounts and deposits[(a)]	458	1,310
Swap-related and *other* hedging instrument expenses[(a)]	-	2,219
Other financial expenses	8,136	27,018
Amortization of bond premiums	4,023	3,510
Amortization of loan issue costs	5,615	5,137
Additions to financial provision	288,585	377,178
Other foreign exchange losses	985	475
TOTAL FINANCIAL EXPENSES	**402,238**	**542,670**

(a) Gains and losses on swaps, interest on borrowings and cash pooling are netted.

Interest on current accounts and deposits mainly corresponds to interest from the automatic cash pooling arrangements with Klépierre Finance SAS for an amount of €0.5 million.

Other financial expenses mainly correspond to commissions on borrowings for €8 million.

Additions to financial provisions primarily correspond to provisions for equity investments in an amount of €281.4 million (see note 3.2.1) and provisions for treasury shares for €7.2 million.

5.4 NON-RECURRING EXPENSE

In thousands of euros	12/31/2021	12/31/2020
Gains and losses on disposals of investments properties and intangible assets	(824)	(9,470)
Gains and losses on disposals of equity investments	(81,494)	(5,369)
Gains and losses on disposals of treasury shares	(5,802)	(1,408)
Other non-recurring expense and income	1,461	999
Additions and reversals of provisions and impairment	94,842	7,070
Transferred non-recurring expenses	837	299
TOTAL	**9,020**	**(7,879)**

- Gains and losses on disposals of investments properties and intangible assets mostly comprises the capital loss following the disposal of a property in France.
- The items "Gains and losses on disposals of equity investments" and "Additions and reversals of provisions and impairment" mainly reflect the disposal of shares in Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH.

5.5 INCOME TAX

In thousands of euros	12/31/2021	12/31/2020
Income tax and contributions	1,640	1,249
TOTAL	**1,640**	**1,249**

In 2021, this item consists primarily of the provision for tax credits related to government support during the Covid-19 crisis.

NOTE 6 NOTES TO OFF-BALANCE SHEET COMMITMENTS

6.1 RECIPROCAL COMMITMENTS RELATING TO HEDGING INSTRUMENTS

As of December 31, 2021, Klépierre SA holds a portfolio of interest-rate hedging instruments intended to hedge a portion of current and future debt on the basis of the total funding requirements and corresponding terms set out in the Group's financing policy.

The fair value of derivative instruments is measured on the basis of data communicated by bank counterparties as of December 31, 2021.

Interest rate derivatives

	12/31/2021	
In thousands of euros	**Notionals by type of instrument**	**Fair values excluding accrued interest** *(net by type of instrument)*
Fixed payer swaps – hedging transactions	500,000	(459)
Fixed receiver swaps – hedging transactions	1,200,000	7,433
Swaps – unqualified of hedging ("isolated open position")	-	-
Caps	1,650,000	3,161

Impact on income

In thousands of euros	12/31/2021	
Interest booked	**Income**	**Expenses**
Fixed payer swaps – hedging transactions	10,532	(192)
Fixed receiver swaps – hedging transactions	1,747	(2,921)
Swaps – unqualified of hedging ("isolated open position")	-	-
Caps	-	-

6.2 OTHER COMMITMENTS

In thousands of euros	12/31/2021	12/31/2020
COMMITMENTS GIVEN		
Financial guarantees given	23,599	383,998
Other commitments given	7,160	6,929
TOTAL	**30,759**	**390,927**
COMMITMENTS RECEIVED		
Deposits received from tenants	1,326	1,234
Financing commitments received from financial institutions(1)	1,610,000	2,210,000
Commitments on sale of buildings	9,100	-
TOTAL	**1,620,426**	**2,211,234**

(1) Net of outstanding commercial paper.

The decrease in financial guarantees given is mainly due to the termination of a guarantee given by Klépierre SA to a bank related a loan granted to a subsidiary and repaid during the year.

Shareholders' agreements in respect of Bègles Arcins SCS

This agreement was entered into between Klépierre and Assurécureuil Pierre 3 on September 2, 2003, and contains provisions relating to the governance of the company, and the customary protections in the event of proposed share sales, as well as a dispute resolution clause.

Shareholders' agreement between the Klépierre Group and the main shareholders of Akmerkez (Turkish listed company)

Entered into in 2005, this agreement contains provisions governing relations between shareholders, including the composition of the Board of Directors, particularly the number of representatives of each shareholder on the Board. It also contains provisions relating to the majority required to adopt decisions which must be submitted to the Board of Directors for approval.

Shareholders' agreement between Klépierre and Vendôme Commerces SCI in respect of Cécobil SCS

Entered into on October 25, 2007 following the conversion of Cecobil SCS into a limited partnership, this agreement contains the customary protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and the change of control of a shareholder.

Klépierre is the successor to the rights and obligations of Kléber La Pérouse SNC in respect of this agreement, further to the transfer of all of its assets and liabilities to Klépierre on July 4, 2012.

Shareholders' agreements between Klépierre and Vendôme Commerces SCI in respect of Sécovalde SCI and Valdebac SCI

Entered into on October 25, 2007, this agreement contains the customary protections in the event of a proposed sale of shares to a third party (first refusal and full tag-along rights) and the change of control of a shareholder.

The agreement was amended via addenda on December 29, 2008 and November 23, 2010, and is also applicable to Valdebac SCI since December 8, 2010, the date on which more than 99.99% of the shares were transferred from Kléber La Pérouse SNC and Vendôme Commerces SCI to Sécovalde SCI. Consequently, the shareholders' agreement exclusively concerning Valdebac SCI, entered into by Kléber La Pérouse SNC and Vendôme Commerces on June 21, 2010, was terminated on December 8, 2010.

Klépierre is the successor to the rights and obligations of Kléber La Pérouse SNC in respect of this agreement, further to the transfer of all of its assets and liabilities to Klépierre on July 4, 2012.

Shareholders' agreements between Klépierre, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia

With regard to Clivia, the agreement dated December 14, 2007 initially concluded for a period of ten years was tacitly renewed for a further ten-year period. The agreement contains provisions for a right of first refusal in the event of a sale of shares to third parties and a tag-along right, as well as provisions relating to the governance of the company and to the majority required to approve certain company decisions.

Shareholders' agreements between Klépierre and Stichting Pensioenfonds ABP in respect of Swedish company Nordica Holdco AB, and Norwegian companies Storm Holding Norway AS and Steen & Strøm

Shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.

This agreement was entered into on July 25, 2008 and was amended on October 7, 2008. It contains the customary protections for non-controlling interests: qualified majority voting for certain decisions, call option in the event of deadlock and tag-along rights, as well as the following provisions:

- A one-year lock-up period applied to Steen & Strøm shares from the date of acquisition;
- Each party has a right of first offer on any shares which the other party wishes to transfer to a third party. However, if the shares are transferred by a party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer;
- From the sixth year following the acquisition, either party may request a meeting of shareholders to vote on the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the company. The vote will be subject to a two-thirds majority;
- Through deeds of adherence dated December 23, 2009, Storm ABP Holding BV and APG Strategic Real Estate Pool NV became party to the shareholders' agreement;
- Through a deed of adherence dated September 30, 2011, Stichting Depositary APG Real Estate Pool became party to the shareholders' agreement.

Shareholders' agreement between Klépierre and Torelli in respect of Holding Klege

Entered into on November 24, 2008, the agreement contains the customary provisions governing share capital transactions, decision-making and the right to information. Both parties have pre-emption rights in the event of a proposed sale of shares in the company to a third party.

Each partner has the right to appoint the same number of members to the Board of Directors. The Chairman is appointed for a period of twelve continuous months on an alternating basis with the partner. All decisions are adopted on simple majority.

Shareholders' agreement between Klépierre and Cardif Assurance Vie in respect of Portes de Claye SCI

Entered into on April 16, 2012, this agreement contains provisions governing relations between the company's shareholders.

It provides for the customary protections in the event of a proposed sale of shares to a third party:

- Reciprocal pre-emption right;
- Reciprocal full tag-along right;
- Full tag-along obligation for non-controlling shareholders in the event the controlling shareholder plans to sell its full equity stake.

It also gives non-controlling shareholders a right of first offer in the event of a sale of assets by the Company.

Klécar France SNC became the successor to the rights and obligations of KC 2 SNC in respect of this agreement following the transfer of all of its assets and liabilities to Klécar France SNC on June 5, 2012.

Klépierre is the successor to the rights and obligations of Klécar France SNC in respect of this agreement following the transfer of its stake in Portes de Claye SCI to Klépierre.

Shareholders' agreement between Klépierre, Klépierre Massalia SAS and Lacydon SA in respect of Massalia Invest SCI and Massalia Shopping Mall SCI

Entered into on November 14, 2014, this agreement contains provisions governing relations between the shareholders of said companies, particularly with respect to the governance of Massalia Invest SCI and Massalia Shopping Mall SCI, the terms relating to the sale and divestment by shareholders of their investment in Massalia Invest SCI (right of first refusal, tag-along right, change of control clause, call option) and the conditions and main methods of funding of Massalia Invest SCI and Massalia Shopping Mall SCI.

An amendment dated September 27, 2017 modified the rules applicable to the management committee when voting on decisions relating to the shopping center's food superstore.

Shareholders' agreement between Klépierre and Allianz Levenversicherun Gs-Aktiengesellschaft in respect of Italian Shopping Centre Investment

Entered into on August 5, 2016, the agreement contains provisions governing the relationship between shareholders, including decisions which must be submitted to shareholders for approval. It includes a right of first offer and a "deadlock" dispute resolution clause.

Shareholders' agreement between Klépierre and Icade in respect of SCI du Bassin Nord

SCI du Bassin Nord is jointly and equally held by Klépierre SA and Icade, and is jointly managed. The co-managing directors' compensation is approved by collective decision of the shareholders, who can only withdraw totally or partially when unanimously authorized by the other shareholder.

Shareholders' agreement between Klépierre and Holprim's in respect of Kléprim's

Entered into on September 24, 2010, the agreement gives Kléprojet 1 exit rights if the conditions precedent are not met, as well as the customary protections in the event of a proposed sale of shares to a third party (first refusal and full-tag along rights), change of control of a shareholder and other provisions governing relations between shareholders.

Shareholders' agreement between Klépierre and Cardif, Union de Gestion Immobilière, in respect of Secar SC

Entered into on December 13, 2019, this agreement contains provisions relating to the governance of the company, and provides for the customary protections in the event of proposed share sales (first refusal, full tag-along rights, forced tag-along rights), and in particular in the event of the termination of the asset management mandate held by Klépierre Management.

Shareholders' agreement between Klépierre and Advanced Retail SAS in respect of Ventura SAS

Entered into on June 9, 2021, this pact contains provisions relating to the governance of the company, and the customary protections in the event of proposed share sales.

Shareholders' agreement between Klépierre and Nous Epiceries Anti-Gaspi SAS in respect of Antigaspi & K SAS and NEAG Boulogne SAS

Entered into on July 28, 2021, this agreement contains provisions relating to the governance of the company, and the customary protections in the event of proposed share sales.

Shareholders' agreement between Klépierre and Lobsta SAS in respect of Lobsta & K SAS

Entered into on July 30, 2021, this agreement contains provisions relating to the governance of the company, and the customary protections in the event of proposed share sales.

NOTE 7 OTHER DISCLOSURES

7.1 CASH POOLING

On November 30, 2000, Klépierre SA joined a cash pool managed by Klépierre Finance SAS. A new agreement was entered into for the cash pool on April 5, 2017. At December 31, 2021, Klépierre SA's liability with respect to the cash pool with Klépierre Finance SAS amounted to €1,613.7 million.

7.2 HEADCOUNT

At December 31, 2021, Klépierre SA has no employees.

7.3 LOANS AND GUARANTEES IN RESPECT OF EXECUTIVE BOARD AND SUPERVISORY BOARD MEMBERS

None.

7.4 COMPENSATION PAID TO CORPORATE OFFICERS AND SUPERVISORY BOARD MEMBERS

Klépierre SA, the parent company of the Klépierre Group, is a French joint-stock corporation (*société anonyme*) with a dual governance structure comprising an Executive Board and a Supervisory Board.

Gross compensation paid to corporate officers for 2021 amounted to €2,437,950.

Compensation allocated to Supervisory Board members in respect of fiscal year 2021 totaled €688,000, including €100,367 corresponding to the gross annual amount allocated to the Chairman of the Supervisory Board in respect of 2021.

7.5 INFORMATION ON CONSOLIDATION AND TRANSACTIONS WITH RELATED PARTIES

Klépierre SA's company financial statements are fully consolidated by the Klépierre Group, of which it is the consolidating entity.

As of December 31, 2021, the Klépierre Group is accounted for under the equity method by Simon Property Group and APG, which at that date held 22.28% and 6.15% stakes in the share capital of Klépierre (including treasury shares), respectively.

Transactions with related parties are conducted at arm's length terms.

7.6 SUBSEQUENT EVENTS

Following the completion of €342 million in disposals in December 2021, in early January Klépierre launched a tender offer on two of its shortest public bonds maturing in April 2023 (€750 million bearing a 1% coupon) and November 2024 (€630 million bearing a 1.75% coupon). This transaction was aimed at reducing the cash position while repaying debt. At the end of the offer, €297 million worth of notes were presented and tendered by the Company, including €226 million on the April 2023 tranche and €71 million on the November 2024 tranche. The notes were redeemed and canceled on January 18, 2022.

4.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To annual general meeting of KLÉPIERRE

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of KLÉPIERRE for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the KLÉPIERRE as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "*Statutory Auditors' Responsibilities for the Audit of the Financial Statements*" section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (Code de commerce) and the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes), for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the COVID-19 pandemic, the financial statements for this period have been prepared and audited under special circumstances. Indeed, this crisis and the exceptional measures taken in the context of the health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties regarding their future prospects. Some of these measures, such as travel restrictions and remote working, have also had an impact on companies' internal organization and the performance of audits.

It is in this complex, evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Impairment of equity investments

RISK IDENTIFIED	OUR RESPONSE
As at December 31, 2021, KLÉPIERRE holds equity investments for a net amount of €7,967,624 thousand after impairment of €1,750,028 thousand, in companies mainly owning shopping centers. As detailed in Note 2.3.3 of the financial statements, impairment tests for equity investments of real estate companies are based on revalued net assets calculated by considering mainly the appraisal value of the real estate assets owned. The valuations of real estate assets retained by management are determined by independent appraisers, internal appraisals or based on the value of sale commitments. These values incorporate many assumptions and estimates, in particular projected rent changes, discount rates and exit rates, estimated market rent levels, as well as recent transactions. Determining the appraised value of investment properties of real estate companies requires significant judgement, more particularly in the context of the COVID-19 pandemic. Therefore, the impairment of equity investments is considered to be a key audit matter due to the significance of the item in the financial statements as a whole, combined with the judgement exercised in determining the net asset values. Please refer to Notes 1.1, 2.3.3 and 3.2.1 to the financial statements.	We obtained an understanding of management's controls relating to the calculation of revalued net assets of equity investments. With respect to the valuation of the underlying real estate assets, we considered management's controls on the data used for these valuations and the controls concerning the analysis of changes in value compared with prior periods. We tested the efficiency of the controls that we considered to be most relevant. We assessed the competence and independence of the independent appraisers. With our specialists in real estate appraisal included in the audit team, we participated in meetings with independent appraisers, in order to understand the methodology adopted and the main assumptions used underlying the valuation of real estate assets, including in particular expected rents and market yields. We examined how recent market transactions were taken into account by the independent appraisers and we considered the potential impact of the COVID-19 pandemic on the projection of revenues in the discounted cash-flow model. We performed analytical procedures by comparing the valuations with those of prior periods, as well as the assumptions used, such as discount rates and exit rates with the relevant market data. We carried out specific procedures on real estate assets whose valuation and, where applicable, variations were significant, as well as those whose assumptions and variations were atypical. In this context, together with our specialists in real estate appraisal, we reviewed the main parameters used by the independent appraisers, such as projected rent changes, market rent levels, discount rates and exit rates. Interviews with management were conducted when necessary. On a sample of equity investments, we recomputed the revalued net asset amounts based on the valuation of the underlying real estate assets. We also assessed the correct calculation of impairment for the equity investments.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the executive board and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the supervisory board's report on corporate governance sets out the information required by Article L. 225-37-4, L. 22-10-9 and L. 22-10-10 the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (Code de commerce) relating to remuneration and benefits received by or awarded to the members of the executive board and of the supervisory board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlled enterprises included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (Code de commerce), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the chairman of the executive board , complies with the single electronic format defined in the Commission Delegated Regulation (EU) No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of KLÉPIERRE by the annual general meeting held on June 28, 2006 for Deloitte & Associés and held on April 19, 2016 for ERNST & YOUNG Audit.

As at December 31, 2021, Deloitte & Associés was in its sixteenth year of total uninterrupted engagement and ERNST & YOUNG Audit was in its sixth year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by executive board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 29, 2022
The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit
Damien Leurent	Emmanuel Proudhon	Bernard Heller

4.5 REPORT OF THE SUPERVISORY BOARD TO THE ANNUAL COMBINED GENERAL MEETING TO BE HELD ON APRIL 26, 2022

IN RESPECT OF THE MANAGEMENT REPORT AND FINANCIAL STATEMENTS AS AT DECEMBER 31, 2021

Dear Shareholders,

Pursuant to the provisions of article L. 225-68 of the French Commercial Code, we are required to present to the Annual General Meeting our observations on the management report of the Executive Board and on the company and consolidated financial statements as at December 31, 2021 as established by the Executive Board.

We have duly been provided with the company and consolidated financial statements as well as the management report of the Executive Board within three months after the end of the financial year.

The Supervisory Board has also been kept regularly informed by the Executive Board about the operations and business of the Company and its group, and has carried out, for the purposes of its duties, the necessary audits and controls. The Supervisory Board was able to perform its duties after having examined the recommendations made by its specialized committees (Investment Committee, Audit Committee, Nominations and Compensation Committee and Sustainable Development Committee).

After having examined the recommendations made by the Audit Committee on February 14, 2022, we have no observation to make regarding the Executive Board's report and/or the company and consolidated financial statements as at December 31, 2021.

We wish to thank most sincerely the Executive Board and all employees for their hard work and efforts in 2021.

On February 15, 2022

The Supervisory Board

4.6 OTHER INFORMATION

4.6.1 Financial summary for the past five fiscal years (data provided pursuant to Article R. 225-102 of the French Commercial Code)

in € **TOPIC NAMES**	**12/31/2021**	**12/31/2020**	**12/31/2019**	**12/31/2018**	**12/31/2017**
CAPITAL AT YEAR-END					
Share capital	401,605,641	419,914,877	423,729,733	440,098,488	440,098,488
Number of existing ordinary shares	286,861,172	299,939,198	302,664,095	314,356,063	314,356,063
TRANSACTION AND INCOME FOR THE FISCAL YEARS					
Pre-tax revenues	26,346,644	30,825,521	37,514,455	35,837,366	35,069,108
Earnings before tax, employee profit-sharing, amortization and provisions	243,444,885	204,206,417	766,727,962	566,377,797	158,692,858
Coporate income tax	(1,639,729)	(1,249,201)	2,000,073	(2,636,003)	(18,142,909)
Earnings after tax, employee profit-sharing, amortization and provisions	60,165,268	(170,134,750)	317,738,694	350,223,680	269,749,180
Dividends paid	0[1]	0[2]	665,861,009	660,147,732	616,137,883
EARNINGS PER SHARE					
Earnings before tax, employee profit-sharing, amortization and provisions	0.85	0.68	2.53	1.80	0.50
Earnings after tax, employee profit-sharing, amortization and provisions	0.21	(0.57)	1.05	1.11	0.86
Net dividend per share	0[1]	0[2]	2.20	2.10	1.96
PERSONNEL[3]					
Average labor force employed during the fiscal year,	3.0	2.1	2.4	3.6	3.8
Total payroll and employee benefits	5,068,440	2,343,761	3,517,997	3,488,169	1,887,157

(1) Amount to be distributed deducted from available equity premiums , subject to the approval of the shareholders at the Annual General Meeting on April 26, 2022: €1.70 per share.
(2) Amount distributed deducted from available equity premiums : €294,848,054 (corresponding to €1 per share).
(3) The average labor force and the related payroll and employee benefits include corporate officers who don't have an employment contract.

4.6.2 Acquisition of equity holdings and movements in equity securities impacting the corporate financial statements of Klépierre SA

No significant new shareholdings or takeovers are to be reported in 2021.

4.6.3 Average supplier payment period and of customers (data provided pursuant to Article L. 441-6-1 of the French Commercial Code)

On average, suppliers are paid approximately 38 days from the receipt date.

As at December 31, 2021, Klepierre's suppliers balances stand at €2.2 million to be paid no later than February 7, 2022.

Unpaid invoices received and issued at the balance sheet date for the year in which the term has expired.

	Article D. 441 I. -1°: Invoices received but not paid at the closing date of the fiscal year for which the term has expired						**Article D. 441 I. -2°: Unpaid invoices issued at the closing date of the fiscal year for which the term has expired**					
In €	**0 day (optional)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (one day and more)**	**0 day (optional)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (one day and more)**
(A) LATE PAYMENT INSTALMENTS												
Number of invoices concerned	0					**0**	0					**1,988**
Total amount of invoices concerned (including VAT)	-	0	0	0	21,411	**21,411**	1,597	123,797	64,872	69,040	10,356,707	**10,614,416**
Percentage of total purchases for the year (including VAT)	0%	0%	0%	0%	0%	**0%**						
Percentage of sales for the financial year (including VAT)							0.00%	0.37%	0.19%	0.21%	31.12%	**31.89%**
(B) INVOICES EXCLUDED FROM (A) RELATING TO DISPUTED OR UNRECOGNISED DEBTS AND RECEIVABLES												
Number of invoices excluded	12						0					
Total amount of invoices excluded (including VAT)	235,638						0					
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUEL OR EGAL TERM - ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE COMMERCIAL CODE)												
Payment terms used to calculate payment delays	** deadlines: 45 days*						** deadlines: 45 days*					

4.6.4 Outcome of the share buyback program (data provided pursuant to Article L. 225-211 of the French Commercial Code)

In number of treasury shares	**Liquidity**	**Future bonus shares**	**Bonus shares**	**External growth**	**Share buy-back program**	**Total**
POSITION AT 12/31/2020	**53,500**	**631,374**	**244,774**	**706,442**	**13,078,026**	**14,714,116**
Bonus share plan adjustements[(1)]		298,995	407,447	(706,442)		-
Allocations exercised during the year			(105,169)			(105,169)
Cancellation of shares					(13,078,026)	(13,078,026)
Purchases	1,306,520					1,306,520
Sales	(1,360,020)					(1,360,020)
POSITION AT 12/31/2021	**-**	**930,369**	**547,052**	**-**	**-**	**1,477,421**

(1) Updating of the number of beneficiaries to reflect employee turnover

During 2021 as whole, 1,306,520 shares were bought back at an average price per share of €21.03 and 1,360,020 shares were sold at an average price per share of €21.05. At December 31, 2021, Klépierre held 1,477,421 of its own shares (directly or indirectly) representing a total value of €33.6 million based on book value and €2.1 million at par value.

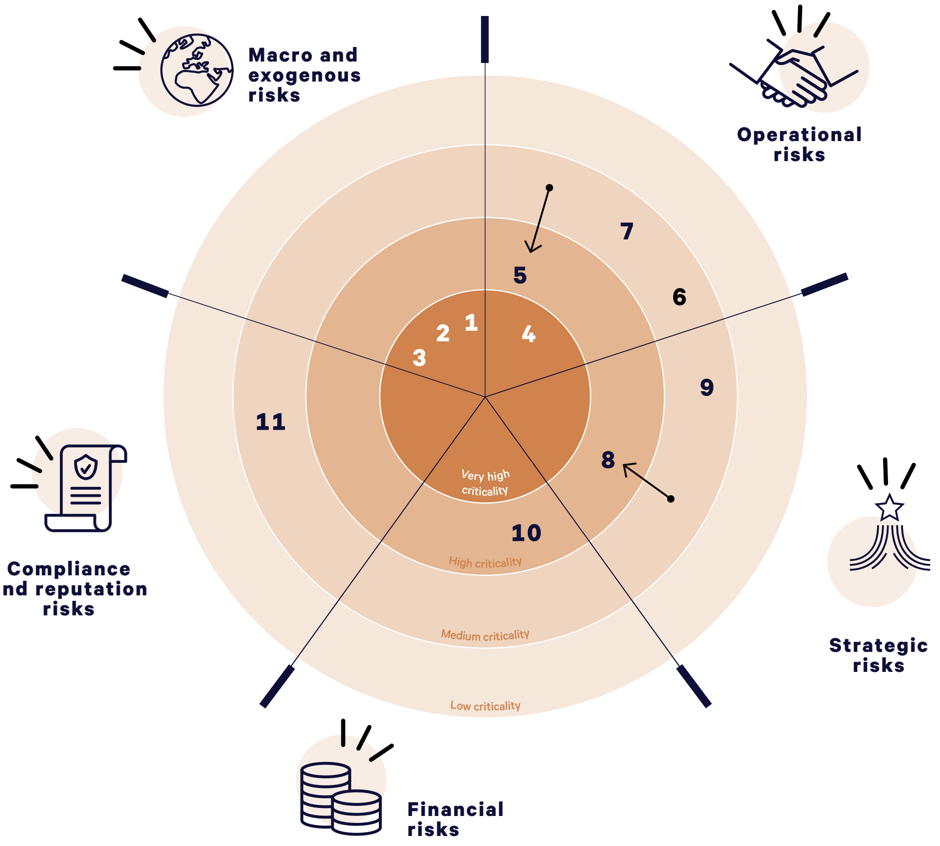
5

Risk and Control

5 Risk and Control

5.1 KEY RISK FACTORS

CRITICALITY MAP



Risk categories		Main risks	Related strategic priority(ies)	Residual criticality*	Year-on-year criticality change
Macro and exogenous	1	Macro-environment	↻ €	Very high	→
	2	Consumption habits	👏 🏅	Very high	→
	3	Customers (retailers)	↻ 🏅	Very high	→
Operational	4	Health, safety and security	👏 🏅	Very high	→
	5	Human capital	👏 🏅	High	↗
	6	Suppliers, service providers, JV partners and co-owners	👏 🏅	Medium	→
	7	Real estate development	↻ €	Medium	→
Strategic	8	Property investment market and asset rotation	↻ €	High	↗
	9	Climate change	👏	Medium	→
Financial	10	Financing and liquidity	€	High	→
Compliance and reputation	11	Regulatory & Compliance	👏 🏅	Medium	→

Klépierre's strategic priorities: ...

👏 *CSR Engagement* ↻ *Capital allocation* € *Financial discipline* 🏅 *Operational excellence*

**Residual criticality (= impact x probability)*

Low	Medium	High	Very high

5.1.1 Introduction

Investors are advised to carefully review each of the risks described below as well as all the information contained in this Universal Registration Document. The risks and uncertainties set out here are not the only ones faced by the Group. Other risks and uncertainties, of which the Group is not currently aware, or does not consider material or specific, may also have an unfavorable impact on its business, financial situation and results.

The material and specific risks to the Group are presented below, grouped into five categories: macro and exogenous risks, strategic risks, operational risks, financial risks, and compliance and reputation risks.

These risks have been selected on the basis of their "gross" impact and probability before taking into account risk management and internal control mechanisms set in place by the Group. Such risks are presented in the table below according to their "residual" criticality estimated in terms of impact and probability. Residual criticality factors in all the measures taken by the Group to reduce their occurrence or impact as well as the internal and external factors that mitigate them.

Within each category, risks are presented as follows:

- In the form of residual criticality, or net risk (i.e., gross risk after taking into account the effectiveness of mitigation, prevention and protection measures);
- In relation to the Group's strategic priorities to which the risk is linked; and
- With an indication of a change in criticality from last year, if any.

For each of these risks, while examining the Group's 2021 risk map, the Supervisory Board, based on a recommendation by the Audit Committee, reviewed the level of their impact if they materialize, the probability of their occurrence, and the risk management and control mechanisms associated with them.

Compared to the 2020 Universal Registration Document, the update of the risk mapping in 2021 has led to changes in the presentation of principal risk factors, but, also for the following risks, in their categorization, naming and/or evaluation:

- **Human capital risk** has been reassessed due to greater difficulties in retaining talent/pressure on wages/scarcity of resources in the labor market. The risk mitigation action plan has been redesigned based on the 2021-2023 roadmap developed by the Group HR department;
- **Property investment market and asset rotation risk** has been redefined and reassessed considering the historically low transaction volume for shopping centers used by appraiser to benchmark the fair value of properties;
- **Regulatory and compliance risk** is the result of two risks in the same category that have been merged; and
- **Suppliers, service providers, JV partners and co-owners** is the new name of the former "Stakeholders" risk, with Customers (retailers) being kept as a separate risk.

Non-financial risks which are not significant or specific are described in the non-financial performance statement section of this Universal Registration Document (section 3.1.2 – Managing key trends, risks, and opportunities).

5.1.2 Summary of principal risk factors

5.1.2.1 Macro and exogenous risks

1 — MACRO-ENVIRONMENT (ECONOMIC, DEMOGRAPHIC, POLITICAL)

Capital allocation

Financial discipline

Related strategic priority(ies)

Residual criticality

→

Year-on-year criticality change

Description

In every country in which the Group does business, the success of its operations is dependent on the key macroeconomic indicators that underpin the commercial real estate markets: GDP growth, purchasing power, consumption, inflation, exchange rates, unemployment, urban growth, local demographic factors and geopolitical stability.

Impacts

A negative macroeconomic outlook – especially its consequences on the labor market and purchasing power – is likely to manifest itself in lower footfall and a fall in tenant sales in Klépierre's malls. This could diminish Klépierre's ability to increase rents at lease renewal date and may require Klépierre to grant temporary rent relief to alleviate occupancy costs. Variable income, based on retailer sales, would also be automatically reduced. Should deflationary pressures settle in for a several years, it could lead retailers to default their rental obligations and close some stores. Falling rental income and higher vacancy rates could penalize asset values and appeal on the investment market. In countries outside the eurozone where rents are denominated in euro, a change in the exchange rate could have a negative impact on operating and financial costs for the retailers making the passing rental conditions less sustainable leading potentially in the medium term to lower rent, more vacancy and lower asset value. In countries outside the eurozone where rents are denominated in local currency, a change in the exchange rate could have an impact on the value of the property in euro for the portion not hedged with financial instruments (loans, currency swap, etc.).

A sudden or unexpected deterioration in the geopolitical environment of one or several of the countries in which Klépierre operates could have adverse consequences on the Group's activity, return on investments or value of the assets concerned.

Risk mitigation measures

The diversified nature of Klépierre's portfolio, with more than 100 assets across numerous European countries and many thousands of tenants representing all retail sectors, mitigates risks associated with adverse changes in macroeconomic conditions in any one market. Rents paid by the top ten tenants represent only 13% of Klépierre's revenue.

The Group's main tenants represent the leading companies in their sector. All tenants are subject to a financial health review before signing lease contracts and must provide financial guarantees. The use of long-term leases with a high portion of minimum guaranteed rents provides a stable rental income, with only a minority of early exit clauses activated.

Assets are based in thriving urban locations and can generally be accessed within 30 minutes by one million people, ensuring a satisfactory catchment area overall, including in times of a downturn in the consumer spending cycle.

Asset performance is regularly monitored by asset managers and individual business plans are updated annually for all the malls.

Asset disposals are executed regularly to streamline the portfolio, which also enables the Group to verify the accuracy of the valuations reported in its accounting books.

Eventually, Klépierre regularly renews the merchandising mix of its shopping centers and adapts the offering to macroeconomic trends to meet customers' expectations. For example, the Group ensures that the retail brands in its shopping centers are adapted to household income in each catchment area.

New developments

Since spring 2021, the Covid-19 pandemic has declined on the back of vaccination measures. Meanwhile, the economic outlook has improved and GDP growth in the eurozone is expected to reach 4.3% in 2022. International trade and tourism are gradually recovering while unemployment and bankruptcies have been contained. However, the overall impact of the pandemic is not yet known and some consequences are longer lasting, such as the decrease in footfall at some malls located on transport hubs and touristic areas, which have not yet returned to its pre-crisis level.

The invasion of Ukraine by the Russian Federation on February 24, 2022 immediately threw commodity and financial markets into turmoil. The most striking development has been that energy costs have become a major concern for both retailers and consumers. While it is still too early to measure the full extent of the impact of the geopolitical crisis on the economy, it will undoubtedly severely hamper global growth and drive a sharp rise in inflation, bringing the risk of stagflation in its wake. The disruption in certain supply chains as a direct result of the conflict or of the sanctions adopted against Russia could also affect the ability of certain retailers to operate under satisfactory conditions.

Klépierre does not have operations in any of the countries in the current conflict zone.

The increase in the cost of energy and certain raw materials could adversely impact the Group. However, a number of measures have already been taken to stem the effect of these higher costs, including:

- securing energy purchase volumes in France until the end of 2022;
- adjusting uncommitted development projects (for which contracts have not yet been signed) in order to:
  - assess potential additional costs and adjust budgets accordingly,
  - prioritize locally available materials in the specifications,
  - modify if possible certain provisions in the design phase.

Tension in energy and commodity markets could also affect the profitability of the Group's customers.

If inflation is not sufficiently offset by wage increases or government support measures, there is also the possibility that consumers' purchasing power will be eroded.

Any such loss of purchasing power generally affects discretionary purchases such as vacations, culture and eating out, whereas the Group's shopping centers are mainly positioned to meet every day needs like food, clothing, cleaning and healthcare products and affordable restaurants.

If this adverse situation were to deteriorate over a prolonged period, it could result in the Group's retailers defaulting on payments or even filing for bankruptcy.

It should be noted that the leases signed by the Group include an annual indexation clause based on the regulations specific to each country, designed to enable rents billed to increase in line with inflation.

This section was not included in the Management Report as approved by the Executive Board on February 15, 2022.

2 — CONSUMPTION HABITS

CSR Engagement

Operational excellence

Related strategic priority(ies)

Residual criticality

➜

Year-on-year criticality change

Description

Technology-driven changes in consumer habits have seen e-commerce take hold across the markets in which Klépierre operates, prompting many retailers to adjust their business models and close some of their brick-and-mortar portfolio.

At the same time, consumers are becoming more environmentally and socially aware, which may ultimately affect how – and how much – they consume. Lastly, certain consumers are redirecting a portion of their budgets and free time to other types of activities (travel, sports, etc.).

Impacts

The continued growth of online retail may have a negative impact on footfall and tenant sales, cause a disruption in some retail segments or render some stores unprofitable. This could impact demand for new retail space as brick-and-mortar retailers move their operations online. The growth in consumers' environmental awareness and the reallocation of their available resources (time and money) could have an impact on the profitability of certain tenants and in time, on the relevance of their presence in shopping centers (especially in view of the growing trend to buy used rather than new goods). Consequently, increasing vacancy rates and downward pressure on rents would affect rental income and asset values.

Risk mitigation measures

For many years now, through asset rotation Klépierre has refocused its portfolio of shopping centers to key locations in order to be less exposed to secondary retail destinations where sales per square meter are low and leasing demand is limited. The portfolio comprises flagship retail destinations where large national and international retailers operate among their best and most profitable stores.

To meet customers' expectations, a growing number of retailers have developed an omnichannel strategy which can be defined as a leading and nurturing customer engagement approach. As part of this strategy, retailers give customers access to their products, offers and support services on all available channels, platforms and devices. The customer can be shopping online from a desktop or mobile device, by phone or in a brick-and-mortar store and the experience is meant to be equally seamless.

Taking advantage of the new omnichannel environment means selecting retailers that are agile and fast enough to offer an enhanced, quality-driven online and offline customer experience. The Group also facilitates these trends by supporting retailers in transforming their store formats and enhancing their appeal.

Klépierre also leverages digital technology to offer both new services to its retailers and shoppers and use data to monitor the changing needs of its customers and thereby better meet their expectations.

The Group implements a series of initiatives aimed at giving customers more reasons to visit, or stay longer, in its malls: beyond constantly adapting the retail offering, these initiatives include creating entertaining concepts and events, enhancing the food offering, and enriching the customer journey. Particularly, in 2021, Klépierre launched its "Value for Money" initiative, aiming at providing consumers with attractive shopping deals, discounts and exclusive offers on a permanent basis, in order to help them cope with an increasingly challenging economic environment. The Group also put in place shopping omnichannel hubs that combine the possibility to shop online and pick up purchases in a dedicated physical space with additional omnichannel services (lockers, fitting rooms, concierge, etc.). A delivery service will also be available.

Through Act for Good®, its ambitious CSR strategy, Klépierre also aims to promote sustainable retail and increase the contribution of its malls to local economies and communities through spaces dedicated to local initiatives, job forums as well as charity events. More generally, Act for Good® aims at fostering actions destined to positively impacting people, territories and our planet.

New developments

With developments in the pandemic having permitted the easing of travel restrictions and security measures in most countries, today's challenge is to analyze and engage as a corporate citizen to better understand the new behaviors, needs and purchasing habits that have emerged over the past two years.

Identifying some of these new behaviors has enabled the Group to put in place new solutions, such as the "Value for Money" initiative, the loyalty program, Act for Good® and omnichannel service centers.

Klépierre has also launched a Europe-wide loyalty program, to which 25 shopping centers had already signed by the end of 2021. Such program leverages new digital possibilities to offer consumers additional and pertinent benefits to enhance loyalty and position its shopping centers as the consumers' shopping destination of choice.

Lastly, Klépierre has developed a fully digital in-house tool to optimize the management of relations with retailers. This state-of-the-art solution will make it easier to communicate with the retail community and employees in the malls, helping them reduce time spent on routine tasks, and ultimately enhancing their ability to service consumers.

3 — CUSTOMERS (RETAILERS)

Capital allocation

Operational excellence

Related strategic priority(ies)

Residual criticality

➜

Year-on-year criticality change

Description

Klépierre's success is intrinsically linked to that of the tenants in its shopping centers. They are confronted with transformation challenges in their industry, and most of the risks that concern them could have an impact on the Group's results. It is therefore essential to select shopping center tenants based on the appeal of their concepts and offerings, the overall consistency of the merchandise mix for a given shopping center and its financial solidity.

The Group's human capital comprises its employees, their knowledge, personalities, values and expertise. Our human capital is a key performance driver that must be secured and upgraded against a backdrop of social and economic change. The main risk for Klépierre is the loss of knowledge and talent that could occur if the Group fails to offer its employees a first-class career path. Attracting, training and retaining talent is a high priority.

Impacts

The rents paid by Klépierre's tenants represent nearly all of the Group's operating income. The inability of one of Klépierre's major tenants to pay its rent could substantially impact Klépierre's revenue. Some leases include a variable share of the rent indexed to the retailer's sales: a decrease in retailer sales would therefore also reduce Klépierre's earnings.

The retailer mix in malls affects attractiveness for visitors, and therefore profitability. The loss of an anchor retailer in a given shopping center could have a knock-on effect and lead to the departure of other tenants, adversely impacting Klépierre's revenue and by extension, the value of its assets.

Changes in the competitive retail landscape could result in an increasing concentration of retailers' physical points of sale at locations considered strategic for their business models. Failing to adequately reposition Klépierre's portfolio or realign its geographical footprint with that of its retailers could lead to higher vacancy rates at Klépierre malls and consequently, a decrease in the value of its assets.

Risk mitigation measures

Diversifying Klépierre's portfolio serves to limit its exposure to a bankruptcy or the departure of a key customer. The top ten retailers only represent 13% of invoiced rents in terms of their contributions to rental income.

Klépierre's strategy of focusing its asset portfolio on thriving, fast-growing catchment areas is consistent with retailers' drive to reposition their physical points of sale in prime locations.

The health crisis has propelled the increase of customer online sales and has blurred the lines between physical and digital sales. The merger of these streams has pushed most tenants to adapt an omnichannel strategy where sourcing, distribution, marketing, sales and delivery are all interconnected. By working closely with leading national and international brands and continually upgrading the merchandizing mix, we are positioning our portfolio to cater to the needs of an omnichannel ecosystem.

Klépierre's international footprint covering over 100 assets in more than ten countries is also a gateway to new markets for expanding retailers.

The average financial vacancy which has peaked in August 2021 is now in a downward trend, showing significant customer demand for our portfolio.

New developments

2021 was another challenging year for Klépierre's tenants, with different degrees of severity depending on the sectors and countries concerned. Some were forced to close off-and-on for part of the year following government-ordered measures. When stores reopened overall sales reached close to 2019 figures, but footfall continued to lag behind (see above, "Consumption habits" risk).

The calculation of variable rents – indexed to retailer sales – was directly impacted by the downturn in business. Fixed rents relating to periods of government-ordered closure were renegotiated on a case-by-case basis, leading the Group to grant certain goodwill concessions (monthly rather than quarterly billing, rent abatements, etc.).

Additionally, with a view to continue attracting the most performing retailers, Klépierre wishes to expand its services with the launch of a digital application aimed at better managing the relationship with store managers and their teams. The application to be proposed to Klépierre's shopping centers is a top-of-the-line, proprietary development that will allow them to minimize the time spent on daily tasks, and ultimately better service the shoppers.

5.1.2.2 Operational risks

4 — HEALTH, SAFETY AND SECURITY

CSR Engagement

Operational excellence

Related strategic priority(ies)

Residual criticality

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Year-on-year criticality change

Description

As publicly accessible buildings, Klépierre's shopping centers are exposed to health, safety and security risks the occurrence of which may adversely affect the shopping centers' image, business or performance (or Klépierre's as a whole). Material health, safety and security risks include:

- A terrorist attack taking place within a shopping center site or its immediate surroundings;
- Health risks associated with contaminants or the spread of bacteria and viruses;
- An abrupt or severe deterioration of public order within a shopping center site or its immediate surroundings;
- Small-scale crime, theft or antisocial behavior taking place within a shopping center or its immediate surroundings;
- Buildings or equipment becoming physically or technically obsolescent;
- A building collapse or severe structural damage to a shopping center due to unforeseen circumstances;
- A fire breaking out within a shopping center;
- Visitor accidents due to falls or to the failure of certain equipment (lifts, escalators, etc.).

Impacts

Failure to comply with relevant health and safety legislation or to protect people and assets against external safety and security threats could result in legal action or penalties for non-compliance.

Shopping centers may also be subjected to temporary closure following a major health, safety or security incident, leading to a loss of business. Visitors and retailer employees may no longer feel safe within the shopping center and the surrounding area, leading to an adverse impact on the center's image and therefore on footfall and retailer sales, and on the Group's ability to retain or attract its customers.

Risk mitigation measures

Klépierre's mitigation strategy focuses on the four following intervention points:

Prevention

The Group implemented preventive actions in accordance with its operating procedures covering significant health, safety and security risks. These include measures such as building structure audits, seismic surveys in the areas concerned, hot work permits, air and water quality analyses as well as preventive installations such as security railings, fire/intrusion/gas alarms, anti-ram-car protection, etc.

Other preventative actions include the protection of sensitive areas (technical equipment, control rooms, offices, waste areas, etc.) and regular maintenance of equipment and upgrading of centers' video surveillance systems.

Shopping centers also provide the local police and fire service with round-the-clock access to all relevant support documents in the event of on-site emergency intervention.

Training

Shopping center directors and technical managers are trained or reskilled through face-to-face sessions managed by the Group's security & safety department or remotely through the Klépierre University's Learn Up! platform. These training sessions focus on crisis management, standard operating procedures, site security and safety quick-assessment tools and preparation of large-scale counter-terrorist exercises in the shopping centers.

Control tools and audits

The Group has reviewed and updated its crisis management procedures and deployed incident reporting and monitoring software. Visible safety and security is provided by dedicated teams and guards permanently on site and working under the control of shopping center management teams. Third-party inspections of technical equipment – such as elevators, travellators, sprinkler systems, etc. – guarantee their conformity.

Compliance with health standards to prevent Legionella is also monitored. The effectiveness of the entire system is tested every year using sampling techniques during internal operational audits.

Crisis management plan

Each of the Group's shopping centers conducts emergency evacuation drills once or twice a year to ensure that all the stakeholders fully understand their roles.

For more information on measures to mitigate health, safety and security risks, refer to section 3.4.2 – Promote health, safety and well-being of this Universal Registration Document.

New developments

As soon as the first wave of the epidemic hit continental Europe in late February 2020, the Group set up a crisis management team supported by external experts, with a view to mitigating the impact of the crisis on consumers and retailers in its shopping centers, as well as on employees of the Group and its tenants. The team coordinated Klépierre's response to the crisis in each affected area, ensuring that its operations were compliant with the measures enacted by the authorities on a real-time basis. The Group continuously reviewed its operating organization and resources so as to ensure the best possible health and safety conditions while maintaining business continuity. As recommended by health bodies and governments, it also adapted its working environment to the mass switch to home working by swiftly providing all employees with appropriate IT equipment and tools. The impact of the spread of the virus on the footfall of the shopping centers led to an automatic decrease in the number of safety and security incidents in 2020 and 2021. If the health crisis were to continue over the long term, this could cause social unrest as seen with the "Yellow vests" protests in certain French towns and cities in 2019. Appropriate measures should then be taken. This "public order" risk has been anticipated since 2017, through the gradual deployment of a holistic approach to safety and security and more stringent safety and security procedures, making it possible to mitigate these risks more effectively.

5 — HUMAN CAPITAL

CSR Engagement

Operational excellence

Related strategic priority(ies)

Residual criticality

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Year-on-year criticality change

Description

The people employed by the Group have abilities, personalities, values, working methods, knowledge, expertise and skills that make up the Group's human capital. The development of this capital is essential for securing, renewing and constantly enriching the Group's expertise, which is a driver of its overall performance. In a rapidly evolving industry and amid ever-changing societal trends, the main risk is the loss of key people. This risk could arise if the Group fails to deliver a first-class employee experience.

As the job market becomes increasingly tight, attracting, training and retaining talent is a top priority.

Impact

A loss of key skills, knowledge and expertise due to uncontrolled staff attrition, or a lack of engagement on the part of employees, could: (i) impact the Group's ability to carry on its businesses, (ii) be costly in terms of the need to recruit and train new employees, and (iii) damage Klépierre's reputation in the event of negative employee experiences. This could lead to a decline in the Group's appeal as an employer and would reduce its ability to attract, retain and develop talented employees, especially in key positions.

Employee turnover in 2021 was 11.7%, a rate that was almost equal to the 12% of 2019 but was higher than in 2020 (9%), when the Covid crisis limited attrition.

Risk mitigation measures

To ensure that Group has the best trained and most effective teams, both today and in the future, the HR teams have implemented a strategy based on four pillars aimed at continuously improving the employee experience within the Group:

- **Embracing change and supporting business transformations** by anticipating the social impacts of new developments, tools and strategies and by equipping project leaders and managers with solid skills in project management, change management and emotional intelligence;
- **Attracting, training and inspiring the best talent**, with an emphasis on leadership and management;
- **Motivating the teams**, paying particular attention to social dialog and the organization of internal events, as well as to attractive compensation and benefits; and
- **Building a pleasant work environment**, that is both diverse and inclusive, focused on health and work-life balance, but also by a more independent approach to human resources management through the implementation of a new Human Resources Management Information System (HRMS).

New developments

In 2021, the Covid-19 pandemic continued to impact the Group's employees, who demonstrated flexibility in their work, adapting to health measures where necessary. Most of the teams worked from home during the year and the Group maintained the initiatives implemented in 2020: technological investments to facilitate remote working, increased individual mentoring, enhanced management training around new management skills, and the launch of a digital events program to maintain ties despite social distancing.

Based on an employee appraisal process and with a view to constantly improving its business, the Group has accelerated internal mobility in its countries and at its headquarters, and particularly international mobility for its executive teams. Mobility play an important role in talent retention.

A decisive step was taken with the definition of the Group's four major cultural pillars: Engage, Explore, Develop and Care - a prelude to overhauling our management and leadership programs and to redefining our behavioral competency model. By putting words to its culture and what brings people together, and by communicating its values and leadership development, the Group will significantly increase its teams' commitment.

Klépierre University continued to offer hybrid development programs and provided online training where necessary. The network of in-house trainers, which is still very active, has been working to train teams in core business skills.

Another key priority for the year was diversity and inclusion (D&I), with the launch of a Group-wide Diversity Council to oversee Klépierre's progress in gender equity. The Group has made progress towards its objective of gender parity at senior management levels and has integrated D&I objectives and principles into talent review processes. A network of diversity ambassadors has also been set up, comprising 40 people responsible for piloting initiatives at the local country level. The network designed and organized an initial Diversity & Inclusion Week in December 2021, with the aim of raising awareness and changing mindsets about inclusion in the broadest sense, but also about gender equality, generational diversity, disability integration and prejudice, among others.

6 — SUPPLIERS, SERVICE PROVIDERS, JOINT VENTURES AND CO-OWNERS

CSR Engagement

Operational excellence

Related strategic priority(ies)

Residual criticality

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Year-on-year criticality change

Description

In the course of its day-to-day business, Klépierre interacts with a vast ecosystem of stakeholders that contribute to the proper running of operations. This section concerns the two types of stakeholders deemed most exposed within Klépierre's risk environment: (i) suppliers and service providers and (ii) co-owners and joint venture partners. Risks concerning Klépierre employees (internal stakeholders) are discussed above (see "Human capital" section of this chapter).

Suppliers and service providers: the bulk of goods and services procured by the Group is made up of utilities (energy and water), cleaning, maintenance, marketing and safety and security. Klépierre also has recourse to a wide range of service providers in its development operations (i.e., architects, design agencies, construction companies, etc.).

Co-owners and joint venture partners: some of the Group's assets are part of larger real estate complexes, part of which are owned by third parties or are jointly owned with them by Klépierre. These multi-owner structures require alignment of interest to allow Klépierre to deploy its shopping center operational and development strategy.

Impact

Suppliers and service providers: poor performance of a service – or even failure to perform the service in the event of bankruptcy – could have an operational impact on Klépierre, potentially impact the attractiveness of its shopping malls and impair its BtoB reputation.

Klépierre may be held liable in the event of the failure of suppliers or service providers to comply with applicable regulations (e.g., undeclared or illicit work, corruption, etc.). Likewise, any instances of non-compliance with internationally accepted human rights through its supply chain could lead to reputational damage for the Group. In addition, excessive dependence of a given service provider on Klépierre may lead to legal and financial consequences such as the requalification of service agreements in employment contracts.

Co-owners: in some specific situations where the vote of a qualified majority of co-owners is required, diverging strategic interests with the different co-owners could limit Klépierre's ability to deploy its redevelopment plan for a given asset or limit its capacity to maintain the asset's appeal to customers or require Klépierre to support the whole costs of a major transformation or refurbishment.

Joint venture partners: failure to comply with contractual obligations within the scope of an asset or property management agreement could lead to legal proceedings against the Company for damages or the loss of the mandate and the related income.

Risk mitigation measures

- Suppliers and service providers: the Group's main geographic areas (France, Italy, Iberia) dedicated purchasing teams that ensured effective management of operational risks and optimized the Group's performance in this area. Their objectives are to streamline processes, select, evaluate and monitor a specific pool of approved suppliers. Prior to signing a contract, service providers and suppliers are vetted for financial health by means of revenue checks, in order to avoid the risk of over-dependence on Klépierre. These checks are repeated over the course of the business relationship.

  Throughout their contract, service providers working in shopping centers must first have provided shopping center management team with all of the statutory documents authorizing them to carry out work there (ID documents, certifications, etc.).
- Co-owners and JV partners: under its investment policy, the Group ensures that it has sufficient voting rights or rights of veto to guide decision-making in line with its strategy.

New developments

Since the start of the health crisis, the Group focused on securing the business continuity of its suppliers and service providers, which are contractually committed to maintaining a required level of service. This has been particularly important in the case of security guards and cleaning staff.

7 — REAL ESTATE DEVELOPMENT

Capital allocation

Financial discipline

Related strategic priority(ies)

▼

Residual criticality

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Year-on-year criticality change

Description

Klépierre's development activity is focused on enhancing its own properties through refurbishments and extensions and may also include the development of greenfield projects. In most European countries, commercial urban planning projects take many years and present significant risks in terms of obtaining the necessary administrative, building and lease authorizations.

Typical risks include delays in securing the building permits, in the execution of work, and in signing lease agreements. They also include construction cost overruns or shortfalls in meeting rental targets.

Impacts

The main potential impacts are:

- The abandonment of the project in the design phase and the loss of expenses already incurred;
- The sale of the land plot at a price potentially below its original value; and
- A lower return on investment after completion of construction works.

In all cases these may result in adverse consequences on Klépierre's financial results, growth strategy and market reputation.

Risk mitigation measures

Before being committed, development projects must successively be examined by the Development Committee, the Executive Board, the Investment Committee, and the Supervisory Board.

The validation criteria include:

- Consistency of the project with the Group's capital allocation strategy and financial capacity, operational targets, and CSR policy;
- Technical feasibility and local acceptability;
- Satisfactory pre-leasing rate; and
- A return on investment in line with the project's risk profile and expected return on Klépierre's capital.

Progress on development projects is examined regularly by the Executive Board. To limit potential loss of upfront costs and the risk of not obtaining regulatory clearance, development teams engage with stakeholders to ensure they support the proposed project as soon as a feasibility study has been carried out. Detailed design costs are not incurred without having run a preliminary financial analysis confirming the viability of the project. Construction is not started before a high level of leasing is secured with retailers and specifically with anchors and junior anchors.

New developments

The commitments undertaken by the Group in terms of real estate development are few and far between at the present time, due namely to the health crisis but also to retailers' reluctance to commit to new projects at a time when growth in e-commerce is prompting them to consider the pertinence of their store portfolios. The health crisis led to the temporary suspension of committed construction projects in order to limit cash outflows and gain more visibility. The projects are now back on track and in line with the updated planning.

5.1.2.3 Strategic risks

8 — PROPERTY INVESTMENT MARKET AND ASSET ROTATION

Capital allocation

Financial discipline

Related strategic priority(ies)

Residual criticality

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Year-on-year criticality change

Description

Klépierre is invested in retail commercial property and fluctuations in investor demand linked to the perceived resilience of the rental income, the availability of financing, the relative attractiveness of the asset class compared to other types of commercial properties and the level of risk-free interest rates, may result in asset valuation decreases or increases.

Portfolio rotation is an inherent part of Klépierre's strategy as a property investor. The Group's aim is to optimize the performance of its portfolio by constantly ensuring its shopping centers are positioned in the most profitable and dynamic catchment areas. Buying or selling an asset may give rise to risks related to a faulty assessment of the intrinsic quality or potential of the asset. This would then result in an inaccurate assessment of assets' actual value. Considering the cyclical nature of the property investment market, the timing of transactions may also be unfavorable.

Impacts

Subdued investor demand may have an impact on the valuation of shopping centers and therefore affect the balance sheet structure of the Company, increasing its loan-to-value level which may have consequences on the Company's ability to refinance itself, raise equity or distribute dividends in optimal conditions.

Additionally, inadequate acquisition or divestment decisions could have an adverse impact on the Group's financial position, operating results and growth prospects. These may result in the loss of opportunities, a deterioration in the Group's performance or impairment losses. This could in turn result in disputes with buyers or sellers and a loss of investor confidence. Failure to pursue the portfolio optimization strategy could harm the Group's long-term performance and hence its market capitalization.

Risk mitigation measures

Klépierre regularly stress tests its balance structure to anticipate the effects of a potential asset valuation decline. In Europe, investor demand varies from country to country and so do market dynamics and the pace of the asset valuation movements. Klépierre ensures a geographically balanced portfolio to benefit from the averaging effects of a diversified exposure.

Klépierre applies a disciplined capital expenditure policy with a low volume of committed development projects always in line with its operating free cash flow. Consequently, Klépierre does not depend on asset disposals to ensure the stability of its leverage level while investing in property extensions or refurbishment.

All proposals to acquire, develop or sell assets are subject to extensive audits. Klépierre also hires the services of specialized and highly reputed advisers (including lawyers, notaries, bankers, real estate experts and auditors) to support buy- and sell-side due diligence processes. Transactions and investments are successively challenged by the Executive Board, the Investment Committee and the Supervisory Board.

By contracting leading independent appraisal firms to value its portfolio assets twice a year, the Group can promptly detect emerging trends in the market. The findings of this external process are cross-checked with the analyses conducted by the Group's asset managers, helping to facilitate reallocation decisions. For more information on the valuation approaches used by these independent appraisal firms, see section 2.6.1.1.2 "Methodology used by external appraisers" of this Universal Registration Document.

New developments

Klépierre did not acquire any new assets in 2021 and was able to contain capital expenditure to a very low level (€169.6 million). Despite a still muted investment market, the Group managed to continue its disposal plan of non-strategic assets, selling several shopping centers for a total amount of €874 million (0.4% above the latest appraisal values on average).

For more information, please see section 2.4.4 Disposals of this Universal Registration Document.

9 — CLIMATE CHANGE

CSR Engagement

Related strategic priority(ies)

Residual criticality

➔

Year-on-year criticality change

Description

Climate change is predicted to lead to an increase in the number of extreme weather-related events. With assets spanning Europe, shopping centers are likely to be affected by weather phenomena including storms, snow, floods, droughts, heat waves and forest fires. Climate change could also lead to growing political pressure, including more stringent regulation.

Impacts

Extreme weather-related events could impact Klépierre's business continuity and result in the temporary or permanent closure of assets.

Climatic changes are also likely to result in an increase in costs for the development, construction and operation of assets. For example, additional costs are likely to be incurred in upgrading equipment, design and construction standards to deal with higher temperatures. Supplementary expenses could also be spent to repair damages caused to the building after severe weather-related events. Operating costs could also increase for heating, ventilation and air conditioning equipment designed to maintain pleasant ambient temperatures.

Other potential costs include an increase in insurance premiums, as insurers prices are at risk of increasing in extreme weather-related events.

Risk mitigation measures

The Group's diversified geographic footprint mitigates the exposure to extreme weather-related events and major environmental risks are factored into acquisition and disposal decisions.

With regards to its standing assets, the Group has developed internal measures including energy management tools, audits, and other procedures to reduce energy consumption and improve environmental efficiency. In addition, all Klépierre assets undergo an audit every five years to check their structural condition.

Klépierre has an ambitious environmental performance program designed to reduce natural resource consumption and improve supply quality by:

- Improving operational energy efficiency and reducing heating or air conditioning needs, thereby managing potential temperature variations without excess consumption;
- Reducing carbon emissions; and
- Limiting the use of potable water.

The Group has also rolled out initiatives to limit its dependence on fossil fuel-based natural resources by increasing the use of on-site renewables, purchasing green energy and promoting soft mobility. With a view to constantly reducing greenhouse gas emissions, Klépierre implemented "BOOST" action plans (on-site workshops lasting two consecutive days aimed at identifying all the drivers for reducing energy consumption) within a large portion of its portfolio. Similar initiatives were launched to increase the rate of recycling and proportion of waste recovered with an objective of recovering 100% of waste produced in the assets by 2022.

For more information on the Group's commitments and actions to fight climate change, please see section 3.2 – Act for the Planet of this Universal Registration Document.

New developments

None of Klépierre's shopping centers in 2021 were subject to extreme weather conditions that significantly disturbed operations. Should such events occur, the Group has action plans for limiting the operational impact and property damage.

In addition, in 2021, 95% of the electricity used in the common and serviced areas of Klépierre's centers was drawn from renewable energy. Moreover, since 2019 – three years ahead of schedule – the Group has been the largest real estate portfolio in the world by value to be BREEAM In-Use certified for sustainable asset performance across its entire portfolio.

In 2020, the Klépierre Group was approved by the Science-Based Targets Initiative (SBTi), a scientific body working in partnership with the United Nations to ensure that companies' environmental commitments are in line with the 1.5°C objective set by the 2015 Paris Agreement. Klépierre was approved with the highest possible level of commitment (a 1.5°C-aligned target).

Moreover, Klépierre was one of the few real estate companies in European to once again in 2021 feature in the prestigious "A list" compiled by CDP, an NGO specialized in corporate environmental disclosure. CDP scores companies from A to D based on the comprehensiveness of their disclosure, their management of environmental risks and their ability to set ambitious and meaningful targets. More than 13,000 companies worldwide were evaluated by CDP this year on environmental performance. Only 16 of these companies were included in the "A list" for the real estate sector, five of them in Europe.

This dual distinction shows the relevance of the Act for Good® CSR policy for effectively combating global warming at the level of Klépierre's European portfolio.

5.1.2.4 Financial risks

10 — FINANCING AND LIQUIDITY

€ Financial discipline

Related strategic priority(ies)

Residual criticality

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Year-on-year criticality change

Description

Since property investment is a capital-intensive business, Klépierre needs to raise long-term financial resources in the form of bonds, loans or equity to fund its investments and regularly refinance maturing debts. This exposes the Group to risks related to equity and debt capital markets fluctuations, liquidity crises and broader economic shocks.

Impacts

Any limitations of access to debt financing, restrictions of credit conditions, a liquidity crisis or broader economic downturn may have a significant impact on Klépierre's ability to refinance its debts when they are due for repayment. Such event would potentially make Klépierre unable to remain operational as a going concern, or increase funding costs resulting in an adverse impact on the Group's earnings.

Furthermore, in addition to the usual covenants, the loan agreements entered into by Klépierre also contain covenants obliging the Group to comply with specific financial ratios. If Klépierre were to breach one of its covenants and were unable to remedy that failure within the time contractually allowed, the lenders could demand early repayment of the loan, which could affect all of the Group's debt if cross-default clauses were exercised. The forced sale of assets to remedy covenant breach may also impact the Group's earnings and its asset values.

Risk mitigation measures

Klépierre follows a prudent financial policy and aims to secure a high credit rating of at least investment grade. This is currently the case, with the Group rated BBB+ with a stable outlook by S&P. As of December 31, 2021, Klépierre's LTV was 38.7%, while the net debt/EBITDA ratio was 8.8x and ICR was at 8.3x. The Group also applies a prudent interest rate risk management policy. The Group's target hedging rate is approximately 70%. This rate is defined as the proportion of fixed-rate debt (after hedging) to gross borrowings. As of December 31, 2021, taking into account only fixed-rate debt and debt hedged at a fixed rate, the hedging rate was 77%. Factoring in options (caps), the rate was 91%.

Klépierre has access to several additional mitigation methods:

- Availability of undrawn bank credit lines to absorb scheduled refinancing needs for the coming years;
- Diversification of maturities and sources of financing, so as to facilitate rollovers;
- Range of different loan types and counterparts used with the banking market (syndicated loans, mortgage loans, etc.); and
- Restriction of the level of outstanding commercial paper, which represents the bulk of short-term financing, to the amount of the backup lines. This means that the Company can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

For more detailed information on exposure to financial risks (interest rates, liquidity, foreign exchange, counterparts, treasury shares, etc.) and the measures adopted to cover these risks, please refer to Note 9 of the consolidated financial statements in section 4.1.5 – Risk exposure and hedging strategy of this Universal Registration Document.

New developments

In the specific context of the health crisis, which impacted Klépierre's ability to collect rents, the Group managed to contain the increase in debt, in particular through the immediate reduction in its capex program. The Group has the necessary flexibility to continue funding its business activities, while ensuring a satisfactory level of investment without being dependent on possible disposals.

The monetary support measures put in place since 2020 by the European Central Bank made it easier for the Group to tap into the capital markets. Since the beginning of the pandemic, the Group has successfully raised funds of €1.5 billion bearing an average interest rate of 1.5% and rolled over €1.4 billion in revolving bank credit lines with a five-year maturity. Its liquidity position at the end of 2021 reached €2.8 billion and covers all of its financing needs until May 2024.

5.1.2.5 Compliance and reputation risks

11 — REGULATORY AND COMPLIANCE

CSR Engagement

Operational excellence

Related strategic priority(ies)

Residual criticality

➜

Year-on-year criticality change

Description

The entities of the Klépierre Group and their activities are subject to a complex legal and regulatory environment, covering cross-cutting areas (urban planning law, construction law, commercial lease law, Sapin II law, GDPR, anti-corruption, stock exchange law, etc.), both at the local and European levels. Klépierre also benefits from the French SIIC tax regime, or equivalent in other countries.

Changes in these laws and regulations or the introduction of new legal and regulatory provisions or the non-compliance of Klépierre's entities or their activities with them, as well as the non-compliance with contractual commitments or procedures put in place, could have an impact on Klépierre and its activities.

Impacts

A tightening of urban planning regulations, which would limit the availability of rental space, could have an impact on the development potential of shopping centers and, consequently, slow down the implementation of the Group's pipeline. Conversely, a relaxation of these same rules may increase competition and lead to a decline in footfall, rental income and potentially an increase in vacancy rates.

An unfavorable change in the regulations governing leases (rent indexation criteria, rules for rebilling of expenses, etc.) could have a negative impact on the Klépierre Group's revenue.

A tightening of requirements in terms of maintenance, control or security measures in shopping centers could have a significant impact on the costs of associated service providers.

Any change in the tax regime that would result in an increase in the tax rate could have a negative impact on the Klépierre Group and its results, resulting in a decrease in its earnings.

Failure to identify or comply with applicable legal and regulatory provisions could result in criminal or pecuniary condemnation, or even deterioration of the Group's image. In addition, non-compliance in a shopping center could result in a temporary or permanent interruption of activity in the center.

Finally, non-compliance with contractual clauses could in certain cases lead to the termination of said contract and the associated benefits or the implementation of the liability of the Klépierre Group entity concerned.

Risk mitigation measures

The Group's Legal Department, with the support of the local legal departments, regularly monitors the compliance and regulatory environment in the countries where the Group operates. The same approach is adopted for monitoring of disputes and litigation. The Group's Risk Management Department, in cooperation with the Group's Legal Department, establishes procedures at Group level which are deployed in the countries where Klépierre operates in order to ensure compliance with the legal and regulatory provisions then applicable.

At shopping center level, certain technical service providers are contractually obliged to monitor local regulations, which limits the risk of non-compliance due to unanticipated regulatory changes. In addition, a digital platform has been set up to help monitor the compliance of shopping centers and to create a common reference system for the security of shopping centers owned by the Klépierre.

Thanks to its Internal Audit Department and the use of external audits (over and above the Statutory Auditor's report), as well as the continuous improvement of its processes, the Group ensures the constant alignment between operational practices and strategic objectives. In any case, the matrix organization of the Klépierre Group allows, via two levels of control (local level and Group level), the proper application of Group procedures.

The Group also actively contributes to the work of national or international bodies representing the commercial real estate sector in particular, but also to broader professional bodies.

New developments

The health crisis has two major influences. The first is the tightening of standards and controls, which increase the operating costs of shopping centers while limiting their patronage. The second is the intervention of most European legislators in the contractual relation between landlords and lessee to adapt, if necessary, some of the contractual rights and obligations of the parties during the Covid-19 crisis, and specifically during administrative closures of the stores.

To ensure that it has fully understood the expectations of legislators and administrative authorities, Klépierre has enlisted the services of renowned external consultants and auditors who have visited all the shopping centers in the portfolio to certify their compliance with the health recommendations of each country. Klépierre also actively monitors regulatory developments and any resulting interpretations or court decisions.

The increasing complexity and stringency of the legislative and regulatory environment in which Klépierre operates increases the risk of regulatory non-compliance. However, this risk must be qualified in view of the creation of a dedicated unit within the Group's Legal Department in charge of legal compliance.

In addition, the introduction of dedicated IT tools (e.g., for the security and safety and maintenance areas), or periodic sharing sessions by business line (seminars, webinars, etc.), makes it possible to disseminate procedures while monitoring their proper application.

Finally, in view of the increased risk of non-compliance with certain regulations due to remote working (data leakage, fraud attempts, etc.), Klépierre has strengthened its system (firewall, e-learning, etc.).

5.2 RISK MANAGEMENT AND INTERNAL CONTROL

5.2.1 Introduction

Klépierre's objective is to continuously improve its internal control and risk management system in order to comply with the *Autorité des marchés financiers* (AMF) Reference Framework and the measures described in COSO II (Committee of Sponsoring Organizations of the Treadway Commission).

5.2.2 Objectives and limits

The objectives of risk management are as follows:

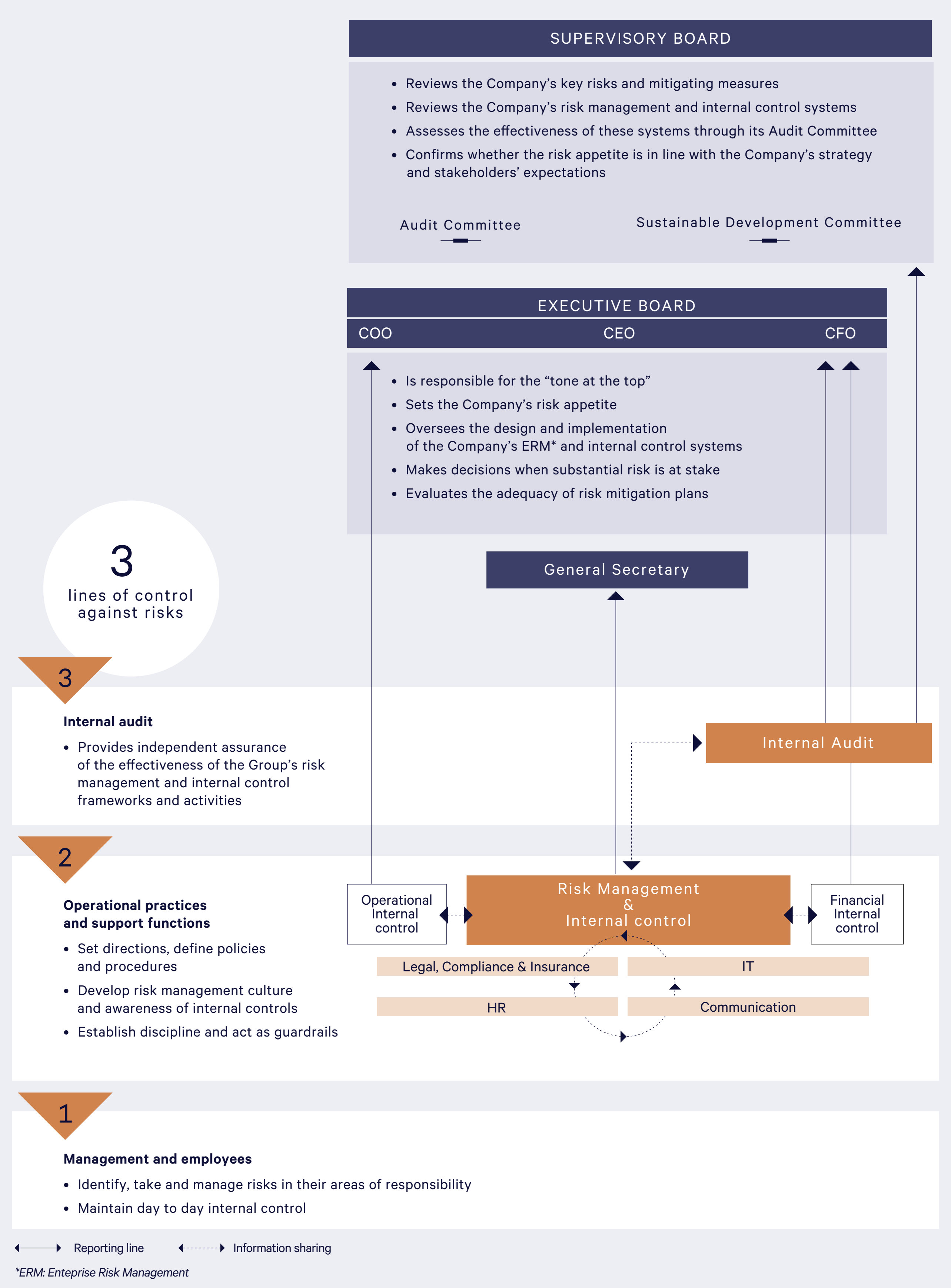
- To create and preserve the Group's value and reputation;
- To secure the Group's overall strategic priorities;
- To protect its assets (in particular buildings), people and the environment;
- To make decisions and processes that are safe to achieve the Group's objectives;
- To encourage initiatives which are consistent with the Group's values;
- To ensure that the key risks arising from its operations and business are correctly assessed and sufficiently controlled; and
- To mobilize employees around a shared vision of the main risks facing the Company and the risks specific to their field of activity.

Internal control and compliance frameworks are implemented by operational management and employees to provide reasonable assurance to senior management and shareholders that the following objectives are met:

- Compliance with applicable legislation, external regulations and Klépierre's internal rules;
- Implementation of instructions and guidelines provided by the executive management team;
- Effectiveness of the Group's internal processes, including those designed to protect the Group's assets; and
- Reliability of financial data and, more generally, of all data included in the published statements.

The Group's internal control system covers all of the Group's activities and geographies. Although this internal control system cannot, by definition, provide an absolute guarantee that all risks will be completely eliminated, it aims at providing the Group with a comprehensive framework that effectively protects against the major risks identified and their potential effects.

5.2.3 Organization



- Reviews the Company's key risks and mitigating measures
- Reviews the Company's risk management and internal control systems
- Assesses the effectiveness of these systems through its Audit Committee
- Confirms whether the risk appetite is in line with the Company's strategy and stakeholders' expectations

- Is responsible for the "tone at the top"
- Sets the Company's risk appetite
- Oversees the design and implementation of the Company's ERM* and internal control systems
- Makes decisions when substantial risk is at stake
- Evaluates the adequacy of risk mitigation plans

Internal audit

- Provides independent assurance of the effectiveness of the Group's risk management and internal control frameworks and activities

Operational practices and support functions

- Set directions, define policies and procedures
- Develop risk management culture and awareness of internal controls
- Establish discipline and act as guardrails

Management and employees

- Identify, take and manage risks in their areas of responsibility
- Maintain day to day internal control

**ERM: Entreprise Risk Management*

The **Supervisory Board** reviews the most significant risks and mitigation measures and assesses the effectiveness of the Group's risk management and internal control systems. It also confirms that the risk appetite, reflected for example in key decisions made, risks taken, or investments made to mitigate them, is consistent with Klépierre's strategic objectives and the expectations of the Company's stakeholders.

It is assisted in this task by three special-purpose committees whose members are appointed by the Supervisory Board:

- The Audit Committee, responsible for overseeing the financial reporting process, the audit process, the Company's internal control system and compliance with laws and regulations. To this extent, the Audit Committee monitors the internal control framework as a whole (and the accounting and financial risks in particular, through the review of the financial statements, verification of the relevance and the consistency of the accounting methods adopted for the preparation of the financial statements and the processing of significant and unusual transactions);
- The Sustainable Development Committee which reviews all significant extra-financial risks, including the "Climate change" and "Human capital" risks described above, as well as the ones described in section 3.1.2 of this Universal Registration Document; and
- The Investment Committee which analyzes the "Property investment market and asset rotation" as well as "Real estate development" risks described above.

The **Executive Board** meets weekly and as required. It is responsible for duties provided for in the French Commercial Code and the Company's bylaws, including management of the Group's business so that it meets its strategic and financial targets.

The scope of responsibility of the Executive Board includes:

- Setting Klépierre's strategy and ambition, defined in tandem with the Supervisory Board:
    - Set Klépierre's mid-term strategy and long-term ambition and vision, and endorse the corresponding strategic plans;
    - Approving investment and divestment priorities;
    - Translating Klépierre's strategic vision and ambition into annual objectives for the organization; and
    - Validating annual budgets.
- Acting as an efficient decision-making body by:
    - Monitoring financial performance and review country/function corrective action plans, endorsing recommended financial communication and guidance;
    - Aligning the organization, processes, talent and capabilities to deliver on Klépierre's annual objectives;
    - Assessing talent and ensure succession planning;
    - Endorsing the launch of key cross-functional projects, fund them adequately and monitor progress made on a regular basis; and
    - Implementing decisions on investment and divestment deals.
- Promoting efficient governance and decision-making process by:
    - Ensuring Klépierre policies and procedures are consistent, built on ethical principles, appropriate organizational structures, well-defined responsibilities and demonstrated competencies; and
    - Guiding the Risk Management and Internal Audit departments, to ensure adequate level of risk mapping and mitigation.

For more details, see section 6.1.3 of this Universal Registration Document.

5.2.4 Internal control system

5.2.4.1 Structured organization

In accordance with the AMF recommendations, Klépierre's internal control system is based on an appropriate organizational structure in which responsibilities are clearly defined, adequate resources and competencies are provided, and relevant information systems, tools and practices are implemented.

In 2021, the Executive Board decided to reshape Klépierre's risk management organization, hiring a Group Head of Risk Management who reports to the General Secretary. Risk mapping previously fell within the remit of the Internal Audit and Control Department, reporting to the Executive Board and the Audit Committee. The main objective of this change was to strengthen the Group's risk management governance through better segregation of duties and the allocation of additional resources to a dedicated risk management function.

The main role of this **Group Risk Management Department** is to lead the effective development of Klépierre's Enterprise Risk Management ("ERM") at strategic and operational levels, by implementing a structured, sustainable and adaptable system to identify, analyze, prioritize and address key risks. It is responsible, directly or through Group experts, for designing and implementing internal control systems and risk management procedures. In consultation with all the persons concerned, it also intervenes in compliance risks by coordinating the continuous improvement of anti-corruption and anti-money laundering programs in order to implement appropriate prevention policies and provide an effective level of response.

Klépierre's **global compliance programs** falls under the responsibility of the General Secretary who oversees the Legal, Compliance and Insurance, IT, HR, Communication and Risk Management & Internal Control teams.

5.2.4.2 Delegations of powers and responsibilities

The internal framework is underpinned by the following components:

- A set delegation and sub-delegations of authority and responsibility rules that span across all the Group's activities. They ensure better organization of the Company and a stronger correlation between the responsibilities of operational entities and the responsibilities of executives, and are subject to regular reviews and updates;
- Job descriptions and an appraisal system based on performance targets; and
- Segregation of duties by keeping operational roles separate from supervisory roles.

5.2.4.3 Procedures

Procedures aimed at providing a risk control framework for the Group's operational and financial activities, in particular with performance tests (first level) made by the operational and functional teams. The Risk Management Department ensures that procedures are followed and coordinates their regular updating. In particular, the production of financial information is a standardized process which covers the flow and processing of information: the procedures for preparing the financial statements explicitly specify, for each operational or financial process, the involved parties, schedules and information medium, accounting principles and methods and accounts processing. Charts of accounts are standardized and ensure the consistency of information processing across the Group, regulatory reporting (quarterly, semi-annual and annual) is published by press release after approval is obtained and according to a formal procedure and schedule. The half- and full-year financial statements are only made public after being formally approved by the Supervisory Board.

5.2.5 Risk management and internal control activities

5.2.5.1 Compliance and Ethics

Main texts governing business ethics

At Klépierre, business ethics is fundamental. Klépierre is committed to applying its values in all business practices, including its relationships with employees and external stakeholders. Two ethical codes responding to different purposes are deployed, embedded within internal procedures for enforceability purposes:

- The Code of Professional Conduct (currently being overhauled) governs all ethical issues such as money laundering and insider trading; and
- The Anti-corruption Code of Conduct sets out the Group's expectations regarding the giving and receiving of gifts and invitations, conflicts of interest, facilitation payments, patronage and sponsorship and lobbying activities.

Fight against corruption and influence peddling

Klépierre's anti-corruption compliance program is based on:

- A commitment to zero tolerance of corruption and influence peddling at the highest level of the Group. In January 2020, the Chairman of the Executive Board reissued the Anti-corruption Code of Conduct by email (in both English and French) to all Group employees, ensuring that everyone was aware of Klépierre's policy on ethics. It is also available in Spanish, Italian, German and Polish, meaning it is accessible to all of the Group's employees;
- A corruption and influence-peddling risk map, drawn up in accordance with the Group's general methodology for risk mapping. The corruption and influence-peddling risk mapping will be updated in 2022;
- A process for assessing the integrity of third parties and a corresponding tool to perform integrity due diligence adapted to the level of risk of each third party. This tool provides access to databases containing lists of sanctions, convictions, politically exposed persons and negative press articles; it also facilitates the identification of beneficial owners;
- Accounting controls integrated into the Group's internal control rules to prevent and detect acts of corruption and fraud (see section 5.2.5.3 "Financial internal control");
- A training program developed in 2019 on anti-corruption issues and completed by several key function holders. In 2020, a new, all-staff *InKorruptible!* training course was made mandatory for all Klépierre employees. It aims to strengthen the internal approach to the prevention of corruption, and to continue to raise awareness among internal stakeholders. To promote the dissemination of this mandatory training module, the Chairman of the Executive Board sponsored a dedicated communication campaign and the contents were translated in seven languages; and
- An alert system set up by Klépierre which is Group-wide and open to employees and external/occasional workers as well as employees of the Group's customers, suppliers and subcontractors. The system enables the report of cases or suspicions of criminal activities, violations of national and international laws, or breaches to the Group's anti-corruption code or code of professional conduct. This procedure includes a platform hosted by an external provider and is available around the clock from any location worldwide in all languages spoken within the Group. The whistleblowing platform allows anonymous reporting and ensures strict confidentiality of the identity of the reporter. The Group policy is to guarantee to not discipline, discriminate or retaliate against any employee or other person who in good faith reports information related to a violation. The Group's whistleblowing procedure will be reviewed in 2022 to take into account the law on the protection of whistleblowers, set to come into force in September 2022.

The Internal Audit investigates reported incidents, but the Executive Board is ultimately responsible for taking the appropriate actions. communication of any alert that falls within the scope of France's Sapin II law, as well as other laws relating to the reporting of practices that are contrary to the Group's Code of Ethics (harassment, sexist behavior, infringements of freedom of association or trade union rights, etc.).

Fight against money laundering and terrorism financing

Klépierre's prevention program against money laundering is primarily centered around:

- Risk mapping, which will be updated in 2022 together with the corruption risk mapping;
- A process for assessing the integrity of both customers and transactions;
- A process to report suspicious transactions to TRACFIN, the French governmental agency in charge of fighting illicit financial circuits, money laundering, and the financing of terrorism, through a dedicated correspondent; and
- Training and raising the awareness of employees most exposed to risk.

Protection of Personal Data

For the purposes of its business, the Group processes personal data collected from third parties such as its customers, employees, subcontractors, prospects, tenants and partners.

The Group strives to collect personal data that is adequate, relevant and not excessive in relation to the specific and explicit purposes for which it is processed and to maintain the confidentiality and security of all such data.

In 2017, the Group carried out a diagnosis and mapping of data processing to assess its level of compliance with the GDPR and since 2018, the Group has organized its GDPR governance as follows:

- A Data Protection Officer (DPO) for the Klépierre SA and Klépierre Management SNC entities in France registered with the CNIL, French personal data agency; he or she keeps records of data processing, data breaches and a set of processes;
- Local data privacy correspondents or local DPOs (or "country DPOs") in each country where the Group operates. Each local correspondent (some of whom have the status of DPO) carries out legal and operational monitoring for the country for which he or she is responsible in accordance with applicable national laws. The DPO of Klépierre SA and Klépierre Management SNC leads this network of country DPOs;
- A framework of provisions drafted in compliance with the rules and templates of the GDPR and covering certain specific situations encountered; and
- Two Internal Charters for the protection of personal data created and available on the Klépierre website (one dedicated to employees and recruitment and the other one to marketing and other purposes); the documents are regularly reviewed and adapted to meet the evolution of the GDPR.

In addition, significant efforts are made in terms of awareness and training on personal data management. Thus, every employee received online GDPR training, and the most exposed departments benefited from personalized face-to-face training. The online GDPR training is available on Klépierre's e-learning platform (via the "Learn-up" app or a dedicated access via the Group's intranet). This training has been complemented by e-learning modules on cybersecurity and sensitive data.

In addition, the DPO supports operational teams in implementing projects with a "privacy by design" and or "privacy by default" approach.

All HR processes and new business projects are implemented:

- By striving to collect personal data that are adequate, relevant and not excessive in relation to the specific and explicit purposes for which they are processed, in coordination with the relevant operational team (marketing, HR, etc.); and
- To ensure the security and confidentiality of the data, with the IT Department.

As a result, Klépierre has:

- A clear and efficient structure with governance bodies for matters relating to the collection, use and protection of personal data;
- A set of robust processes to support the data processing; and
- Regular monitoring processes to ensure compliance in a constantly changing legal and regulatory environment.

Fight against fraud

In order to protect against the risk of fraud, a framework has been established for securing cash transfers.

The segregation of duties principle is applied to payment processes, and specific rules must be respected for sensitive fields (bank accounts, suppliers' bank data, signatories of payments).

In addition, awareness is raised throughout the year against fraud risk through training at CFO meetings, email communications and dedicated online training.

All fraud attempts or frauds are reported to the Deputy CFO, the Internal Audit, Legal departement and the Internal Accounting Control unit.

Fight against insider trading

As previously mentioned, the Code of Professional Conduct sets out the Group's procedures regarding insider trading and inside information.

In addition, the Inside Information Committee meets on a regular basis – as well as on an ad hoc basis where required – to assess whether business events and decisions such as acquisition or disposal transactions could be considered insider information using guidance published by the French financial markets authority (*Autorité des marchés financiers* – AMF).

5.2.5.2 Information systems and cyber risk

Klépierre's IT landscape is built to ensure common ways of working and business processes across all Klépierre entities and ability to simplify data sharing across business lines, while leveraging a robust infrastructure (dual site datacenter & cloud) that provides continuity of IT services.

Projects and maintenance operations are designed and delivered to ensure the following:

- Security and confidentiality, through clear cyber guidelines and policies;
- Reliability and data integrity;
- Round-the-clock availability; and
- Audit trails from a technical (logs, segregation of duties), functional (access reports) and IT delivery methods (user acceptance tests, stop/go meetings).

Business applications design

Klépierre's IT application landscape relies on a shared, unique Enterprise Resource Planning (ERP) system (SAP, including a consolidation tool completed by dedicated ERP tools) that is common to all entities and supports back office activities (finance, rental and property management). Core operational activities are supported via specific applications, also shared throughout the Group, the most important ones being:

- An application ("Atlas") dedicated to our leasing process and related approval procedures; and
- An application ("Komply") ensuring our operational compliance and safety and security management in malls.

A Group-wide data and analytics platform (based on SAP BW and PowerBI) enables data insight and analysis, as well as financial reports.

A Group-wide banking platform ("Kyriba") provides for a common secured payment process, with strong authentication technology and cross-validation procedure.

These applications provide strong business continuity and facilitated operational controls, by supporting common business processes, data definition across the Group, as well as data consolidation and shared reporting, from local operations to HQ.

Our core model applications (SAP, related tools) and a common HR job referential also supports our internal accounting controls via:

- Segregation of duties rules directly embedded in the job definitions and geographic scope of each user. These rules are assessed regularly; and
- Automated controls and reports to avoid frauds (e.g., IBAN changes, vendor review, etc.).

IT continuity

Klépierre's posture regarding IT continuity relies on the following two pillars:

- Application availability:
  - Critical real-time applications are cloud-based, to ensure best-in-class availability provided by international providers: and
  - Business apps are hosted on a dual datacenter infrastructure. Failover procedures are tested regularly.
- Application access:
  - Applications are accessible from any location (via VPN and Multi-Factor Authentication, see below);
  - Klépierre workstations are laptops.

Daily backups are realized and monitored, and weekly backups are stored in a secured location.

Cybersecurity

Klépierre's IT policies rely on strong security policies and tools, based on the security guidelines of the French National Agency for IT Security (ANSII). The Group's protection guidelines include:

- Access to applications is secured by mandatory Single Sign On and Multi-Factor Authentication;
- Segregation of privileged accesses, including admin rights disabled by default on all workstations;
- Network segregation; and
- Cloud-based proxy for all outbound connection.

Prevention activities are being carried out towards all Klépierre employees. In 2021, a mandatory, all-staff training was carried out on data protection.

Finally, cybersecurity processes and tools are audited annually, and vulnerabilities are assessed on a monthly basis on all local workstations and hardware.

5.2.5.3 Financial internal control

In this area, the Finance Department performs its own controls backed by a dedicated Accounting Internal Control function, which carries out other targeted verifications.

Details about the financial controls

Accounting organization and management control

Accounting tasks are carried out by the Group Finance Department in each country in which the Group operates. The company and consolidated financial statements are prepared under the responsibility of the Group Finance Department. The existence of an ERP system (SAP) across the Group makes it possible to record day-to-day transactions and enter accounting data in an integrated and automated manner. All the processes used to prepare accounting data are subject to accounting control programs at various levels, including validation rules, authorizations and instructions concerning supporting evidence for, and documentation of, accounting entries. The Accounting Internal Control unit, which reports directly to the Deputy CFO, is in charge of defining and providing the accounting control rules and ensuring the smooth operation of the internal control environment.

Klépierre's internal financial data is certified using a specific tool called "FACT" (Finance Accounting Control Tool). FACT relies on a series of validation mechanisms through which the staff involved in the evaluation of accounting controls formally certify the reliability of the data provided and the proper functioning of controls. This process contributes to the overall monitoring of the functioning of internal accounting controls within the Group. It also gives the Finance Department, which is responsible for the preparation and quality of the Klépierre Group's consolidated financial statements, the necessary level of assurance on the accuracy of financial statements of each entity. The content of the certifications is updated on a quarterly basis by the Group's accounting internal control function, and covers, among other items, regulatory requirements in terms of internal accounting control. The certifications' content is approved by the Deputy CFO.

The financial reporting system in place in all countries enables the Group to track trends in the main key performance indicators by country and by asset, and to ensure that these are properly geared to the objectives laid down in the annual budget approved by the Executive Board. Reports prepared at country level are reviewed on a quarterly basis by the Group Controlling Department, which also carries out a full reconciliation of the consistency of the accounting results with the consolidated management results.

Accounts closing process and consolidation

The accounts are consolidated by the Group Accounting and Consolidation Department. Data for the consolidation system used at almost all Klépierre's subsidiaries is provided by the Finance Department in each country. A specific reporting tool is used to record off-balance sheet commitments. This allows each reporting unit to declare off-balance sheet commitments and the Consolidation Department to monitor controls and data consolidation.

The consolidated financial statements are prepared using a process laid down in detailed instructions circulated to the finance departments of each country to ensure that deadlines are met, and that the data provided complies with the Group's accounting standards.

The principal accounting controls carried out at each quarterly close during the consolidation process are the following:

- Controls on changes in the scope of consolidation and equity reconciliations;
- Analysis of supporting evidence for all consolidation adjustments;
- Analysis of and explanations for all deviations from budgets and forecasts;
- Analysis of balance sheet movements and outstanding balances;
- Reconciliation of the fair values recorded in the consolidated accounts with the fair values provided by the appraisers;
- At each quarterly close, the Group Accounting and Consolidation Department coordinates an internal certification process for the accounting data reported by country, as well as the controls performed. As a part of this process, the CFO for each country certifies:
  - The reliability and compliance of the accounting data provided with regard to the regulations in force and Group standards,
  - Smooth operation of the accounting internal control system, safeguarding the quality of the accounting data, and
  - Significant events that occurred after the accounts closing and their financial impact on the consolidated financial statements.

The clarity of financial reporting and the compliance of accounting methods are overseen by the Audit Committee, as well as the Statutory Auditors.

5.2.6 Independent control activities

In an ever-changing operating environment, the Group is audited by external and internal professionals, who have the responsibility to detect and counter any violation of the Group internal rules and procedures.

5.2.6.1 Internal Audit

The Internal Audit Department's mission is to enhance and protect Klépierre's organizational value by providing objective and risk-based assurance, advice, and insight within the Klépierre Group across all geographies and operations. It aims to add value and improve the organization's operations.

To do so, the Internal Audit Department evaluates and improves the effectiveness of risk management, control and governance processes. It strengthens the process through the implementation of its audit plan, which is developed on the basis of a risk-based approach and also takes into account the concerns of Executive Management and the Audit Committee.

Klépierre's Internal Audit Charter sets out the different responsibilities and principles of the audit function. The Internal audit manual completes the Internal Audit Charter and specifies the functioning and operating mode of the Internal Audit Department. To ensure its independence, the Internal Audit Department reports functionally to the Audit Committee of the Supervisory Board and operationally to the Executive Board. The Internal Audit Department conducts its mission in compliance with the Klépierre's Code of Ethics.

To achieve its objectives of increasing and preserving the value of the organization, Klépierre's Internal Audit Department has been assigned different types of missions:

- **Independent assurance missions,** scheduled in the annual audit plan, focusing on the adequacy and effectiveness of the organization, risk management and internal control systems;
- **Corporate audits or process audits** whose objective is to identify the control measures in place and assess their relevance and effectiveness. Recommendations are made to improve the level of control; and
- **Shopping center audits** whose objective is to ensure that the shopping centers do not present any risks for the safety of goods and people by controlling in particular the realization of controls and regulatory maintenance operations, and the compliance with safety rules.

Other types of assignments at the request of the Executive Board or the Audit Committee are:

- **Ad hoc audits:** Unscheduled missions that may occur as a result of the occurrence of an event. The objective, the scope and the format of the mission are determined with the Executive Board or the Audit Committee; and
- **Consulting missions:** The objective of these assignments is for the Internal Audit Department to contribute its expertise in risk management and its transverse vision. The content of the assignment must be determined with the Executive Board.

Final audit reports are addressed to the Executive Board and to each department involved in the audit.

An update on these activities is provided every quarter to the Executive Board and the Group Head of Risk Management which meet specifically to discuss major risks identified, the audit recommendations and the related action plans. A summary of audit findings is provided to the Audit Committee on an annual basis.

5.2.6.2 External audits

External auditors, notably the Statutory Auditors and regulatory bodies, also perform the function of third-level controllers.

5.2.7 Risk transfer

The Group's policy is to take out insurance policies covering all of its subsidiaries, based on centralizing insurance programs to ensure that the risks transferred are consistent with the coverage purchased, thereby maximizing economies of scale, while taking into account Group's specific business, contractual and legal constraints. Klépierre's strategy aims to transfer those risks to insurers whose solvency and management capacity (production and claims) optimally meet the Group's requirements in terms of the protection-to-cost ratio.

The optimization of coverage and transfer costs is also based on the results of the risk mapping as well as the guarantees and capacities available on the insurance markets. Negotiations conducted during the latest program renewals confirmed the intensification of the hard market impacting the majority of branches (property damage and business interruption losses, financial lines, public liability, etc.) observed over the last two years.

Despite this context and the market trend, the Group was able to renew its main programs while preserving most of the subscribed capacity.

In 2021, premiums paid in relation to the Group's main insurance policies (excluding Construction Insurance that is underwritten on a project-by-project basis) amounted to around €12 million.

The main risks for which Klépierre has taken out insurance are property damage and consequent loss of rents, construction risks and public liability as a property owner and real estate professional.

5.2.7.1 Coverage of damages and liabilities associated with properties

Klépierre benefits from a Group insurance program that covers damage to its property portfolio, including that caused by natural events, acts of terrorism, attacks and claims by neighbors and third parties. The Group's real estate assets are insured up to their full reconstruction value, with extended cover for "indirect losses" and "loss of rental income/operations" as a consequence of covered property damage. The damages portion covers the reinstatement value of buildings and operating losses over a period of three years.

Replacement values are regularly assessed by external experts.

The contractual cover limitations on the policies taken out are all adapted to the specific features and value of the insured portfolio. In addition, the Group receives advice and support from its insurers' engineering prevention services each year. Klépierre makes every effort to comply with the recommendations of its insurers, and thus maintains its assets in a constant state of safety with respect to fire hazards.

Klépierre systematically takes out "construction all risk" insurance for all its real estate restructuring, construction, extension and renovation projects. During the period of construction, decennial insurance guarantees post-delivery and civil liability of the project owner or developer. This aims to financially secure all its development operations across all levels, i.e., both during construction and after delivery.

5.2.7.2 Third-party liability insurance (public and professional)

The Group is insured for the financial consequences of any legal disputes arising from personal injury, damage to property and financial damages suffered by third parties and attributable to misconduct in the performance of the Company's activities, employee malpractice or flawed professional work. The corresponding insurance policies also cover the activities of the Group's subsidiaries and claims arising from its real estate portfolio and all the equipment pertaining thereto. The policies provide a high level of cover in line with the scope of the portfolio and the activities carried out.

5.2.7.3 Environmental insurance coverage

This guarantee covers Klépierre's liability for damage suffered by third parties and damage to biodiversity when it results from the impact of the Group's activities on the environment, as well as the costs incurred by on-site cleanup operations to neutralize or eliminate an environmental hazard.

5.2.7.4 Insurance of other risks

The Group has also taken out the necessary insurance to cover the following:

- its leased offices through a multi-risk insurance policy covering the walls of the offices rented by the company, as well as their contents (furniture, fittings) and IT equipment; and
- personal accidents insurance to protect the interests of its employees;
- the personal liability of the corporate officers and de jure or de facto executives of the Company.

6

Supervisory Board's report on corporate governance

6 Supervisory Board's report on corporate governance

In accordance with Article L. 22-10-20 of the French Commercial Code (*Code de commerce*), following the meeting of the Nomination and Compensation Committee on February 14, 2022, the Supervisory Board approved the corporate governance report which will be presented to the General Meeting to be called to approve the financial statements for the year ended December 31, 2021. The report includes the information referred to in Articles L. 22-10-9 to L. 22-10-11, L. 22-10-26, L. 225-100 II and L. 225-100 III of the French Commercial Code ("**Required Information**"). The Supervisory Board also adopted its report for the purpose of presenting to said General Meeting its observations on the Executive Board's report and on the financial statements for the year ended December 31, 2021 , as presented in section 4.5 of this Universal Registration Document.

The Company has chosen to refer to the Corporate Governance Code for Listed Companies published by the French association of private sector businesses (Association française des entreprises privées – AFEP) and the French employers' association (Mouvement des entreprises de France – MEDEF) ("**the AFEP-MEDEF Code**"), which can be consulted on the AFEP website at the following address: www.afep.com.

The Company complies with all of the applicable recommendations of the AFEP-MEDEF Code(1).

The table below sets out the Required Information and specifies the sections of the Company's Universal Registration Document in which this information is presented.

Required Information	**References**
COMPENSATION	
Compensation policy for corporate officers	Section 6.2.1 "Compensation policy for corporate officers"
Presentation of total compensation and benefits in kind paid to each corporate officer during the fiscal year or allocated to them in respect of that year	Section 6.2.3 "Compensation of corporate officers for fiscal year 2021"
Relative proportion of fixed and variable compensation	
Use of the possibility to request the repayment of variable compensation	
Presentation of all commitments made by Klépierre in favor of its corporate officers, including components of compensation, compensation or benefits due or conditionally due on taking up, termination or change of function, or following the exercise of such rights, in particular pension obligations and other lifetime benefits, the methods for determining these commitments and estimates of the amount that may be paid in their respect	
Presentation of any compensation paid or allotted by an undertaking within the scope of consolidation	
Presentation of executive corporate officer compensation in relation to the average compensation, on a full-time equivalent basis, of employees other than corporate officers	
Presentation of executive corporate officer compensation in relation to the median compensation, on a full-time equivalent basis, of employees other than corporate officers	
Presentation of the year-on-year change in Klépierre's performance-based compensation, the average compensation on a full-time equivalent basis of employees other than corporate officers, and the average of the aforementioned ratios over the last five years	
How the total compensation complies with the compensation policy adopted, including how it contributes to the long-term performance and how the performance criteria were applied	
Consideration of the vote of the June 17, 2021 General Meeting	
Description of any discrepancies with or departure from the compensation policy	
GOVERNANCE	
Application of a Corporate Governance Code	Section 6.1 "Oversight and management of the Company"
Provisions of the Corporate Governance Code not applied along with the reasons for non-application	
Location at which the Corporate Governance Code can be consulted	
List of all offices and positions held in any company by Supervisory Board members during the fiscal year	Section 6.1.1.1 "Membership of the Supervisory Board"
List of all offices and positions held in any company by Executive Board members during the fiscal year	Section 6.1.3.1 "Membership and operating methods of the Executive Board"
List of agreements signed, directly or by proxy, between, on the one hand, a corporate officer or a shareholder owning more than 10% of the voting rights of a company and, on the other, a second company over which the first exercises control within the meaning of Article L. 233-3 of the French Commercial Code, with the exception of agreements relating to ordinary transactions concluded under arm's length conditions	Section 7.1.4.3 "Related-party agreements"
Procedure for reviewing agreements entered into and concluded under arm's length conditions	Section 7.1.4.3 "Related-party agreements"
Explanation of the choice of one of the two general management methods stipulated in Article L. 225-51-1 of the French Commercial Code	Section 6.1 "Oversight and management of the Company"
Membership, conditions of preparation and organization of the work of the Supervisory Board	Section 6.1.1.3 "Operating methods of the Supervisory Board" Section 6.1.1.4 "Work of the Supervisory Board in fiscal year 2021"
Description of the diversity policy applied to members of the Supervisory Board with regard to criteria such as age, gender, qualifications and professional experience, and a description of the objectives of this policy, the ways in which it is implemented and the results achieved in the last fiscal year	Section 6.1.1.1 "Membership of the Supervisory Board"
Information on how Klépierre seeks to ensure gender balance within its executive bodies and details on diversity in the top 10% of senior responsibility positions	Section 6.1.3.4 "Gender and diversity policy within governance bodies"
Gender and diversity policy within governance bodies	Section 6.1.3.4 "Gender and diversity policy within governance bodies"
Limitations placed by the Supervisory Board on the Executive Board's powers	Article 3 ("Exercise by the Supervisory Board of its powers") *of the rules of procedure of the Supervisory Board* (available online at www.klepierre.com/en)

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(1) *Recommendation 18.1 of the AFEP-MEDEF Code in which companies are advised to allow an employee director to sit on the compensation committee is not applicable to Klépierre insofar as the Company is not required to appoint members representing employees under the French Commercial Code.*

Required Information	References
OTHER	
Special arrangements regarding shareholder attendance at the General Meeting	Title V ("General Meetings") of the Company's bylaws (available online at www.klepierre.com/en)
Table summarizing the delegations in force that have been approved by the General Meeting of Shareholders in the area of capital increases, by application of Articles L. 225-129-1 and L. 225-129-2 of the French Commercial Code, and showing the use made of these delegations during the fiscal year	Section 7.1.1.2 "Delegations of authority and authorizations granted to the Executive Board"
Factors that may have an impact in the event of a takeover bid or public exchange offer	Note 9.2 "Liquidity risk" to the consolidated financial statements Section 7.1.1 "General information on the share capital" Section 7.1.2 "Changes in the share capital – Breakdown of the share capital and voting rights"
Supervisory Board's observations on the report of the Executive Board and the financial statements for the fiscal year	Section 4.5 "Report of the Supervisory Board to the Ordinary and Extraordinary General Meeting"

6.1 OVERSIGHT AND MANAGEMENT OF THE COMPANY

The Company was converted into a French joint-stock corporation (*société anonyme*) with an Executive Board and Supervisory Board on July 21, 1998. This general management method was adopted to maintain the separation of the Company's management and oversight bodies. This governance method enables the Company to retain a proactive and flexible structure, while respecting the prerogatives of the Supervisory Board, whose balanced membership safeguards independent control and the balance of powers.

6.1.1 Supervisory Board

The Supervisory Board is responsible for duties determined by the French Commercial Code, the Company's bylaws and its rules of procedure(1). More specifically, the Supervisory Board provides oversight of the management of the Company by the Executive Board, and for the company and consolidated financial statements adopted by the Executive Board.

6.1.1.1 Membership of the Supervisory Board

The relevant provisions of the French Commercial Code, the Company's bylaws and the rules of procedure(1) are used to determine the membership of the Supervisory Board.

As of the date of this document, the Supervisory Board comprised nine members, all of whom were domiciled for professional purposes at 26, Boulevard des Capucines, 75009 Paris (France) and hold Klépierre shares.

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(1) The Company's bylaws and the rules of procedure of the Supervisory Board can be consulted on Klépierre's corporate website at www.klepierre.com/en.

Membership of the Supervisory Board as of December 31, 2021 and on the filing date of this document

						Committee membership						
			Age	Nationality	Other appointments in other listed companies[a]	Investment	Audit	Nomination and Compensation	Sustainable Development	Term of appointment	Years of Board membership[b]	Number of Klépierre shares held
David Simon *Chairman of the Board*	Chairman of the Board and Chief Executive Officer of Simon Property Group, Inc.		60	US	1	◉				2024 GM	10	62
John Carrafiell	Managing Partner of BentallGreenOak		56	US	1		◉			2024 GM	7	60
Béatrice de Clermont-Tonnerre	Investor, member of the Executive Committee of Kayrros		49	French	0		●		●	2022 GM	6	60
Steven Fivel	General Counsel of Simon Property Group, Inc.		61	US	0	●		●	◉	2024 GM	10	62
Robert Fowlds	Senior Advisor in real estate and finance		60	UK	2	●				2024 GM	4	100
Stanley Shashoua	Investments Director of Simon Property Group, Inc.		51	US	0	●	●		●	2023 GM	7	60
Catherine Simoni	Former Chief Executive for France and Belgium of the European real estate funds of The Carlyle Group		57	French	0	●		◉		2023 GM	9	60
Rose-Marie Van Lerberghe *Vice Chair of the Board*	Director of CNP Assurances and Bouygues		75	French	2			●	●	2022 GM	10	100
Florence Von Erb	Representative of Afammer (NGO) at the United Nations and former Managing Director of Adair Capital		62	French	1		●		●	2023 GM	6	150

(a) Offices held within the Company are not taken into consideration in this calculation.
(b) As of April 26, 2022, the date of the next General Meeting of Shareholders.

▨ **Independence** ◉ **Chair**

5

NON-FRENCH SUPERVISORY BOARD MEMBERS

59

AVERAGE AGE OF SUPERVISORY BOARD MEMBERS AS OF DECEMBER 31, 2021

56%

INDEPENDENT SUPERVISORY BOARD MEMBERS

44%

FEMALE SUPERVISORY BOARD MEMBERS

100%

AT SUPERVISORY BOARD MEETINGS

Biographies of Supervisory Board members

DAVID SIMON

CHAIRMAN AND MEMBER
OF THE SUPERVISORY BOARD
CHAIRMAN AND MEMBER
OF THE INVESTMENT COMMITTEE

Aged 60

BS degree from Indiana University and MBA from Columbia University's Graduate School of Business

US national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Investment Committee: 100%

CAREER

David Simon is Chairman of the Board and Chief Executive Officer of Simon Property Group, Inc., which he joined in 1990. In 1993, he led the efforts to take Simon Property Group public, and became CEO in 1995. Before joining Simon Property Group, he was a Vice President of Wasserstein Perella & Co., a Wall Street firm specializing in mergers and acquisitions and leveraged buyouts. He was a member and the Chairman of the National Association of Real Estate Investment Trusts (NAREIT) Board of Governors and a trustee of the International Council of Shopping Centers (ICSC).

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Chairman and member of the Supervisory Board (term of office expiring at the 2024 General Meeting)
- Chairman and member of the Investment Committee

Outside Klépierre

- Director, Chairman of the Board and Chief Executive Officer:
  - Simon Property Group, Inc. (US-listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- Director, Chairman of the Board and Chief Executive Officer:
  - Simon Property Group (US-listed company)
  - The Retail Property Trust
  - M.S. Management Associates, Inc.
- Chairman of the Board and Chief Executive Officer:
  - Simon Management Associates, LLC
  - CPG Holdings, LLC

JOHN CARRAFIELL

MEMBER OF THE
SUPERVISORY BOARD
CHAIRMAN AND MEMBER
OF THE AUDIT COMMITTEE

Aged 56

BA degree from Yale University

US national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Audit Committee: 100%

CAREER

From 1987 to 2009, John Carrafiell held various roles at Morgan Stanley, as Head of Real Estate Europe from 1995, Managing Director from 1999, Global Co-Head of Real Estate from 2005, member of the Global Investment Banking Division Operating and Management Committee from 2006 to 2007, and Global Co-Head and Co-CEO of Real Estate Investing from 2007. In 2009, he founded Alpha Real Estate Advisors (UK) and acted as Managing Partner of that company until 2010, at which point he co-founded GreenOak Real Estate. In 2019, GreenOak merged with Bentall Kennedy to form BentallGreenOak – a global real estate asset management firm, managing USD 48 billion in assets. He is currently a Senior Managing Partner of BentallGreenOak.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2024 General Meeting)
- Chairman of the Audit Committee

Outside Klépierre

- Chairman:
  - Chelsea & Westminster Hospital NHS Foundation Trust Development Board (United Kingdom)
  - The Anna Freud National Centre for Children and Families Development Board (United Kingdom)
  - The Yale University School of Architecture Dean's Council (United States)
- Member of the Board of Directors:
  - Shurgard (Belgium-listed company)
  - Lineage logistics

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- Member of the Board of Directors:
  - Grupo Lar (Spain)

BÉATRICE DE CLERMONT-TONNERRE

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE

Aged 49

Graduate of Institut d'études politiques de Paris (Public Service Section) and ESSEC (École supérieure des sciences économiques et commerciales) Business School (MBA)

French national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Sustainable Development Committee: 100%
- On the Audit Committee: 100%

CAREER

Béatrice de Clermont-Tonnerre is currently an investor and member of the Executive Committee of Kayrros. She was previously Director of Artificial Intelligence Partnerships at Google, after having headed up the southern Europe Sell Side division for five years. Prior to Google, she was Senior VP, Business Development at Lagardère (2008-2013) and Head of Interactive TV and co-Head of Programming at Canalsatellite – Groupe Canal+ (2001-2005). She began her career as an analyst in the High Technologies division of Lagardère's Strategy Department, covering aerospace and telecoms.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2022 General Meeting)
- Member of the Sustainable Development Committee
- Member of the Audit Committee

Outside Klépierre

- Chair of the Nomination Committee:
  - Prisa
- Member of the Nomination Committee and the Strategy Committee:
  - SES

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- Board member of Ceva Logistics
- Vice Chair of the Board of Directors: Hurriyet
- Board member of LaCie

STEVEN FIVEL

CHAIRMAN OF THE SUSTAINABLE DEVELOPMENT COMMITTEE
MEMBER OF THE NOMINATION AND COMPENSATION COMMITTEE
MEMBER OF THE INVESTMENT COMMITTEE

Aged 61

Bachelor of Science degree in accounting from Indiana University and doctorate in law from the University of Illinois Chicago School of Law

US national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Sustainable Development Committee: 100%
- On the Nomination and Compensation Committee: 100%
- On the Investment Committee: 100%

CAREER

Steven Fivel began his career in 1987 as Deputy Attorney General at the Office of the Attorney General of the State of Indiana. In 1988, he joined Melvin Simon & Associates Inc., as an attorney handling shopping center finance transactions, real estate development and re-development transactions, joint ventures and corporate transactions. In 1997, he joined BrightPoint and occupied the functions of Executive Vice President, General Counsel and Secretary. In March 2011, he joined Simon Property Group as Assistant General Counsel and Assistant Secretary, leading Development and Operations, the Legal Department, and Operations within the Tax Department. Steven Fivel was appointed General Counsel and Secretary of Simon Property Group on January 1, 2017.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2024 General Meeting)
- Chairman and member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee
- Member of the Investment Committee

Outside Klépierre

- Member of the Board of Directors:
  - Simon Global Development BV

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- None

ROBERT FOWLDS

MEMBER OF THE SUPERVISORY BOARD
MEMBER OF THE INVESTMENT COMMITTEE

Aged 60

BS degree in Real Estate Management from the University of Reading and MBA in Finance from Bayes Business School, member of the Royal Institution of Chartered Surveyors

UK national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Investment Committee: 100%

CAREER

Robert Fowlds has been a Senior Advisor in real estate and finance since 2016. Previously, he was Managing Director, Head of Real Estate Investment Banking for the United Kingdom and Ireland at JP Morgan Cazenove, where he supervised a large team with expertise in capital markets, mergers and acquisitions, advisory and debt markets, before becoming Vice Chairman in 2013. Between 1987 and 2006, he held various positions in financial institutions such as Merrill Lynch, Kleinwort Benson Securities, Crédit Lyonnais Secs and Morgan Grenfell. Robert Fowlds is also a director of LondonMetric Property PLC (listed company).

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2024 General Meeting)
- Member of the Investment Committee

Outside Klépierre

- Member of the Board of Directors:
  - LondonMetric Property PLC (UK-listed company)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- Member of the Board of Directors:
  - UK Commercial Property REIT (UK-listed fund)

STANLEY SHASHOUA

MEMBER OF THE INVESTMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

Aged 51

BA degree in International Relations from Brown University and MBA in Finance from The Wharton School

US national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Investment Committee: 100%
- On the Audit Committee: 100%
- On the Sustainable Development Committee: 100%

CAREER

Stanley Shashoua is Investments Director at Simon Property Group. Previously, he was Managing Partner at LionArc Capital LLC, a private investment fund, which has invested in and managed real estate and private equity transactions for a total amount of over USD 500 million since 2007. Prior to joining LionArc Capital LLC, Stanley Shashoua was a Partner at HRO Asset Management LLC, where he was in charge of the acquisition and management of properties on behalf of institutional clients, managing transactions representing over USD 1 billion and comprising over 278,700 sq.m. He was also Vice President at Dresdner Kleinwort Wasserstein.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2023 General Meeting)
- Member of the Investment Committee
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Outside Klépierre

- Member of the Board of Directors:
  - Simon Canada Management Limited (Canada)
  - Mitsubishi Estate Simon Co. Ltd (Japan)
  - Shinsegae Simon Co. Inc. (South Korea)
  - Genting Simon Sdn Bhd (Malaysia)
  - Premium Outlets de Mexico, S. de RL de CV (Mexico)
  - CPGOM Partners de Mexico, S. de RL de CV (Mexico)
  - Outlet Services HoldCo Ltd (Jersey)
- Managing Partner:
  - Outlet Site JV Sarl (Luxembourg)
  - HBS Global Properties LLC (US)
  - Sparc Group Holdings II, LLC (US)
  - Cooper Retail Holdings LLC (US)
  - Rue Gilt Groupe Inc. (United States)

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- None

CATHERINE SIMONI

**SUPERVISORY BOARD MEMBER
CHAIRWOMAN OF THE NOMINATION AND COMPENSATION COMMITTEE
MEMBER OF THE INVESTMENT COMMITTEE**

Aged 57

Engineering degree from the University of Nice (France)

French national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Nomination and Compensation Committee: 100%
- On the Investment Committee: 100%

CAREER

For 14 years, Catherine Simoni was Director for France and Belgium of the European real estate funds of The Carlyle Group, which she left in December 2014. She was previously a Director at SARI Développement, the development division of Nexity, where she was responsible for implementing several major French office developments, including leasing and sales. Prior to this, Catherine Simoni was a Director at Robert & Finestate, a subsidiary of J.E. Robert Company, where she worked on transactions in real estate and real estate-backed loan portfolios in France, Spain, Belgium and Italy.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2023 General Meeting)
- Chair and member of the Nomination and Compensation Committee
- Member of the Investment Committee

Outside Klépierre

- None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- None

ROSE-MARIE VAN LERBERGHE

VICE CHAIR AND MEMBER
OF THE SUPERVISORY BOARD
MEMBER OF THE SUSTAINABLE
DEVELOPMENT COMMITTEE
MEMBER OF THE AUDIT
COMMITTEE

Aged 75

Graduate of ENA (École nationale d'administration), École normale supérieure and Institut d'études politiques of Paris and philosophy lecturer, with an undergraduate degree in history

French national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Sustainable Development Committee: 100%
- On the Nomination and Compensation Committee: 100%

CAREER

Rose-Marie Van Lerberghe began her career as an Inspector at IGAS (General Inspectorate, Social Affairs) before becoming Assistant Director for the defense and promotion of jobs at the French Labor Ministry. In 1986, she joined the Danone group, where she was group Director of Human Resources. In 1996, she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. She then became Executive Director of the Paris hospital trust (APHP). From 2006 to 2011, she was Chair of the Executive Board of Korian. From January 2010 to January 2014 Rose-Marie Van Lerberghe was a member of Conseil supérieur de la magistrature (the French High Council of the Judiciary). She is currently a member of the Council of the Order of the Legion of Honor.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Vice Chair and member of the Supervisory Board (term of office expiring at the 2022 General Meeting)
- Member of the Sustainable Development Committee
- Member of the Nomination and Compensation Committee

Outside Klépierre

- Member of the Board of Directors:
  - Bouygues (listed company)
  - CNP Assurances (listed company)
  - Fondation Hôpital Saint-Joseph
- Chair of the Board of Directors:
  - Orchestre des Champs-Élysées led by Philippe Herreweghe
- Chair:
  - Fondation Université de Paris

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- Chair of the Board of Directors:
  - Fondation Institut Pasteur
- Member of the Board of Directors:
  - Air France
  - Casino, Guichard-Perrachon

FLORENCE VON ERB

MEMBER OF THE INVESTMENT COMMITTEE
MEMBER OF THE AUDIT COMMITTEE
MEMBER OF THE SUSTAINABLE DEVELOPMENT COMMITTEE

Aged 62

Graduate of HEC Paris, specializing in finance

French national

Attendance rate in 2021

- On the Supervisory Board: 100%
- On the Sustainable Development Committee: 100%
- On the Audit Committee: 100%

CAREER

Florence Von Erb began her finance career working in JP Morgan's Paris, London and New York offices, where she specialized in international securities markets. She held positions in the firm's Treasury Department, Merchant Bank division, Latin America Debt Restructuring Unit and Equity Derivatives Group. In 2000, she joined Adair Capital, a New York-based investment management firm, where she served as Managing Director. She switched her focus to the not-for-profit world in 2004 when she became President and United Nations Representative of Make Mothers Matter International. In 2006, she co-founded Sure We Can Inc. Since 2014, she has been an active member of the UN NGO Social Development Committee and the Commission on the Status of Women, as well as serving as an Independent Director of Ipsos SA.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Member of the Supervisory Board (term of office expiring at the 2023 General Meeting)
- Member of the Audit Committee
- Member of the Sustainable Development Committee

Outside Klépierre

- Member of the Board of Directors:
  - Ipsos (listed company)
  - Ipsos Foundation

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

Klépierre

- None

Outside Klépierre

- Member of the Board of Directors: Fourpoints

Changes in the membership of the Supervisory Board during fiscal year 2021

	Departures/appointments/re-appointments in fiscal year 2021
David Simon	Re-appointed for a period of three years by the General Meeting of Shareholders of June 17, 2021
John Carrafiell	Re-appointed for a period of three years by the General Meeting of Shareholders of June 17, 2021
Steven Fivel	Re-appointed for a period of three years by the General Meeting of Shareholders of June 17, 2021
Robert Fowlds	Re-appointed for a period of three years by the General Meeting of Shareholders of June 17, 2021

Changes in the membership of the Supervisory Board during fiscal year 2022

Terms of office expiring in 2021

With their terms of office as Supervisory Board members due to expire at the end of the General Meeting of April 26, 2022, Rose-Marie Van Lerberghe and Béatrice de Clermont-Tonnerre are seeking to be re-appointed.

After reviewing the individual situation of these two members and given their skills, the quality of their contribution to the Supervisory Board's work and to the Committees of which they are members, their solid understanding of the Group's challenges and their regular attendance at meetings, both the Nomination and Compensation Committee and the Supervisory Board are in favor of re-appointing both members, as follows:

- **Rose-Marie Van Lerberghe:** the April 26, 2022 General Meeting is asked to re-appoint Rose-Marie Van Lerberghe as a member of the Supervisory Board for a period of three years as from said Meeting. If this re-appointment is approved, the Supervisory Board will re-appoint Rose-Marie Van Lerberghe as a member of the Nomination and Compensation Committee and of the Sustainable Development Committee;
- **Béatrice de Clermont-Tonnerre:** the April 26, 2022 General Meeting is invited to re-appoint Béatrice de Clermont-Tonnerre as a member of the Supervisory Board for a period of three years as from said Meeting. If this re-appointment is approved, the Supervisory Board will re-appoint Béatrice de Clermont-Tonnerre as a member of the Audit Committee and the Sustainable Development Committee.

Note that the term of office of Rose-Marie Van Lerberghe as Vice-Chair of the Supervisory Board will also expire at the end of the Shareholders' Meeting of April 26, 2022. Béatrice de Clermont-Tonnerre has put herself forward to succeed Rose-Marie Van Lerberghe. Both the Nomination and Compensation Committee, and the Supervisory Board favor the appointment of Béatrice de Clermont-Tonnerre as Vice-Chair of the Supervisory Board to replace Rose-Marie Van Lerberghe, subject to approval by the Shareholders' Meeting of April 26, 2022 of the reappointment of Béatrice de Clermont-Tonnerre as member of the Supervisory Board.

The table below summarizes the planned changes to membership of the Supervisory Board for 2022, subject to approval by the Shareholders' meeting of April 26, 2022:

Date	Departures	Appointments	Re-appointments
April 26, 2022	None	N/A	Rose-Marie Van Lerberghe (member)
April 26, 2022	None	N/A	Béatrice de Clermont-Tonnerre (member)
April 26, 2022	Rose-Marie Van Lerberghe (Vice Chair)	N/A	N/A
April 26, 2022	None	Béatrice de Clermont-Tonnerre (Vice Chair)	N/A

Subject to the approval of the General Meeting to be held on April 26, 2022 of these re-appointments, the Supervisory Board will continue to be composed as follows:

	Membership after the 2022 General Meeting of Shareholders
Percentage of independent members	56%
Percentage of female members	44%
Percentage of non-French members	56%

6.1.1.2 Rules on the membership of the Supervisory Board

Independence

Number of members
9

Number of independent members
5

Independence rate
56%

Supervisory Board member independence is reviewed based on the definition contained in the AFEP-MEDEF Code.

This status is reviewed annually by the Nomination and Compensation Committee by means of individual independence questionnaires submitted to Supervisory Board members (see table below in respect of 2021). The Nomination and Compensation Committee's recommendations are then communicated to the Supervisory Board, which subsequently reviews the situation of each member of the Supervisory Board.

The specific business relationship review consists of two steps. First, the Nomination and Compensation Committee and then the Supervisory Board review the various relationships in question to ascertain whether or not they constitute business relationships. Where this is the case, to assess whether a given relationship is significant or not, a second, more in-depth review is carried out based on qualitative criteria (context, history and organization of the relationship, respective powers of the parties) and quantitative criteria (materiality of the relationship for the parties).

At the date of this document, the reviews carried out revealed that none of the members of the Supervisory Board had any business relationships with Klépierre.

The following table shows the findings of the 2021 review of the independence classification of members of the Supervisory Board:

	Independence criteria set out in the AFEP-MEDEF Code								
Name	Group employee or corporate officer within the last five years	Cross-directorships	Significant business relationship	Close family ties with a corporate officer	Statutory Auditor to Klépierre Group entity within the last five years	Member of the Supervisory Board for more than 12 years	Recipient of variable compensation in cash or shares or of any compensation linked to Klépierre's performance	Member representing major Klépierre shareholders	Classification by the Supervisory Board in 2021
D. Simon	✻	✻	✻	✻	✻	✻	✻	✔	Not independent
R.-M. Van Lerberghe	✻	✻	✻	✻	✻	✻	✻	✻	Independent
J. Carrafiell	✻	✻	✻	✻	✻	✻	✻	✻	Independent
B. de Clermont-Tonnerre	✻	✻	✻	✻	✻	✻	✻	✻	Independent
S. Fivel	✻	✻	✻	✻	✻	✻	✻	✔	Not independent
R. Fowlds	✻	✻	✻	✻	✻	✻	✻	✔	Not independent
S. Shashoua	✻	✻	✻	✻	✻	✻	✻	✔	Not independent
C. Simoni	✻	✻	✻	✻	✻	✻	✻	✻	Independent
F. Von Erb	✻	✻	✻	✻	✻	✻	✻	✻	Independent

✔ *Yes*
✻ *No*

As of the filing date of this Universal Registration Document, five of the nine Supervisory Board members are deemed independent, i.e., 56% of Board members, in line with recommendation 9.3 set out in the AFEP-MEDEF Code.

Diversity

Gender balance

The Supervisory Board comprises nine members, four of whom (i.e., 44%) are women, a ratio exceeding the minimum 40% stipulated in the French Commercial Code and the recommendations of the AFEP-MEDEF Code. This diversity is also evident in the membership of its Committees.

A strong international profile

The Company seeks to reflect the international environment in which the Group conducts its business. The Supervisory Board therefore consists of three different nationalities (US, British and French) and has five non-French members (David Simon, John Carrafiell, Steven Fivel, Robert Fowlds and Stanley Shashoua).

Varied and complementary skills and experience

The Supervisory Board believes that the skills of the members of the Board are varied and complementary, with some members of the Board having strategic skills and others financial or more specific competences (financial communication, human resources and legal expertise, knowledge of the real estate or commercial sector – particularly digital – or management experience).

Due to the diverse and complementary experience and expertise of the Supervisory Board members, they quickly gain a detailed understanding of Klépierre's development challenges and ensure that the decision-making process is efficient.

The skills matrix of the various members of the Board as of December 31, 2021, as reviewed by the Nomination and Compensation Committee, is shown below.

Name	International experience	Real estate sector	Finance	Retail	Managerial experience	Human resources and governance	Digital
David Simon	X	X	X	X	X	X	
John Carrafiell	X	X	X		X	X	
Béatrice de Clermont-Tonnerre	X		X		X		X
Steven Fivel	X	X	X		X	X	
Robert Fowlds	X	X	X		X		
Stanley Shashoua	X	X	X	X	X		
Catherine Simoni	X	X			X	X	
Rose-Marie Van Lerberghe			X		X	X	
Florence Von Erb	X		X		X		

Availability and attendance

The individual attendance rates at Supervisory Board and Board Committee meetings, listed in the biographies above, attest to the availability and attendance of Supervisory Board members.

Conflict of interests

The rules of procedure of the Supervisory Board state that members must inform the Board of any actual or potential conflict of interest in respect of the Company and abstain from discussing or voting on the corresponding decisions.

Members of the Supervisory Board regularly receive a questionnaire setting out multiple possible examples of conflicts of interest, inviting them to declare any situations that might represent a potential conflict of interest with respect to Klépierre.

The Board concluded, further to an analysis carried out in December 2021, that none of its members were in a situation of conflict of interest, potential or otherwise, or had any direct or indirect business relationships with Klépierre.

Klépierre has no knowledge of any arrangements or agreements with its main stakeholders pursuant to which any Supervisory Board members were appointed as corporate officers of another entity.

Review of the membership of the Supervisory Board

When reviewing its membership and proposals for appointment or re-appointment submitted to the General Meeting, the Supervisory Board regularly examines the individual situation of each member, particularly:

- The skills and experience they contribute to the work of the Board and the Committees;
- Their availability and attendance at meetings, as well as their commitment;
- Their situation as regards conflicts of interest and their independence;
- Their contribution to the diversity of the Board in terms of qualifications, age, gender, nationality, length of service on the Board and professional experience.

The Supervisory Board regularly reflects on the desirable balance of its membership and that of the Board Committees in order to guarantee shareholders and the market that its duties are carried out with the necessary independence and objectivity, in line with the Group's challenges and strategy.

Taking into account the elements set out and the abovementioned criteria, the membership of the Supervisory Board is satisfactory. Nevertheless, the Supervisory Board remains open to any potential improvements that may be appropriate.

6.1.1.3 Operating methods of the Supervisory Board

The operating methods of the Supervisory Board are governed by the applicable legal and regulatory provisions, as well as the Company's bylaws and the Supervisory Board's rules of procedure(1).

Meetings of the Supervisory Board without the executive corporate officers in attendance

Given the Company's dual board structure, executive corporate officers are not members of the Supervisory Board, but are regularly invited to take part in the Board's meetings to discuss operational issues and other matters relating to the Group's activities. In addition, the Supervisory Board may meet without the executive corporate officers in attendance, particularly when the meeting agenda pertains to their performance or compensation.

Discussions and informal contact between the members of the Supervisory Board, to which the Executive Board members are not party, may also take place on an ad hoc basis over the year.

Role of the Chairman and Vice Chair of the Supervisory Board

In addition to the duties assigned to him/her by law, the Chairman of the Board oversees the proper operation of the Board. In particular, the Chairman of the Board ensures that there is a culture of openness and transparency within the Board, so that its discussions are insightful. The Chairman ensures that Board members receive adequate information in advance of each Board meeting so that the discussions and resolutions are effective. The Chairman also regularly ensures that Board members receive appropriate training to enable them to carry out their duties.

The Chairman of the Board discusses the Group's strategic and/or sensitive goals with Executive Board members, particularly those relating to the Group's orientation and organization (from both an operational standpoint and in terms of performance and objectives, especially in the environmental sphere), along with significant external growth projects, major financial transactions and the Group's financial information. If certain decisions require prior authorization by the Supervisory Board, the Chairman may be called upon to assist the Executive Board in its preparatory work on these various projects. As in previous years, the Chairman was called upon in 2021 to share his insight into the industry, his experience and vision for the Group and the Executive Board.

In some circumstances, the Chairman may from time to time be required to represent the Group in contacts with its tenants, major shareholders, service providers or partners.

In accordance with the Company's bylaws, in the absence of the Chairman, the Vice Chair chairs the meetings of the Supervisory Board and General Meetings.

Dialogue with shareholders

In accordance with the provisions of the AFEP-MEDEF Code, the members of the Supervisory Board may also be required to communicate directly with the Company's shareholders in order to explain the positions taken by the Supervisory Board in their areas of expertise.

Assessment of the Supervisory Board

The Board periodically assesses its membership, organization and procedures, as well as those of its Committees. The Board discusses these matters once a year and carries out a formal assessment every three years.

As required by the AFEP-MEDEF Code, this involves reviewing the operating methods of the Board, verifying that important matters are properly prepared and discussed, and evaluating the contribution of each member to the Board's work. The conclusions of these assessments are reported on in the Universal Registration Document, so that shareholders are kept informed each year of the content of the assessments and any follow-up.

Klépierre's Supervisory Board was formally assessed in late 2019 by way of questionnaires with more than 25 questions sent to Supervisory Board members. The findings of these assessments were presented on page 233 of Klépierre's 2019 Universal Registration Document.

At its meeting of February 15, 2022, the members of the Supervisory Board said they were generally satisfied with the operating methods of the Board and of its Committees. The members noted that the discussions of the Board and the Committees were of high quality and took place in the context of an open, calm dialogue in which each member was able to express their point of view. The Chairman of the Board expressed his satisfaction with the quality of the work carried out by the Board Committees and the reports given to the Board. The Chairman also commended the attendance rate of members, which reflects their commitment to the work of Klépierre's governance bodies.

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(1) *The Company's bylaws and the rules of procedure of the Supervisory Board can be consulted on Klépierre's corporate website at www.klepierre.com/en.*

Training of Supervisory Board members

On appointment and throughout their term of office, Supervisory Board members may receive training on specific aspects of the Group, its activities and business lines.

A program primarily aimed at new Supervisory Board members but which is also open to existing members wishing to participate, is deployed when members first take office, with the purpose of meeting the following objectives:

- Introducing them to the Group as a whole;
- Familiarizing them with the Group's specific business lines (center management, finance and investments, leasing and marketing, etc.);
- Familiarizing them with the Group's organization;
- Facilitating access to useful information for the smooth exercise of their duties.

This program primarily entails site visits and exchanges with different operational staff. New Board members are also given training on Diligent Board Books, to familiarize them with the Board's governance management tool.

In terms of ongoing training, during their term of office any Supervisory Board member who so wishes is entitled to:

- Legal training to enable them to clearly ascertain the general and specific rights and obligations incumbent upon them, including those resulting from legal or regulatory texts, the bylaws, rules of procedure and any other legally binding text;
- Visits to one or more property assets, accompanied by an operational staff member, in order to gain insight into the Company's business lines.

Selection of new Supervisory Board members

In the event of a vacancy of one or more independent members, the Nomination and Compensation Committee is responsible for proposing new members to the Supervisory Board, after having assiduously reviewed all factors required to achieve a balanced Board membership. To this end, the Nomination and Compensation Committee organizes a procedure aimed at selecting the future independent members and commissions any research that it considers relevant in this undertaking.

6.1.1.4 Work of the Supervisory Board in fiscal year 2021

The Committee met or was consulted ten times in fiscal year 2021, with an average attendance rate of 100%.

At Board meetings, the Committee Chairmen gave account of their work and presented the recommendations from the Committees on topics that fall within their remit.

The main issues discussed by the Supervisory Board in 2021 were as follows:

Topics	Agenda items
Financing policy, reporting on the budget and accounting, dividend	• Review of the Audit Committee's work • Review of the Company and consolidated financial statements as of December 31, 2020 and related documents • Review of the interim consolidated financial statements as of June 30, 2021 and related documents • Review of Executive Board quarterly business reviews • Updates on the 2021 budget • Approval of the 2022 budget • Review of the Group's financial position (net asset value, debt) • Appropriation of profit proposed at the 2021 General Meeting • Consultation of management documents used for budgeting and forecasting purposes • Review of all statutory Executive Board reports
Strategy	• Review of strategic and financial impacts of the Covid-19 pandemic
Investments/divestments and authorizations given to the Executive Board	• Review of the Investment Committee's work • Authorization to divest assets • Review of related-party agreements entered into and authorized by the Supervisory Board during previous fiscal years that remained in force during 2021 • Authorizations of guarantees and endorsements
Governance	• Review of the Nomination and Compensation Committee's work • Review of the membership of the Supervisory Board and its Committees • Proposals to re-appoint members of the Supervisory Board • Annual review of the operating methods of the Board and Committees • Approval of the annual report on corporate governance • Preparation for the Annual General Meeting to approve the financial statements for the year ended December 31, 2020
Compensation policy and talent review	• Annual review of Klépierre's gender and diversity policy • Annual review of the policy on gender equality and equal pay • Review of the situation and compensation of executive corporate officers • Definition of the compensation policy • Release of the 2021 performance share plan

6.1.2 Board Committees

The Supervisory Board has set up four specialized Board Committees (the Investment Committee, Audit Committee, Nomination and Compensation Committee and Sustainable Development Committee), whose reports are sent to the Supervisory Board before its meetings.

Within its area of expertise, each Committee issues proposals, recommendations and opinions, where required, and reports on its duties to the Supervisory Board. The role and operating methods of the Committees are described in their respective rules of procedure (available online at www.klepierre.com/en).

6.1.2.1 Investment Committee

Number of members	Number of meetings in 2021	Average attendance rate
5	**6**	**100%**

Summary of work performed

The main issues discussed at these meetings in 2021 were as follows:

Topics	Agenda items
Investments/Divestments	• Reviews of various projects and recommendations thereon
General review and oversight	• Oversight of transactions approved by the Supervisory Board • Review of major transactions in commercial property assets in Europe

Membership

- At least three members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2021, comprising the five members listed in the summary table on page 252;
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2021 and/or up to the filing date of this Universal Registration Document;
- Re-appointment of (i) David Simon, Steven Fivel and Robert Fowlds as Committee members and of (ii) David Simon as Chairman of the Committee following the General Meeting of June 17, 2021.

Attendance rate by member

	Meetings						
Member	**1**	**2**	**3**	**4**	**5**	**6**	**Individual attendance rate**
David Simon, Chairman	▬	▬	▬	▬	▬	▬	100%
Robert Fowlds	▬	▬	▬	▬	▬	▬	100%
Steven Fivel	▬	▬	▬	▬	▬	▬	100%
Stanley Shashoua	▬	▬	▬	▬	▬	▬	100%
Catherine Simoni	▬	▬	▬	▬	▬	▬	100%

▬ *Attendance in session*
▬ *Total number of sessions*

6.1.2.2 Audit Committee

Number of members	Number of meetings in 2021	Average attendance rate
4 of whom 75% are independent	**3**	**100%**

Summary of work performed

The main issues discussed at these meetings in 2021 were as follows:

Topics	Agenda items
Financing policy and reporting on budget and accounting	• Review of the company and annual and interim consolidated financial statements, review of material subsequent events and their impact, and review of off-balance sheet commitments and risks • Review of the main litigation and disputes to ensure that they are appropriately recorded in the accounts and determination of the accounting treatment of uncollected rents • Update on tax matters • Summary of the real estate valuation campaign • Monitoring key performance and financial indicators (especially EPRA indicators) • Review of the proposed dividend policy • Engagements of the Statutory Auditors (and proposed renewal of their term of office) and review of the fee proposal • Review of the statutory audit conclusions issued by the Statutory Auditors and their statement of independence • Regular updates on changes in the tax, accounting and regulatory environment
Audit, internal control and risk management	• Internal audit: Report on 2021 engagements (review of reports on audits conducted in 2021, including tax audits, and 2022 plan) • Review of the Statutory Auditors' findings • Presentation on risk management in various areas, including cybercrime
Specific items	• Annual assessment of the operating methods of the Audit Committee • Preparation of an internal audit charter

Membership

- At least three members (and up to five) appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2021, comprising the four members listed in the summary table on page 252, of which 75% are independent (including the Chairman);
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2021 and/or up to the filing date of this Universal Registration Document;
- Re-appointment of John Carrafiell as member and Chairman of the Committee following the General Meeting of June 17, 2021.

Attendance rate by member

	Meetings			
Member	**1**	**2**	**3**	**Individual attendance rate**
John Carrafiell, Chairman	▬	▬	▬	100%
Béatrice de Clermont-Tonnerre	▬	▬	▬	100%
Stanley Shashoua	▬	▬	▬	100%
Florence Von Erb	▬	▬	▬	100%

▬ *Attendance in session*
▬ *Total number of sessions*

Training for Audit Committee members

On appointment and at their request, Audit Committee members receive information on specific accounting, financial or operational aspects of the Company's business.

In accordance with the report of the AMF working group on audit committees, the Supervisory Board has determined criteria for assessing whether a person is skilled in particular financial and/or accounting matters, particularly with regard to listed companies. To this end, the Board takes into account candidates' professional experience and/or academic training. In light of their professional experience, all members of the Audit Committee are considered by the Board to have specific competence in financial matters.

6.1.2.3 Nomination and Compensation Committee

Number of members
3 of which 66.7% are independent

Number of meetings in 2021
4

Average attendance rate
100%

Summary of work performed

The main issues discussed at these meetings in 2021 were as follows:

Topics	Agenda items
Governance	• Review of the membership of the Supervisory Board and of Board Committees • Review of the membership of the Executive Board • Review of the independence of the members of the Supervisory Board and of any business relationships • Assessment of the Supervisory Board • Update of the succession plan of Klépierre's executive corporate officers and key senior executives • Annual review of the progress made on gender equality due to the implementation of Klépierre's gender and diversity policy • Annual review of the policy on gender equality and equal pay
Compensation	• Review of the situation of corporate officers and setting their compensation • Definition of the compensation policy • Review of the 2021 bonus share allotment plans • Review of the final vesting rates of performance shares for plans whose vesting period has expired

Membership

- At least two members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2021, comprising the three members listed in the summary table on page 252, of which 66.67% are independent (including the Chair);
- With the exception of the re-appointment set out below, there were no changes in membership of the Committee during 2021 and/or up to the filing date of this Universal Registration Document;
- Re-appointment of Steven Fivel as member of the Committee following the General Meeting of June 17, 2021.

Attendance rate by member

	Meetings				
Member	**1**	**2**	**3**	**4**	**Individual attendance rate**
Catherine Simoni, Chair	▬	▬	▬	▬	100%
Steven Fivel	▬	▬	▬	▬	100%
Rose-Marie Van Lerberghe	▬	▬	▬	▬	100%

▬ *Attendance in session*
▬ *Total number of sessions*

Training for Nomination and Compensation Committee members

A virtual library (available on the Diligent Board Books platform) of relevant publications on compensation and governance is made available to members of the Nomination and Compensation Committee and is updated regularly, providing members with easier access to reports and updates from the AMF, the French association of private sector businesses (AFEP) and the French employers' association (MEDEF), the French high committee for corporate governance, and the OECD, as well as to the voting policies of the main proxy advisors and investors, to benchmarks, and to various studies by experts and specialists.

6.1.2.4 Sustainable Development Committee

Number of members
5 of which 66.7% are independent

Number of meetings in 2021
3

Average attendance rate
100%

Summary of work performed

The main issues discussed at these meetings in 2021 were as follows:

Agenda items
• Presentation of the CSR results for the assessment periods • Presentation of the non-financial ratings • Presentation of solutions proposing specific decarbonization methods and their application with respect to the Klépierre portfolio • Presentation of phase 2 of Act for Good® • Presentation on the European Taxonomy • ESG financing update

Membership

- At least two members appointed by the Supervisory Board from among its members for the duration of their term of office as Supervisory Board members;
- As of December 31, 2021, comprising the four members listed in the summary table on page 252, of which 66.67% are independent (including the Chairman);
- With the exception of the re-appointments set out below, there were no changes in membership of the Committee during 2021 and/or up to the filing date of this Universal Registration Document;
- Re-appointment of Steven Fivel as member and Chairman of the Committee following the General Meeting of June 17, 2021.

Attendance rate by member

	Meetings			
Member	**1**	**2**	**3**	**Individual attendance rate**
Steven Fivel, Chairman	▬	▬	▬	100%
Béatrice de Clermont-Tonnerre	▬	▬	▬	100%
Stanley Shashoua	▬	▬	▬	100%
Rose-Marie Van Lerberghe	▬	▬	▬	100%
Florence Von Erb	▬	▬	▬	100%

▬ *Attendance in session*
▬ *Total number of sessions*

6.1.3 Executive Board

The Executive Board is Klépierre's collective management body. It is responsible for duties provided for in the French Commercial Code and the Company's bylaws, including management of the Group's business so that it meets its financial targets, and is also in charge of strategy and any changes therein as defined in tandem with the Supervisory Board. The Executive Board members are collectively responsible for the Company's management.

6.1.3.1 Membership and operating methods of the Executive Board

The provisions of the French Commercial Code and the bylaws are used to define the membership and operating methods of the Executive Board. The bylaws are available on the Company's website (www.klepierre.com/en).

As of the date of this document, the Executive Board had two members, both of whom were domiciled for professional purposes at 26, Boulevard des Capucines, 75009 Paris (France):

- Jean-Marc Jestin, Chairman of the Executive Board; and
- Jean-Michel Gault, Chief Financial Officer, member of the Executive Board.

Beñat Ortega also served as a member of the Executive Board for the period from January 1, 2021 to January 31, 2022.

Biographies of current Executive Board members(1)

JEAN-MARC JESTIN

CHAIRMAN AND MEMBER OF THE EXECUTIVE BOARD

Aged 53

Graduate of HEC

French national

Number of Klépierre shares held: 112,246

Date of first appointment as a member of the Executive Board: October 18, 2012

Date of first appointment as Chairman of the Executive Board: November 7, 2016

Term of appointment (as Chairman and member of the Executive Board): June 22, 2019 – June 21, 2022

CAREER

Jean-Marc Jestin has been Chairman of the Klépierre Executive Board since November 7, 2016, after serving as Chief Operating Officer and member of the Klépierre Executive Board since October 18, 2012. Previously, Jean-Marc Jestin held several positions in real estate companies. He was Chief Financial Officer and then Chief Operating Officer of the pan-European platform Simon Ivanhoe from 1999 to 2007. He then joined the Unibail-Rodamco International teams, acting as Deputy Chief Investment Officer in charge of acquisitions, sales and M&A transactions. Jean-Marc Jestin started his career in 1991 at Arthur Andersen in an audit role where he contributed to the development of the real estate practice.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Positions held in several subsidiaries[a]

Outside Klépierre

- None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

- None

(a) No compensation is paid or due under offices held at Group subsidiaries.

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(1) In accordance with Annex I of Delegated Regulation (EU) no. 2019/280, this section does not include Klépierre subsidiaries in which the corporate officers are also members of a governing, management or supervisory body, or have been in the last five years.

JEAN-MICHEL GAULT

EXECUTIVE BOARD MEMBER

Aged 61

Graduate of École supérieure de commerce de Bordeaux

French national

Number of Klépierre shares held: 90,605

Date of first appointment: June 1, 2005

Term of appointment: June 22, 2019 – June 21, 2022

CAREER

Jean-Michel Gault has been an Executive Board member since June 1, 2005. He joined Klépierre in 1998 as Chief Financial Officer, after a ten-year career in the Paribas group. In 2009, his role was expanded to include the Office Property division. In this role, he supervised Klépierre's merger with Compagnie Foncière for which he was acting as Chief Financial Officer within the Real Estate Investment division of Paribas. Previously, he was Head of Financial Services and then appointed Chief Financial Officer at Cogedim, which was a subsidiary of Paribas at that time. Jean-Michel Gault began his career with GTM International (Vinci group) as a financial controller.

OFFICES AND POSITIONS HELD AS OF DECEMBER 31, 2021

Klépierre

- Positions held in several subsidiaries[a]

Outside Klépierre

- None

OFFICES AND POSITIONS THAT EXPIRED IN THE LAST FIVE FISCAL YEARS

- None

(a) No compensation is paid or due under offices held at Group subsidiaries.

Conflicts of interest and independence

Executive Board members must consult the Supervisory Board before accepting any new appointments in a listed company, it being specified that no individual member of the Executive Board may hold more than two offices in listed companies, including non-French companies, outside the Group.

As of the date of this document and to the knowledge of the Company, there were no conflicts of interest between the duties toward Klépierre of any members of the Executive Board or of the Supervisory Board and their private interests and/or other duties. Furthermore:

- There are no family ties between members of the Executive Board and/or members of the Supervisory Board;
- None of the members of the Executive Board and/or members of the Supervisory Board have been convicted for fraud in the last five years;
- None of the members have been subject to bankruptcy, receivership, liquidation or court-ordered administration proceedings in the last five years;
- No conviction and/or official public sanction has been handed down against any member of the Executive or Supervisory Boards;
- No member has been automatically disqualified by a court from acting as a member of an administrative, executive or supervisory body of an issuer or from managing or running the affairs of an issuer in the last five years.

The Company has no knowledge of any arrangements or agreements with its main stakeholders pursuant to which any Executive Board members were appointed as corporate officers of any non-Group entities.

6.1.3.2 Work of the Executive Board in fiscal year 2021

The main issues submitted to the Executive Board in 2021 were as follows:

Topics	Agenda items
Investments/divestments and implementation of strategy	• Review of plans for development, investments, divestments, extensions, refurbishments and restructuring • Intragroup financial structuring transactions
Group financing policy, performance and reporting	• Preparation and approval of the company and consolidated financial statements for the fiscal year ended December 31, 2020 and the interim financial statements for first-half 2021 • Quarterly management reports • Budget preparation and tracking • The Group's dividend policy and decisions related to payment of the dividend • Cancellation of shares • Intragroup restructuring transactions • Issue of warranties, endorsements and guarantees
Group operations	• Review of the performance of portfolio assets • Monitoring commercial relationships with the Group's main clients, especially in the context of Covid-19 • Reviewing, validating and overseeing running costs and capital expenditure on the portfolio • Rolling out new operational management tools • Monitoring CSR objectives in line with the Act for Good® policy
Internal control and risk management	• Preparation of the audit plan • Review of the Group's main risks
Governance and ethics	• Management of the list of insiders and preparation of meetings of the inside information committee • Klépierre's ongoing gender and diversity policy
Compensation and human resources	• Annual talent and compensation review • Allotment of performance shares • Continuation of the policy commitments on gender equality in the workplace
Shareholder relations	• Communication with investors and roadshows • Preparation for and convening of the General Meeting of Shareholders • Establishment of the Universal Registration Document

6.1.3.3 Executive management team

The Executive Board is backed by a Corporate Management Team (CMT) which meets every fortnight to:

- Discuss all transactions and operations relating to the Group's organization;
- Encourage discussions between operating departments and corporate functions, for example in terms of operations, finance, information systems, legal affairs and human resources.

The Corporate Management Team comprises the following members:

- General Secretary;
- Chief Legal Officer;
- Chief Development Officer;
- Chief Investment Officer;
- Managing Director for France-Belgium Shopping Centers;
- Chief Human Resources Officer;
- Deputy Chief Financial Officer.

44

**AVERAGE AGE
OF CMT MEMBERS**

43%[*]

**PERCENTAGE OF WOMEN
CMT MEMBERS**

Furthermore, to strengthen Group collaborative working methods all country managers and corporate operating teams meet regularly under the aegis of the Group Operations Management Team (GOMT). The GOMT is a platform for sharing Group best practices and discussing the key priorities from the standpoints of strategy deployment, operational organization, asset management, marketing, leasing, maintenance, and safety and security. GOMT meetings are also an opportunity to discuss country operating performances and to provide progress reports on development projects.

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[*] *This percentage is slightly lower than last year's 50%, due to the transfer of the Corporate Management Team member who was previously Group Head of Leasing to another country within the Group.*

6.1.3.4 Gender and diversity within governance bodies

The real estate sector has traditionally been male dominated in France, with few women in senior management roles at Klépierre for many years. The Group takes decisions which help it to achieve better gender equality – not only within its management team but in positions of senior responsibility in general.

In 2020, the Supervisory Board approved Klépierre's gender and diversity policy within its governance bodies, in line with the recommendations of the Nomination and Compensation Committee and pursuant to paragraph 7 of the AFEP-MEDEF Code. The gender policy is underpinned by two diversity targets defined by the Executive Board, which are to be met over the short- and medium-term, and includes a dedicated action plan.

- The target is to increase the percentage of women in the Group's executive and management teams (Executive Board and Corporate Management Team) in the short- and medium-terms. Specifically, Klépierre's goal is for women to hold more than 30% of these positions by December 31, 2022 and 40% by December 31, 2025.
- The second target is to increase the percentage of women in the 100 most senior roles(1) within the Group over the short- and medium-term. Specifically, the aim is for women to hold more than 30% of the most senior roles by December 31, 2023 and 40% by December 31, 2026.

In applying its gender and diversity policy, Klépierre aims to meet quantitative targets while transforming its culture. Klépierre strongly believes in the need to support more women in taking on senior management roles and has devised a series of measures as part of its overall drive to increase diversity and transform its culture to identify and retain female talent. It has rolled out a plan focusing on career, parenting, equal pay, training, mentoring and development, communication, networks and engagement in and establishment of special events. Several concrete measures have been defined for each issue, along with a specific budget where appropriate.

In accordance with the AFEP-MEDEF Code, each year the Executive Board will inform the Supervisory Board of the results of its efforts in this regard. The Supervisory Board will report on these measures in the Universal Registration Document so that shareholders are kept informed of the annual progress made in terms of gender equality or, where appropriate, the reasons why objectives were not met and the measures taken to remedy the situation. Accordingly, the Supervisory Board was informed on December 9, 2021 of the progress made in gender diversity and was therefore able to confirm the appropriateness of the aforementioned targets, which remain unchanged.

Executive Board

Pursuant to Article L. 225-58 of the French Commercial Code, Klépierre has established an internal procedure for selecting Executive Board members with the aim of achieving gender equality. The procedure, which was prepared by the Nomination and Compensation Committee with support from the Executive Board and the Group's Legal Department, was approved by the Supervisory Board on February 4, 2020. It details the actions to be taken to ensure that at least one man and one woman are included among Executive Board candidates submitted to the Supervisory Board.

Corporate Management Team

At the date of this document, the percentage of women in the Corporate Management Team was 43%. As stated above, this percentage is slightly lower than last year's 50%, due to the transfer of the Corporate Management Team member who was previously Group Head of Leasing to another country within the Group.

The increase in the proportion of women on the Corporate Management Team is in line with Klépierre's gender and diversity policy, and brings the proportion of women in the executive management teams (Executive Board and the Corporate Management Team) to one third.

Positions of senior responsibility

At Group level, of the 100 most senior positions in the Group, 33 were held by women at December 31, 2021(2).

This improved performance is the result of the policy adopted over the past few years, which has primarily looked to fill positions internally, including senior management positions. Accordingly, further increasing the proportion of women in senior management roles within the Group requires establishing a pool of high-performing female employees in its businesses and at levels of the organization that give access to positions of senior responsibility.

An action plan has also been rolled out across the Group in connection with the gender and diversity policy outlined above. This plan features various measures, including (i) systematically analyzing and rectifying any observed gender pay gaps for equivalent positions (the Group has observed no significant pay gaps in France since 2015), and (ii) organizing an annual review of female talent to effectively identify high-potential employees (second- and third-tier positions below the CMT and GOMT) looking to progress in their careers, and offer them professional opportunities or targeted development measures.

Succession plan

Klépierre's succession plan applies to both the Group's executive corporate officers and key senior executives. It was drawn up by the Corporate Secretary with assistance from the Human Resources Department (for key senior executive successions) and the Legal Department, under the supervision of the Executive Board. The senior executives concerned were also involved in preparing their own succession plan.

The Nomination and Compensation Committee is closely involved in preparing and monitoring the succession plan and finished its review in December 2021 as part of its annual assessment. During this review, the Committee verified as far as possible that the envisaged successors provided gender balance in line with Klépierre's gender and diversity policy.

The succession plan details the roles and responsibilities of the Nomination and Compensation Committee and Supervisory Board in the event that a vacancy arises, notably on the Executive Board. It covers a number of time frames:

- Short-term succession, in the event of an unplanned vacancy (e.g., impediment, resignation or death);
- Medium- or long-term succession (e.g., retirement or end of term of office).

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(1) *Defined as the 100 highest-paid jobs within the Group's highest management levels (members of the Executive Board and top management teams [CMT and GOMT] and their direct reports), ranked by basic salary adjusted for purchasing power parity (PPP) as calculated by the OECD.*

(2) *Under the terms of Article L. 22-10-10 of the French Commercial Code, 10% of the positions within Klépierre are classified as positions of senior responsibility (i.e., 34 positions in total). As of December 31, 2021, 34 (31.8%) of these positions were held by women. This percentage is higher than the previous year, with 29% of women holding the top 10% most senior roles at December 31, 2020.*

The plan also includes a procedure for identifying and providing support for high-potential talent within the Group, as well as organizing dedicated training to foster the development of this talent.

The Group also has an emergency procedure in the event of an unplanned vacancy on the Executive Board.

6.1.3.5 Additional information

Prevention of insider trading/stock market compliance

As a listed company, Klépierre abides by the rules concerning insider trading. To prevent the risk of insider trading, Klépierre has adopted a Stock Market Code of Conduct, which is updated regularly.

The main objectives of the Code of Conduct are to:

- Define inside information and the general rules applicable to its use;
- Identify the people concerned by inside information;
- Detail the specific rules applying to persons holding inside information;
- List the applicable penalties in the event of a breach of the requirements regarding the holding of inside information.

The Code of Conduct applies to corporate officers (the Chairman of the Executive Board and the members of the Executive Board and Supervisory Board) and persons of similar status, and more generally to permanent insiders, as well as persons holding inside information who are subject to closed periods and employees who may have access to inside information on Klépierre or Klépierre securities.

Under the terms of the Code of Conduct, corporate officers and persons of similar status and any persons with close personal ties to corporate officers and persons of similar status have an obligation to disclose any transactions they make involving securities issued by the Company.

Senior executives and other persons holding inside information who are subject to closed periods are prohibited from conducting any personal transactions in Klépierre securities during the following periods:

- For 30 calendar days before the publication of the press release announcing the annual financial statements;
- For 30 calendar days before the publication of the press release announcing the interim financial statements;
- For 15 calendar days before the publication of the quarterly information with respect to the first and third fiscal quarters.

This restriction applies until the day after the publication of the quarterly, interim or annual information concerned.

Employees may be identified as occasional insiders and as such be temporarily covered by the same ban during periods in which transactions may influence Klépierre's share price.

Furthermore, beneficiaries of performance shares must comply with certain sale restrictions at the end of the lock-up period, under the conditions provided for in Article L. 22-10-59 of the French Commercial Code.

In addition to the Code of Conduct, the Group has also drawn up supporting procedures and practical information sheets, which are communicated to all Group senior executives and employees.

An Inside Information Committee was set up in 2017, comprising the Executive Board members, the Group Chief Legal Officer and the Group Head of Internal Audit. The role of the Committee is to decide whether to classify information as "inside", to closely monitor information that may potentially be classified as "inside", and to draw up the list of insiders in each case so that they may be reminded of their obligations.

6.2 COMPENSATION OF CORPORATE OFFICERS

6.2.1 Compensation policy for corporate officers

This section will be submitted to the Ordinary and Extraordinary General Meeting of April 26, 2022 for approval by way of specific resolutions, and complies with all the recommendations of the AFEP-MEDEF Code as regards compensation.

6.2.1.1 Basic principles for setting the compensation policy

In Klépierre's long-term corporate interest, the Supervisory Board sets the compensation policy, acting on the recommendation of the Nomination and Compensation Committee and taking into account the principles of the AFEP-MEDEF Code (namely comprehensiveness, balance between the compensation components, comparability, consistency, clarity of the rules, and proportionality), in order to meet the objectives set out below.

Compensation levels enable us to attract and retain the best talent

The appropriate level of compensation, both fixed and variable, is essential to attract, retain and motivate the best talent. The compensation offered should therefore be competitive and in line with market practices for comparable companies. In compliance with the principle of comparability recommended by the AFEP-MEDEF Code, the Nomination and Compensation Committee regularly reviews its approach using studies conducted by various independent specialists based on panels of companies of a similar size and/or operating in the same business sector as Klépierre, and with comparable international exposure.

Compensation packages are balanced and take into account areas of responsibility

Compensation paid to Supervisory Board members includes a fixed amount and a predominantly variable amount based on actual attendance at meetings of the Supervisory Board and/or Committees on which they sit.

Regarding Executive Board members, the Supervisory Board ensures that compensation is balanced (fixed, short-term variable and long-term variable components), with each component representing about one-third of total compensation for the year. In accordance with section 25.1.2 of the AFEP-MEDEF Code, the compensation of corporate officers is based on work performed, responsibility taken on board, and the duties entrusted to them.

Compensation of executive corporate officers is performance-based

The recognition of the performance of executive corporate officers strikes a balance between their interests, those of Klépierre and those of its shareholders. Accordingly, the compensation package for Executive Board members is subject to performance conditions, concerning both the short-term variable portion and the allotment of performance shares.

The performance criteria are financial, operating and non-financial. They are based on the achievement of various targets relating in particular to Klépierre's commercial strategy and to the ability of management to adapt Klépierre's organization to the environment and changes in its markets.

These criteria are regularly updated by the Nomination and Compensation Committee, as well as by the Supervisory Board.

Compensation of executive corporate officers takes into account the compensation and employment conditions applicable to Klépierre employees

Pertinent information on the Group's compensation policy is regularly provided to the Nomination and Compensation Committee.

For Executive Board members, the Supervisory Board ensures that their compensation package is consistent with that of the Group's senior managers, i.e., that it comprises both fixed components and short- and long-term variable components. Performance conditions applicable to the Group's key senior managers are the same as those applied to shares allotted to Executive Board members under the long-term incentives currently in force.

In addition, the Supervisory Board also includes criteria related to employment conditions for the Group's employees in the objectives underpinning the variable compensation payable to Executive Board members. For example, the short-term variable compensation objectives assessed include initiatives promoting diversity and talent development.

Compensation of executive corporate officers reflects Klépierre's CSR objectives to promote long-term growth

Both short- and long-term variable components are subject to non-financial criteria regarding CSR issues. These criteria are determined in line with the Group's targets in order to promote sustainable, environmentally-friendly development over the long term.

6.2.1.2 Decision-making process for setting, revising and implementing the compensation policy

At the beginning of each year, the Nomination and Compensation Committee conducts a review of the different components of compensation of Supervisory Board and Executive Board members. Based on the Nomination and Compensation Committee's work, the Supervisory Board then sets the compensation policy to be put to the vote at Klépierre's next General Meeting. The same process applies if the compensation policy is revised, or if exceptions are made.

Supervisory Board

In accordance with Article 17, paragraph 1 of the Company's bylaws, the General Meeting sets the total amount allotted to the Supervisory Board members in respect of their duties on the Board and on its Committees during the fiscal year.

This annual amount set by the Ordinary and Extraordinary General Meeting of April 19, 2016 was €700,000. This amount is maintained for subsequent fiscal years unless modified by the General Meeting. At the beginning of each year, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board allots the previous year's compensation among its members, taking into account the offices held by each member on the Board and its various Committees and their attendance record.

Executive Board

The table below presents the steps and timeline for setting the compensation of the Chairman and the Executive Board members.

POST-GENERAL MEETING OF PRIOR YEAR AND FIRST QUARTER OF CURRENT YEAR

Nomination and Compensation Committee

The Nomination and Compensation Committee analyzes any changes in corporate governance and, in particular, reviews reports on the meetings organized as part of the annual governance roadshows.

The Committee subsequently issues its recommendations on the following compensation policy items to the Supervisory Board:

- **Overall structure of corporate officers' compensation:** the Committee assesses its appropriateness each year (taking into account all components of compensation, including any severance pay);
- **Fixed annual compensation;**
- **Short-term variable compensation:**
  - The Committee sets the amount of short-term variable compensation due in respect of the prior year on the basis of performance criteria,
  - It then makes proposals for the performance criteria applicable to the short-term variable compensation due in respect of the current year;
- **Long-term incentive plans:**
  - The Committee ensures that there is a sufficiently large group of beneficiaries of performance share allotments within the Group (i.e., 11% of employees in 2021),
  - The Committee then proposes performance criteria applicable to all performance shares allotted within the Group for the current year, based on ambitious targets assessed over a three-year period,
  - As regards plans that have matured, the Committee assesses the achievement levels with regard to the applicable performance conditions,
  - Lastly, the Committee proposes a number of performance shares to be allotted to the Chairman and members of the Executive Board for the current year;
- **Benefits in kind:** the Committee reviews and values the various benefits in kind granted and includes them in its assessment of Executive Board compensation.

FROM FEBRUARY/MARCH OF CURRENT YEAR

Supervisory Board

On the basis of the Nomination and Compensation Committee's work and recommendations:

- The Supervisory Board sets the current year's compensation policy;
- The amount of **short-term variable compensation payable to the Chairman and members of the Executive Board in respect of the prior year** is set by the Supervisory Board based on its assessment of their performance with regard to the quantitative and qualitative criteria. The quantitative criteria relating to financial or stock market indicators are assessed on the basis of the consolidated financial statements as approved by the Supervisory Board, or on the basis of market data. The qualitative criteria are assessed on the basis of the Nomination and Compensation Committee's report;
- As regards **long-term incentive plans that have matured**, the Board takes due note of the performance levels achieved with regard to the applicable performance conditions.

FIRST HALF OF CURRENT YEAR

General Meeting of Shareholders

The compensation policy for the current year is submitted to the vote of the General Meeting (*ex ante* say on pay);

The compensation and benefits paid during or allotted for the previous year (i) to all corporate officers as a whole and (ii) to each executive corporate officer are also submitted to the vote (*ex-post* say on pay).

POST-GENERAL MEETING OF CURRENT YEAR

Nomination and Compensation Committee then Supervisory Board

The Nomination and Compensation Committee, and then the Supervisory Board based on the Committee's work, prepare a report on the General Meeting, including an analysis of results of the vote on the resolutions and an analysis of comments from investors and proxy advisors.

The Nomination and Compensation Committee and the Supervisory Board rely in particular on the following resources when setting the compensation policy:

- **possibility to hire highly reputed independent specialized consultants**, in particular for benchmarking;
- **meetings with the Group's General Secretary, who supervises the Legal and Human Resources Group Departments**, for example to obtain information about the compensation and employment terms of the Group's employees;
- **meetings with investors and proxy advisors.**

To avoid conflicts of interest and in accordance with AFEP-MEDEF Code recommendations:

- Executive Board members do not attend Nomination and Compensation Committee meetings;
- Executive Board members are not present during the Supervisory Board's deliberations on their compensation.

Furthermore, the rules governing conflicts of interest concerning the members of the Executive Board are described in detail on page 271.

6.2.2 Compensation of corporate officers for fiscal year 2022

6.2.2.1 Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2022

No changes are envisaged in the compensation policy of the Chairman and the other members of the Supervisory Board for 2022 versus the policy in place for fiscal year 2021.

As a reminder, the compensation of the Chairman and members of the Supervisory Board consists solely of an overall budget, the maximum of which was set at €700,000 by the Ordinary and Extraordinary Shareholders' Meeting of April 19, 2016 (i.e., €688,000 for a nine-member Supervisory Board).

Taking into account the fact that the number of Supervisory Board members was reduced to nine following the General Meeting of April 18, 2017, the utilization in fiscal year 2022 of the fixed annual budget of €700,000 is not expected to exceed €688,000.

The annual budget is allotted each year based on the duties of each member on the Board and/or its various Committees, distinguishing between Chair or Vice Chair and members, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (of the Supervisory Board and/ or the Committees) or Vice Chair of the Supervisory Board	Fixed portion: €22,000 per office Variable portion: N/A	€132,000
Supervisory Board member	Fixed portion: €12,000	€108,000
	Variable portion: Amount based on attendance record at Board meetings	€224,000
Committee members	Fixed portion: N/A Variable portion: Amount based on attendance record at the relevant Committee meetings	€224,000
TOTAL		**€688,000**

The table above shows that the variable portion is preponderant, representing up to 65% of the overall amount, in accordance with the recommendations of the AFEP-MEDEF Code.

Supervisory Board members may also obtain the reimbursement of all reasonable costs and expenses arising from the exercise of their duties, subject to providing the necessary supporting documentation.

No other components of compensation are awarded to the Chairman and members of the Supervisory Board or its Committees, and no agreements (employment or service agreements) have been entered into by Board or Committee members with the Company (or within the Group).

6.2.2.2 Compensation of the Chairman and the other members of the Executive Board for fiscal year 2022

Subject to the resolutions submitted to the General Meeting of April 26, 2022 and their approval by the shareholders, the components of compensation for the Chairman and members of the Executive Board for fiscal year 2022, as established by the Supervisory Board on February 15, 2022 on the basis of the work of the Nomination and Compensation Committee meeting of February 14, 2022, are presented below.

The compensation policy for the Chairman and the other members of the Executive Board has remained unchanged throughout their three-year term of office, which ends in June 2022.

The Nomination and Compensation Committee regularly benchmarks the practices of companies comparable in size and activities to Klépierre, notably to verify (i) the appropriateness of Executive Board member compensation with regard to the Group's size and to Board members' experience as well as (ii) the competitiveness of the compensation offered to Executive Board members versus the benchmark.

In view of the results of the study conducted by the Nomination and Compensation Committee in January/February 2022 (detailed below) and the recent departure of a member of the Executive Board to manage another company in the industry, the Nomination and Compensation Committee felt it was appropriate to recommend to the Supervisory Board that it establish the components of compensation for the Chairman and the other members of the Executive Board that would represent the compensation policy applicable for fiscal year 2022, taking into account certain changes in relation to the policy applicable for fiscal year 2021 which were approved by the Supervisory Board:

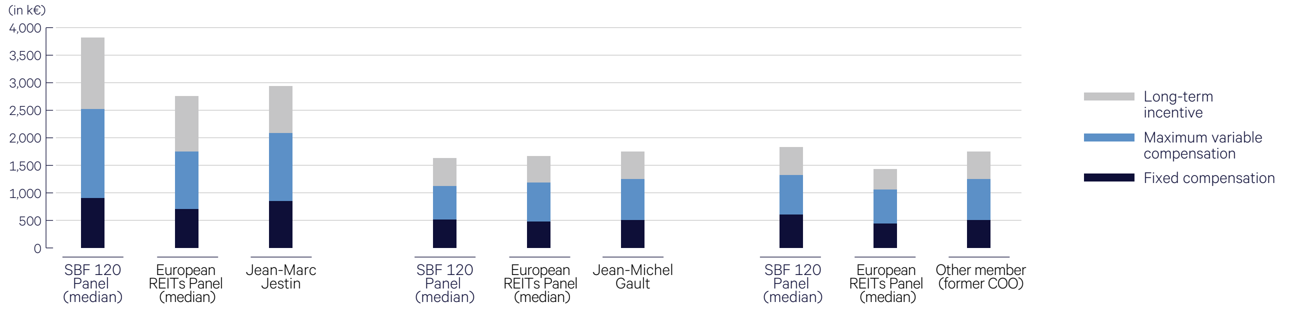
- **Maintain the current compensation structure** based on three components:
  - Fixed compensation, determined on the basis of the responsibilities of the Chairman and of the other members of the Executive Board, which must be sufficiently competitive to attract and retain the best talent,
  - Short-term variable compensation, the aim of which is to associate the Chairman and the other members of the Executive Board with the Group's short-term performance, and
  - Long-term incentives, to align the interests of the beneficiaries as closely as possible with the interests of shareholders, with a view to creating long-term value;
- **Maintain (practically unchanged) the maximum total compensation** for the Chairman and the other members of the Executive Board. The maximum total compensation of the Chairman of the Executive Board would indeed increase by 2.7%, and that of the CFO, member of the Executive Board, would decrease by 2.7%;
- **Re-assess the fixed compensation** of the Chairman and the other members of the Executive Board in order to make it more competitive, taking into account the results of the benchmark carried out by the Nomination and Compensation Committee at the beginning of 2022. This revaluation would lead to a moderate increase in fixed compensation, which would:
  - still be below or equal to the average of the medians of the reference panels as per the benchmark carried out by the Nomination and Compensation Committee, depending on the case, and
  - be similar for the Chairman of the Executive Board, and lower for the Chief Financial Officer, than the average increase in the fixed compensation of all Group employees since 2019, the year in which the fixed compensation of Executive Board members was last increased, i.e., 9.7%;
- **Raise the ceiling for total short-term variable compensation from 130% to 150% of fixed compensation**; the quantitative portion may represent up to 100% (versus 80% previously) of fixed compensation and the qualitative portion may represent up to 50% (unchanged);
- **Lower the ceiling for the long-term variable compensation of the Chairman and the other members of the Executive Board from 125% to 100%** of their short-term compensation;
- **Modify the weighting of the performance criteria of the long-term incentive scheme to strengthen the CSR criterion**; and
- **Adapt the stock market and CSR performance assessment scale**.

Positioning of Executive Board member compensation in light of reference panels

To ensure a consistent approach, the benchmark study conducted by the Nomination and Compensation Committee to verify the market positioning of the compensation of the Executive Board members was based on the same two panels as those used during the previous changes in the compensation policy that took place in 2019:

- a panel of **40 SBF 120 companies** centered around Klépierre's last known ranking in this index;(1) and
- a panel of the **main European listed real estate companies.**(2)

The charts below show that the 2022 compensation levels for executive corporate officers as submitted to the vote of the General Meeting are consistent with Klépierre's positioning (in terms of its market capitalization) within the reference panels selected. This positioning corresponds to the median of the panel of SBF 120 companies and to the highest quartile of the panel of major European listed real estate companies.



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(1) *Accor; ALD Automotive; Alten; Aperam; Arkema; Atos; Bouygues; Covivio; Dassault Aviation; Edenred; Eiffage; Elis; Eurazeo; Euronext; Faurecia; Gecina; Getlink SE; Ipsen; JCDecaux SA; Lagardère SA; Neoen; Nexans; Orpea; OVH; Plastic Omnium; Rémy Cointreau; Renault; Rexel; Scor; SEB; Sodexo; Soitec; Solvay; Spie; Ubisoft Entertainment; Unibail-Rodamco-Westfield; Valeo; Verallia; Virbac; and Wendel.*

(2) *British Land; Castellum; Cofinimmo; Covivio; Derwent London; Deutsche Wohnen; Fabege; Fastighets AB Balder; Gecina; Great Portland Estates; Hammerson; Icade; Inmobiliaria Colonial Socimi; Lundbergs AB; Land Securities Group; Leg Immobilien; Merlin Properties Socimi; PSP Swiss Property; Segro; Swiss Prime Site-Reg; Tag Immobilien; Unibail-Rodamco-Westfield; Unite Group; and Vonovia.*

The following table summarizes the compensation structure for the Chairman and the other members of the Executive Board **in respect of 2021**:

Fixed compensation	**Short-term variable compensation (capped at 130% of fixed compensation)**	**Long-term incentives (capped at 125% of short-term variable(a))**			
Fixed compensation Benefits in kind	Quantitative criteria, up to 80% of fixed compensation + Qualitative criteria, up to 50% of fixed compensation	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		10%	30%	40%	20%
		Performance assessed over three years, followed by a two-year lock-up period			
		Shareholding obligation			

(a) *Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.*

The following table summarizes the structure of the compensation of the Chairman and the other members of the Executive Board under the 2022 compensation policy as submitted to the vote of the General Meeting, and the changes compared to 2021:

Compensation	**Comments**	**Change in 2022 versus 2021(a)**
Fixed compensation	After remaining unchanged from 2019 to 2022, the fixed compensation of the members of the Executive Board would be increased as from their re-appointment (June 22, 2022) to take account of market trends: • The fixed compensation of the Chairman of the Executive Board would be increased from €750,000 to €825,000; • The fixed compensation of the other members of the Executive Board (Chief Financial Officer and Chief Operating Officer) would be increased from €480,000 and €450,000, respectively, to €500,000. These amounts are below or equal to the average of the medians of the two reference panels (see details and charts above).	Moderate increase
Short-term variable compensation	**In respect of 2021**: variable compensation is determined using (i) a quantitative objective of net cash flow per share, one of the key indicators used by the Group in its communications with the markets, and (ii) a qualitative component based on specific objectives set for each Executive Board member. The quantitative portion can represent up to 80% of fixed compensation, and the qualitative portion up to 50%. **In respect of 2022**: variable compensation would be determined using (i) a quantitative objective based on net cash flow per share, and (ii) a qualitative component based on specific objectives set for each Executive Board member. The quantitative portion would be raised to 100% of fixed compensation, and the qualitative portion held at 50%.	Increase in the maximum short-term variable compensation from 130% to 150% of fixed compensation
Long-term variable compensation	**In respect of 2021**: the value of long-term variable compensation is 125% of short-term compensation(b). Vesting of performance shares is subject to service and performance conditions assessed over a three-year period: • Financial performance: TSR of the Klépierre share; • Financial performance: TSR of the Klépierre share compared to the TSR of a panel of comparable companies(c); • Operating performance: average change in net rental income; • CSR performance: achievement of objectives relating to social and environmental matters. **In respect of 2022**: the value of long-term variable compensation is reduced to 100% of short-term compensation. The assessment period for performance conditions remains unchanged (three years), but the conditions would be modified as follows: • The relative weighting of the criteria, in order to increase the weighting of non-financial performance (from 20% to 35%); • The TSR performance scales have been adapted to the market outlook and smoothed out by removing any allotment below the median; and a member of the panel of stock market comparables has been replaced due to the probable delisting of Atrium (inclusion of Lar España); • The CSR grid has been adapted to reflect the end of the first phase of the Act for Good® internal plan.	• Decrease in the ceiling for long-term variable compensation from 125% to 100% of short-term compensation(b) • Planned amendment to the stock market and CSR performance assessment criteria and scales

(a) *The General Meeting of June 17, 2021 approved the components of compensation paid or allotted for fiscal year 2020 to Jean-Marc Jestin (by 97.91% of votes cast), and to Jean-Michel Gault (by 98.61% of votes cast) and Beñat Ortega (by 98.61% of votes cast).*

(b) *Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.*

(c) *Unibail Rodamco-Westfield, CityCon OYJ, Eurocommercial Properties, Deutsche Euroshop, Wereldhave NV, Mercialys, Vastned Retail NV, Immobiliare Grande Dis, Atrium European Real Estate (replaced by Lar España Real Estate SOCIMI), and Carmila.*

Summary presentation of the 2022 compensation structure for the Chairman and the other members of the Executive Board as proposed to the General Meeting

Fixed compensation	**Short-term variable compensation (capped at 150% of fixed compensation)**	**Long-term variable compensation (capped at 100% of fixed + short-term variable[a])**			
Annual compensation Benefits in kind	Quantitative criteria, up to 100% of fixed compensation + Qualitative criteria, up to 50% of fixed compensation	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		20%	25%	20%	35%
		Performance assessed over 3 years			
		Shareholding obligation			

(a) *Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.*

In exceptional circumstances, the Supervisory Board, having solicited the opinion of the Nomination and Compensation Committee, may exercise its judgment to adapt and/or amend the performance criteria and/or the calculation scale (upwards or downwards) used to determine the short-term variable compensation of the Chairman and the other members of the Executive Board in the event that the impact of such circumstances were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's powers in this regard (which are separate from the powers granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in either the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, this modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as the Covid-19 health crisis and subsequent developments, and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2022.

6.2.2.2.1 Components of compensation of the Chairman of the Executive Board for fiscal year 2022

Jean-Marc Jestin was re-appointed as Chairman of the Executive Board for a term of three years effective from June 22, 2019. His term of office expires on June 21, 2022. The re-appointment of Jean-Marc Jestin as member and Chairman of the Executive Board for a period of three years from June 21, 2022 will be submitted to the vote of the next Supervisory Board.

Should a new Chairman of the Executive Board be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to that person. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award an on-boarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 25.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

To summarize, Jean-Marc Jestin's compensation is typically split into equal portions between the fixed component (including benefits in kind), the short-term variable component and the long-term variable component.

The Chairman of the Executive Board's compensation includes the following components:

a) Fixed annual compensation for fiscal year 2022

The fixed annual compensation of the Chairman of the Executive Board for fiscal year 2022 is set at:

- €750,000 payable on a pro rata basis for the period from January 1, 2022 to the date of his termination or re-appointment in 2022; and
- €825,000 payable on a pro rata basis for the period between the date of his re-appointment in 2022 and December 31, 2022.

b) Short-term variable compensation paid for fiscal year 2022

Short-term variable compensation for the Chairman of the Executive Board is determined with regard to the achievement of specific, ambitious quantitative and qualitative objectives whose detail and weighting are set at the beginning of the year (these objectives are not disclosed publicly for confidentiality reasons, although they are made public *ex-post*):

Quantitative component

Weighting	Description	Comments
Capped at 100% of fixed annual compensation. (i.e., 66.7% of the maximum total short-term variable compensation)	Net current cash flow guidance as disclosed to the markets at the beginning of the year. Achieving the target net current cash flow per share announced by Klépierre as guidance to the market grants entitlement to 60% of the fixed annual compensation. In addition, a performance floor has been set at 95% of the target.	This financial indicator is particularly relevant for a real estate company such as Klépierre as it enables the following to be measured: • Changes in income based on organic and external growth; • Cost management efficiency (operating and financial costs); • Tax exposure of recurring operations. It is one of the key indicators that Klépierre discloses to the markets. Net current cash flow per share growth and its regularity are fundamental inputs in the valuation of the Klépierre share price. The quantitative component is applied identically to all Executive Board members because it measures their performance as an executive team with collective responsibility.

Qualitative component

Weighting	Description	Comments
Capped at 50% of fixed annual compensation. (i.e., 33.3% of the maximum total short-term variable compensation)	The qualitative portion of variable compensation is measured by applying several criteria and for 2022 is based around the following topics: • Promotion of CSR; • Strategy implemented to enhance the quality of the portfolio (developments, investments, disposals); • Risk management; • Management of human capital.	The qualitative component measures the individual performance of the Chairman of the Executive Board based on specific targets for the relevant year. These specific targets are decided by the Supervisory Board for the year concerned according to the priorities set by the Board, acting on the recommendation of the Nomination and Compensation Committee, and are communicated to the Chairman of the Executive Board.

The overall short-term variable compensation paid to the Chairman of the Executive Board is capped at 150% of his fixed annual compensation as stated in the 2022 compensation policy.

In accordance with Article L. 22-10-34 II, paragraph 2 of the French Commercial Code, the annual variable compensation due for fiscal year 2022 will be paid after the Ordinary General Meeting to be called in 2023 to approve the 2022 financial statements and is contingent on its approval by that Meeting.

Faculty of the Supervisory Board

The Supervisory Board may, in exceptional circumstances and having solicited the opinion of the Nomination and Compensation Committee, use its judgment to adapt and/or amend the criteria and/or calculation scale (upwards or downwards) used to determine the annual short-term variable compensation of the Chairman and the other members of the Executive Board, in the event that the impact of such an exceptional circumstance were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's powers in this regard (which are separate from the powers granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in either the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, this modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as the Covid-19 health crisis and subsequent developments, and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2022.

c) Long-term variable compensation for fiscal year 2022

The General Meeting of April 16, 2019 authorized Klépierre to allot performance shares to the Group's executive corporate officers and senior managers, for a 38-month period starting after said meeting.

A new authorization to allot performance shares will be submitted to the vote of the General Meeting of April 26, 2022 under the terms and conditions set out in section 7.2.1 "Report of the Executive Board to the Ordinary and Extraordinary General Meeting".

If said authorization were granted to the Executive Board by the General Meeting called to approve the financial statements for fiscal year 2021, the rules of the plan to be implemented in 2022 for executive corporate officers will include a three-year vesting period (save for specific cases as provided for in the terms and conditions of the plan)(1), subject to a service condition and performance criteria.

These performance conditions are based on financial, non-financial and operating targets that contribute to the goals of the compensation policy:

- Conditions that encourage the achievement of the Group's operating and financial targets and thus drive greater value creation for shareholders. They therefore promote the alignment of the beneficiaries' interests with those of the Company and of its shareholders;
- Varied and demanding conditions, which differ from those applicable to short-term variable compensation and which are for the most part assessed based on financial and quantitative criteria along with criteria linked to the environmental or social issues facing the Group;
- Conditions based on Klépierre's performance, improvements in which depend on the work put in by the teams and their results, based on an approach designed to create value over the long term.

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(1) Including in the event of the death, retirement or disability of the beneficiary, transactions resulting in a change in control, and delisting.

The conditions underlying the performance shares to be allotted to the executive corporate officers in 2022 are detailed in the table below:

SERVICE CONDITION

The beneficiary must remain within the Group until the end of the vesting period, except for cases provided for in the terms and conditions of the plan, namely, in the event of retirement, death or disability of the beneficiary, transactions resulting in a change of control and delisting (it being specified that the performance conditions are assessed in advance in the event of death, disability, and change of control and at the end of the vesting period in the event of retirement).

Should the beneficiary leave the Group before the end of the performance assessment period for the performance shares not provided for in the plan rules, entitlement to all or a portion of the performance shares is subject to the decision of the Supervisory Board and must be substantiated. The Supervisory Board will only authorize a partial waiver of the service condition, such that the performance shares vest pro rata to members' service to the Group, and performance conditions will continue to apply until the end of the vesting period.

PERFORMANCE CONDITIONS

Performance assessed	Indicator	Calculation method	Weighting	Justification of choice
Absolute stock market performance	Total Shareholder Return (TSR, change in share price plus dividend) of the Klépierre share.	Comparison of the share price during the initial allotment period with the share price during the final allotment period.	20% of the total allotment	This condition measures the returns for Klépierre shareholders based on its stock market performance and dividends received.
Relative stock market performance	Klépierre's TSR compared to the TSR of a panel of European retail real estate firms, comprising: URW, CityCon OYS, Eurocommercial Properties, Deutsche Euroshop, Wereldhave N.V., Mercialys, Vastned Retail N.V., Immobiliare Grande Dis, Lar España Real Estate SOCIMI SA and Carmila.	Comparison of Klépierre's TSR with that of the panel.	25% of the total allotment	This criterion compares Klépierre's TSR with the TSR of directly comparable companies, i.e., owners and operators of shopping centers in continental Europe that are therefore faced with comparable issues and economic cycles.
Internal performance	Change over three years in net rental income.	Calculation of the average annual change in shopping center like-for-like net rental income, as reported by the Group in its annual consolidated financial statements over the last three fiscal years preceding the reference date.	20% of the total allotment	This criterion is appropriate for measuring the Company's business growth and the teams' efforts to optimize like-for-like rental income and therefore maximize returns from the Group's real estate portfolio. Growth in like-for-like net rental income includes: • Increases in minimum guaranteed rents when the lease is renewed, which reflect the Group's capacity to host the most attractive retailers in its centers and to optimize the rental value of available space; • Reductions in vacancy rates, which are key to the attractiveness of a given shopping center; • Optimal management of shopping center costs.
CSR performance	(i) GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating, which is awarded only to the top performers (15%). (ii) Reduction in carbon emissions from Klépierre's shopping centers (20%).	Calculation of the greenhouse gas emissions from Klépierre's shopping centers in relation to their surface area *(in kgCO$_2$e/sq.m., Scopes 1 & 2, market-based approach)*, as reported in the Group's non-financial performance statement audited annually by an independent third-party (Deloitte).	35% of the total allotment	These criteria reflect Klépierre's desire to unite its employees and executives around corporate social responsibility issues to maintain its global leadership in non-financial performance, as evidenced by the Group's ambition to achieve carbon neutrality by 2030.

The number of performance shares that may fully vest to the eligible executive corporate officers under this 2022 allotment will be calculated using the following achievement scale:

<table>
<tr><th>Performance assessed</th><th colspan="2">Performance</th><th>% of shares delivered[(a)]</th><th>Assessment of the requirements for the chosen performance conditions</th></tr>
<tr><td rowspan="6">Absolute stock market performance (20% of the allotment)</td><td colspan="2">≤10%</td><td>0%</td><td rowspan="6">The number of shares allotted is zero where the TSR is less than or equal to 10%.
To achieve the maximum target, the TSR must be greater than or equal to 20%.
Exceeding the 20% threshold does not result in the allotment of additional shares, which is capped at 20% of the initial number of shares allotted.</td></tr>
<tr><td colspan="2">12%</td><td>33.3%</td></tr>
<tr><td colspan="2">14%</td><td>50%</td></tr>
<tr><td colspan="2">16%</td><td>66.7%</td></tr>
<tr><td colspan="2">18%</td><td>83.3%</td></tr>
<tr><td colspan="2">≥20%</td><td>100%</td></tr>
<tr><td rowspan="7">Relative stock market performance (25% of the allotment)</td><td colspan="2">Below the median</td><td>0%</td><td rowspan="7">The number of shares allotted is zero where Klépierre's TSR is less than the panel median.
To achieve the maximum target, Klépierre must rank first in the panel (without conferring the right to allotment of additional shares).</td></tr>
<tr><td colspan="2">6th (median)</td><td>50%</td></tr>
<tr><td colspan="2">5th</td><td>60%</td></tr>
<tr><td colspan="2">4th</td><td>70%</td></tr>
<tr><td colspan="2">3rd</td><td>80%</td></tr>
<tr><td colspan="2">2nd</td><td>90%</td></tr>
<tr><td colspan="2">1st</td><td>100%</td></tr>
<tr><td rowspan="3">Internal performance (20% of the allotment)</td><td colspan="2"><1%</td><td>0%</td><td rowspan="3">If the growth in net rental income over three years is equal to 1%, only 30% of the shares will be allotted. To achieve the maximum target, the increase must be greater than or equal to 3%. Exceeding the 3% threshold does not result in the allotment of additional shares, which is capped at 20% of the initial number of shares allotted.
This is a very ambitious growth target considering that the Group renews an average of only 8% of its leases each year.
The level of ambition of this target can be measured in light of the historical performance of Klépierre and of its main competitors. Based on Klépierre's results since 2010[(b)], the performance criterion has been met in only five fiscal years, i.e., in almost every other year over the 2010 to 2021 period (2010 being the first year the three-year average was calculated). As regards the results of Klépierre's main competitors since 2012, none of them have reported average growth in like-for-like net rental income[(c)] in excess of 3% for the 2012-2021 period.</td></tr>
<tr><td colspan="2">1% ≤ x <3%</td><td>30%</td></tr>
<tr><td colspan="2">≥3%</td><td>100%</td></tr>
<tr><td rowspan="4">CSR performance (35% of the allotment)</td><td colspan="2">GRESB rating: Klépierre must rank in the top five and have a "5-star" rating;
(15% of the allotment)</td><td>100%</td><td>GRESB (Global Real Estate Sustainable Benchmark) is an organization that assesses the ESG performance of real estate companies. The objective is to rank among the top five companies in its category[(d)] and to obtain the highest "5-star" rating.</td></tr>
<tr><td rowspan="3">Reduction in carbon emissions from Klépierre's shopping centers (20% of the allotment)
Targets:
2024: 3.86kg
2025: 3.68kg
2026: 3.50kg</td><td>Increase in emissions relative to the latest level reported prior to the allotment date of the shares</td><td>0%</td><td rowspan="3">In 2021, the carbon footprint was 4.4 $kgCO_2e$/sq.m. The target values correspond to an average annual decrease of 4.5%, which is particularly ambitious given that 88% of the Group's shopping centers (in value) were already below the national thresholds defined by CRREM[(e)] at that date.</td></tr>
<tr><td>Emissions maintained at the level reported prior to the allotment date of the shares</td><td>50%</td></tr>
<tr><td>Achievement of the targets (see opposite)</td><td>100%</td></tr>
</table>

(a) If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

(b) For the years prior to 2013, the Company calculated growth in like-for-like rental income on the basis of its gross rental income only. In addition, for purposes of comparability, the calculations were made over the entire period by retaining just the shopping center portfolio, which has represented more than 95% of the value of the property portfolio since 2013.

(c) Based on reported like-for-like net rental income, using shopping center portfolios for which data are available.

(d) The category (European/Retail/Listed/Real Estate Company) had 10 members in 2021.

(e) Carbon Risk Real Estate Monitor, an EU-funded tool to assess "stranding" risks, applicable GHG-reduction pathways according to the Science-Based Targets initiative, and reporting templates.

Caps on allotments

The General Meeting of April 26, 2022 will be asked to approve a cap on the number of shares that may be allotted at 1% of the share capital for a period of 38 months and, within this limit, capped the number of shares that may be allotted to the Chairman and members of the Executive Board at 0.3% of the share capital.

In accordance with the compensation policy approved by the Supervisory Board, annual allotments made to the Chairman and the other members of the Executive Board may not represent more than 100% of short-term compensation(1) for the Chairman and the members of the Executive Board.

Holding obligation

Pursuant to Article L. 225-197-1 of the French Commercial Code as set out in the AFEP-MEDEF Code, the Supervisory Board set the holding obligation for the Chairman and members of the Executive Board as follows: they are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office. The Chairman and the other members of the Executive Board are encouraged to hold a large and increasing number of shares.

In accordance with the AFEP-MEDEF Code, this amount will be reviewed and set by the Supervisory Board in light of the situation of each executive corporate officer periodically, and at least each time they are re-appointed. Because of the stringent holding obligations, the Supervisory Board does not require the Chairman or members of the Executive Board to buy shares using their own capital on delivery of the performance shares.

Other restrictions

In accordance with the AFEP-MEDEF Code, the Chairman and the other members of the Executive Board undertake not to enter into hedging transactions until the end of the lock-up period imposed by the performance share plans.

d) Other components of compensation for fiscal year 2022

Employment contract and severance package

The Chairman of the Executive Board does not have an employment contract.

However, he is eligible for a severance package in the event of his forced departure from Klépierre, the main terms and conditions of which are set out below:

- The severance package will be paid in all cases of forced departure regardless of the method (removal, resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination;
- In the event of the Chairman of the Executive Board's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the (gross) fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to the Chairman of the Executive Board's length of service as a corporate officer (in the case of Jean-Marc Jestin, on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. At January 1, 2022, the severance payment would therefore be equal to 17 months based on the latest (gross) fixed and short-term variable compensation.
- It is paid subject to the following performance conditions:
    - In the two fiscal years preceding the year of termination of his term of office, the Chairman of the Executive Board received or will be entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being defined according to the applicable compensation policy), and
    - The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years.

These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Chairman of the Executive Board and are therefore among the basic principles of the compensation policy applicable to the Chairman, taking into account performance related to the Group's commercial strategy.

Extraordinary compensation

Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 25.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 22-10-26 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting.

Other benefits

The Chairman of the Executive Board has:

- Use of a company car;
- The same occupational insurance and healthcare benefits plan as other Group employees in France. The amount of annual contributions paid by the Company for this purpose is not material, amounting to €3,264 in 2021;
- Unemployment insurance subscribed with GSC.

The Chairman of the Executive Board is also provided with the material resources necessary for the performance of his duties and is entitled, upon presentation of supporting documentation, to reimbursement of business travel and expenses incurred in the performance of his duties.

No loans or guarantees have been granted to him by Klépierre.

Compensation in respect of Board memberships

The Chairman of the Executive Board does not receive any compensation for his offices in the various Group companies.

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(1) Calculated as follows: fixed annual compensation as specified in the 2022 compensation policy + target quantitative portion of short-term variable compensation + maximum qualitative portion of short-term variable compensation.

Deferred variable compensation or multi-annual variable compensation

Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.

Defined benefit or defined contribution pension plan

There are no defined benefit or defined contribution pension plans. The Chairman of the Executive Board qualifies for the same compulsory private sector supplementary pension plan as other Group managers.

6.2.2.2.2 Components of compensation for members of the Executive Board (excluding the Chairman) for fiscal year 2022

To summarize, the compensation of the members of the Executive Board is typically split into equal portions between the fixed component (including benefits in kind), the short-term variable component and the long-term variable component.

Should a new Executive Board member be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to him. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award a new corporate officer with an on-boarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 25.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

The compensation of the Executive Board members includes the following components:

a) Fixed annual compensation for fiscal year 2022

The fixed annual compensation of each member of the Executive Board for fiscal year 2022 is set at:

- €480,000 payable on a pro rata basis for the period from January 1, 2022 to the respective date of their termination or re-appointment in 2022; and
- €500,000 payable on a pro rata basis for the period between the respective date of their re-appointment in 2022 and December 31, 2022.

It should be recalled that Beñat Ortega resigned as a member of the Executive Board with effect from February 1, 2022. His fixed annual compensation as member of the Executive Board for fiscal year 2022 is set at €450,000 (payable on a pro rata basis for the period from January 1, 2022 and January 31, 2022.

b) Short-term variable compensation for fiscal year 2022

The principles described in section 6.2.2.2.1 ("Components of compensation of the Chairman of the Executive Board for fiscal year 2022", "Short-term variable compensation paid for fiscal year 2022") also apply to the members of the Executive Board.

Short-term variable compensation for the members of the Executive Board is determined based on the two quantitative and qualitative components set out in section 6.2.2.2.1.

For fiscal year 2022, the following qualitative targets were set for Jean-Michel Gault in his capacity as member of the Executive Board: the qualitative component of his variable compensation will be measured based on several criteria relative to oversight of financial transactions and improving Group profitability, managing tax risks, the internal audit function and investor relations.

Given the date of Beñat Ortega's departure (resignation with effect from February 1, 2022), and by mutual agreement with the latter, it was decided that no short-term variable compensation would be paid to Mr Ortega for fiscal year 2022. No qualitative performance conditions were therefore determined for January 2022.

The overall short-term variable compensation paid to Executive Board members is capped at 150% of their fixed annual compensation as stated in the 2022 compensation policy.

In accordance with Article L. 22-10-34 II, paragraph 2 of the French Commercial Code, the annual variable compensation due for fiscal year 2022 will be paid after the Ordinary General Meeting to be called in 2023 to approve the 2022 financial statements and is contingent on its approval by that Meeting.

Faculty of the Supervisory Board

The principle described in section 6.2.2.2.1.b) (Discretionary powers/ Chairman of the Executive Board) is applicable to the other Executive Board members.

c) Long-term variable compensation for fiscal year 2022

The principles and methods described in section 6.2.2.2.1.c) also apply to the members of the Executive Board.

d) Other components of compensation for fiscal year 2022

Rules applicable to all Executive Board members

Employment contract and severance package

Should a Group employee be appointed as an Executive Board member, the Supervisory Board may, based on the situation of the executive concerned, either request the termination of the employment contract without compensation or maintain but suspend the employment contract.

In the latter case, and in order to limit the financial risk arising from the termination of an employment contract, said contract would be amended to include the employee's agreement to forgo any severance pay exceeding the total amount of their last two years' fixed and variable compensation.

Furthermore, the Supervisory Board may, in the event of forced-departure, authorize a severance package along the same lines as those applicable to the Chairman of the Executive Board and Executive Board members, whose terms and conditions are set out on pages 285 and 287, respectively.

Severance is paid in all cases of forced departure regardless of the method (removal, request for resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as Executive Board member at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination.

Non-statutory severance is also subject to the achievement of the same performance conditions as applicable to the Chairman of the Executive Board.

These conditions are directly related to the achievement of the short-term compensation objectives applicable to the members of the Executive Board and are therefore among the basic principles of the compensation policy applicable to them, taking into account performance related to the Group's commercial strategy.

Jean-Michel Gault's situation

Jean-Michel Gault has had an indefinite employment contract with the Klépierre Group since August 1, 1998. Pursuant to the national collective bargaining agreement for the real estate industry, the applicable notice period is three months. This employment contract, which has been suspended since July 1, 2016, was amended on November 21, 2017 in order to (i) insert therein Jean-Michel Gault's agreement to waive any severance pay exceeding two years of the last fixed and variable compensation received as a member of the Executive Board (including in respect of the termination of his employment contract) and (ii) to implement a non-statutory package in the event of his forced departure.

The waiver referred to above allows the Company to contain the financial risk linked to any termination of the latter's employment contract, by limiting the severance to two years under all circumstances. Signing this amendment did not lead to any payment in favor of Jean-Michel Gault.

In the event of Jean-Michel Gault's forced departure from Klépierre, the amount of the severance payment under this package will be limited to two years of his fixed annual compensation on the last day of his term of office and the most recent (gross) short-term variable compensation as at the date of termination, less any amount paid for any statutory severance or due under a collective bargaining agreement that Jean-Michel Gault may otherwise receive under his employment contract. Note that the amount of the statutory severance pay to which Jean-Michel Gault may be entitled in the event of the termination of his employment contract is estimated at approximately €0.7 million.

Beñat Ortega's situation

Beñat Ortega resigned from his salaried duties following his appointment to the Executive Board and did not have an employment contract.

In the event of Beñat Ortega's forced departure from Klépierre, he was entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount was to increase on a linear basis according to Beñat Ortega's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from January 1, 2021) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code.

As Beñat Ortega resigned from his duties as member of the Executive Board, no severance pay is owed to him.

Extraordinary compensation

Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 25.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 22-10-26 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting.

Other benefits

The members of the Executive Board have:

- Use of a company car;
- The same occupational insurance and healthcare benefits plan as other Group employees in France. The amount of annual contributions paid by the Company for this purpose is not material, amounting to €2,793 and €3,319 for Jean-Michel Gault and Beñat Ortega respectively in 2021;
- Unemployment insurance subscribed with GSC.

They are also provided with the material resources necessary for the performance of their duties and are entitled, upon presentation of supporting documentation, to reimbursement of business travel and expenses incurred in the performance of their duties.

No loans or guarantees have been granted to them by Klépierre.

Compensation in respect of Board memberships

The members of the Executive Board do not receive any compensation for their directorships in the various Group companies.

Deferred variable compensation or multi-annual variable compensation

Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.

Special defined benefit or defined contribution pension plan

There are no defined benefit or defined contribution pension plans. The members of the Executive Board qualify for the same compulsory private sector supplementary pension plan as other Group managers. In addition, Jean-Michel Gault is eligible for a supplementary pension plan for senior executives of Compagnie Bancaire. This plan has been capped and closed to new beneficiaries since December 31, 2000. As indicated on page 295, this amount is capped at €7,122.

6.2.3 Compensation of corporate officers (fiscal year 2021)

6.2.3.1 Compensation of the Chairman 2022 and members of the Supervisory Board for fiscal year 2021

The compensation of the Chairman and members of the Supervisory Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of June 17, 2021 (10th resolution) by 99.93% of the votes cast.

This policy complies with the basic principles described in section 6.2.1.1, as it helps to promote long-term growth.

In accordance with the rules for allotting compensation to Supervisory Board members described in section 6.2.2.1, the aggregate amount of annual compensation paid or awarded in fiscal year 2021 in respect of their corporate offices was €688,000.

The compensation of Supervisory Board members was structured as shown in the table below:

	Gross amounts allotted for fiscal year 2020 (to be paid in 2021)					Gross amounts allotted for fiscal year 2021 (to be paid in 2022)				
In euros	**Position as Chair**	**Fixed portion**	**Variable portion**	**Other**	**Total**	**Position as Chair**	**Fixed portion**	**Variable portion**	**Other**	**Total**
CHAIRMAN OF THE SUPERVISORY BOARD										
David Simon	44,000	12,000	35,389	–	91,389	44,000	12,000	44,367	–	100,367
OTHER SUPERVISORY BOARD MEMBERS										
John Carrafiell	22,000	12,000	38,889	–	72,889	22,000	12,000	34,628	–	68,628
Béatrice de Clermont-Tonnerre	–	12,000	43,167	–	55,167	–	12,000	44,367	–	56,367
Steven Fivel	22,000	12,000	63,902	–	97,902	22,000	12,000	67,092	–	101,092
Robert Fowlds	–	12,000	35,389	–	47,389	–	12,000	44,367	–	56,367
Stanley Shashoua	–	12,000	59,889	–	71,889	–	12,000	63,845	–	75,845
Catherine Simoni	22,000	12,000	56,389	–	90,389	22,000	12,000	57,353	–	91,353
Rose-Marie Van Lerberghe	22,000	12,000	53,402	–	87,402	22,000	12,000	47,614	–	81,614
Florence Von Erb	–	12,000	49,389	–	61,389	–	12,000	44,367	–	56,367
TOTAL	**132,000**	**108,000**	**435,804**	**–**	**675,804**	**132,000**	**108,000**	**448,000**	**–**	**688,000**

Comparative analysis of the total compensation of the Chairman and Supervisory Board members and that of Klépierre employees

Klépierre referred to the AFEP-MEDEF guidelines as updated for the comparative analysis of the total compensation of the Chairman of the Supervisory Board and that of Klépierre employees.

The relationship between the Chairman of the Supervisory Board's compensation and the average and median full-time equivalent compensation of Klépierre employees (the "average ratio" and "median ratio", respectively) was as follows:

- 2021 average ratio: 1.27;
- 2021 median ratio: 1.62.

The following table sets out the year-on-year change in the compensation of the Chairman of the Supervisory Board, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

	2021	2020	2019	2018	2017
Change (%) in the compensation of the Chairman of the Supervisory Board (David Simon)(a)	+9.82%	+0.33%	-3.32%	+34.75%	+28.08%
Change (%) in the compensation of the members of the Supervisory Board (excluding the Chairman)(a)	+0.55%	+1.31%	+2.49%	+24.20%	+33.55%
KLÉPIERRE SA SCOPE					
			N/A (no employees)		
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE GROUP'S ENTIRE FRENCH WORKFORCE)(b)					
Change (%) in the average compensation of Klépierre employees	-14.29%	+1.97%	+0.91%	-1.33%	+1.95%
Concerning the Chairman of the Supervisory Board (David Simon)					
Ratio of the average compensation of Klépierre employees	1.27	1.17	1.19	1.24	0.91
Year-on-year change (%)	+8.67%	-1.61%	-4.20%	+36.57%	+25.63%
Ratio of the median compensation of Klépierre employees	1.62	1.62	1.55	1.60	1.17
Year-on-year change (%)	0%	+4.18%	-2.76%	+36.58%	+23.29%
KLÉPIERRE PERFORMANCE					
Financial criterion (net current cash flow)	2.18	2.05	2.82	2.65	2.48
Year-on-year change (%)	+10.6%	-27.30%	+6.42%	+6.85%	+7.36%

(a) Components of compensation included in the calculation correspond to the total (gross) amount paid during the year in respect of: compensation linked to the duties as chair of the Supervisory Board that have been effectively received by him, and paid during the year in respect of the prior year. The components are presented on page 288 of this document, as well as pages 292 of the 2020 Universal Registration Document, 251 of the 2019 Registration Document and 245 of the 2018 Registration Document.

(b) The scope of Klépierre Management's staff used for the calculation below represents 77.2% of the total workforce of this company as of 31 December 2021.

6.2.3.2 Compensation of the Chairman of the Executive Board for fiscal year 2021

Summary tables based on the AMF and AFEP-MEDEF Code recommendations are presented in section 6.2.5 of this Universal Registration Document.

The compensation of the Chairman of the Executive Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of June 17, 2021 (11th resolution) by 97.69% of the votes cast.

This policy complies with the basic principles described in section 6.2.1.1, as it helps to promote long-term growth. These principles were devised after taking into account the vote of the June 17, 2021 General Meeting (13th resolution, approved by 99.11% of votes cast).

Annual fixed compensation (fiscal year 2021)

The Chairman of the Executive Board received fixed annual compensation of €750,000 in 2021.

Short-term variable compensation (fiscal year 2021)

Short-term variable compensation paid in fiscal year 2021 (for fiscal year 2020) approved by the General Meeting of June 17, 2021

On the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of March 18, 2021 decided that:

- In view of the impact of the Covid-19 crisis on the Group's businesses, the variable portion of 2020 compensation due for achieving the quantitative target would amount to 0% of the fixed annual compensation; and
- The variable portion of 2020 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation;

representing a total of €375,000.

Details of the achievement rates for the quantitative and qualitative criteria are presented on page 294 of Klépierre's 2020 Universal Registration Document. This compensation was approved by the General Meeting of June 17, 2021 (15th resolution, approved by 97.91% of votes cast).

Short-term variable compensation allotted for fiscal year 2021 submitted for approval at the General Meeting of April 26, 2022

The short-term variable compensation for fiscal year 2021 was set by the Supervisory Board on February 15, 2022, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, Jean-Marc Jestin was not present during the deliberations of the Supervisory Board regarding his compensation.

In application of the compensation policy approved by the General Meeting of June 17, 2021 (11th resolution, approved by 97.69% of votes cast):

- the quantitative component grants entitlement to 80% of the fixed compensation:

Objective		Achievement for fiscal year 2021
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in February 2021 of €1.90 per share. In addition, a performance floor was set at a minimum of 92% of the target.	€2.18
As a % of fixed compensation	From 0% to 80%	80%
2021 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**80%**

- the qualitative component grants entitlement to 50% of the fixed compensation as presented in the table below:

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2021
CSR	40%	• Progress towards the carbon neutrality of the portfolio and waste management • Promotion of local employment, creating local value and services for local communities	• GHG emissions reduced by 84% compared to 2013 • Waste recovery rate increased to 98% • Percentage of centers that have contributed to local employment increased to 100% • Percentage of centers that have raised funds for a local NGO increased to 100%	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 20% of Jean-Marc Jestin's fixed compensation.
Strategy	20%	• Quality of implementation of real estate development projects • Achievement of the initial objectives set for the projects submitted to the Investment Committee • Improvement of the quality of the portfolio	• Adherence to budget and schedule for major development operations • Completion of all operations presented to the Investment Committee • Disposal of non-strategic assets for a total amount of €874 million	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Marc Jestin's fixed compensation.
Crisis management	20%	• Strengthening of crisis response capabilities • Contingency planning • Adaptation of business priorities and reporting		After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Marc Jestin's fixed compensation.
Human capital	20%	• Promotion, support and implementation of diversity initiatives with a particular focus on gender balance • Implementation of recruitment, training, compensation and internal promotion programs aimed at improving the gender balance • Preparation of succession plans for members of the CMT and GOMT and other key roles • Promotion and development of talent	• Organization of a Diversity Week • Increase in the proportion of women on the Corporate Management Team (to 30%) and in the 100 most senior positions (to 33%) • Adoption of succession plans for members of the CMT and GOMT and other key roles	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 10% of Jean-Marc Jestin's fixed compensation.
2021 QUALITATIVE TOTAL *(as a % of fixed compensation)*				**50%**

> For fiscal year 2021, the short-term variable compensation of Jean-Marc Jestin amounts to €975,000, i.e., 130% of his fixed compensation.

Long-term variable compensation (fiscal year 2021)

Performance shares vested in fiscal year 2021

Plan	End of vesting period	Number of shares vested
2018 Plan	April 24, 2021	17,500 shares, representing a vesting rate of 50%

Performance shares allotted in fiscal year 2021

Performance shares were allotted to the Chairman of the Executive Board under the 2021 Plan, with the following characteristics:

- Plan of July 1, 2021 authorized by the General Meeting of April 16, 2019 (22nd resolution);
- Allotment of 64,000 shares to the Chairman of the Executive Board, representing:
  - €629,760, based on the measurement of the performance shares in accordance with IFRS,
  - 13.16% of the total allotment under this plan for all beneficiaries concerned;
- 0.03% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 316;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

Severance package

It should be recalled that the Chairman of the Executive Board is eligible for a severance package in the event of his forced departure from Klépierre. The conditions attached to this package are detailed on page 285.

At January 1, 2022, the severance payment would be equal to 17 months based on the latest (gross) fixed and short-term variable compensation.

Other benefits

The Chairman of the Executive Board received the following benefits in 2021, valued at €39,407:

- Use of a company car;
- The same occupational insurance and healthcare benefits plan as other Group managers;
- Unemployment insurance subscribed with GSC.

He is also entitled to the same compulsory private sector supplementary pension plan as other Group managers.

Comparative analysis of the total compensation of the Chairman of the Executive Board and that of Klépierre employees

Klépierre referred to the AFEP-MEDEF guidelines as updated for the comparative analysis of the total compensation of the Chairman of the Executive Board and that of Klépierre employees (see page 288 of this Universal Registration Document for more details).

For the Chairman of the Executive Board, the compensation ratios are as follows:

- 2021 average ratio: 24.95;
- 2021 median ratio: 31.77.

The following table sets out the year-on-year change in the Chairman of the Executive Board's compensation, Klépierre's performance, the average full-time equivalent compensation of Klépierre employees, and the average and median ratios over the last five years:

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

	2021	2020	2019	2018	2017
Change (%) in the compensation of the Chairman of the Executive Board (Jean-Marc Jestin, since November 7, 2016)(a)	+0.69%	-22.29%	+10.37%	+25.43%	+7.04%
KLÉPIERRE SA SCOPE					
			N/A (no employees)		
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE GROUP'S ENTIRE FRENCH WORKFORCE)(b)					
Change (%) in the average compensation of Klépierre employees	-14.29%	+1.97%	+0.91%	-1.33%	+1.95%
Ratio of the average compensation of Klépierre employees	24.95	21.24	27.87	25.48	20.05
Year-on-year change (%)	+17.48%	-23.79%	+9.37%	+27.12%	+5.00%
Ratio of the median compensation of Klépierre employees	31.77	29.38	36.41	32.80	25.80
Year-on-year change (%)	+8.14%	-19.31%	+11.01%	+27.13%	+3.04%
KLÉPIERRE PERFORMANCE					
Financial criterion (net current cash flow)	2.18	2.05	2.82	2.65	2.48
Year-on-year change (%)	+10.6%	-27.30%	+6.42%	+6.85%	+7.36%

(a) Components of compensation included in the calculation are the total (gross) amount paid during the year. (i) the fixed portion; (ii) the variable portion paid during the year in respect of the prior year; (iii) extraordinary compensation paid during the year; (iv) performance shares allotted during the year (IFRS value) and (v) benefits in kind. They are presented on pages 301 and 302 of this document, as well as pages 305 and 306 of the 2020 Universal Registration Document, pages 261 of the 2019 Universal Registration Document and page 260 of the 2018 Registration Document.

(b) The scope of Klépierre Management's staff used for the calculation below represents 77.2% of the total workforce of this company as of 31 December 2021.

Under this approach, the IFRS valuation of performance shares allotted for a given fiscal year are included in the calculation. This component historically represents a significant portion (more than one-third) of the total compensation of the Chairman of the Executive Board, whereas their vesting rate at Klépierre varies considerably from one year to the next, as shown in the table below.

	2017	2018	2019	2020	2021
Vesting rate of performance shares	4.83%	0.00%	17.67%	13.00%	50.00%

6.2.3.3 Compensation of the other Executive Board members for fiscal year 2021

Summary tables based on the AMF and AFEP-MEDEF Code recommendations are presented in section 6.2.5 of this Universal Registration Document.

The compensation of the members of the Executive Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of June 17, 2021 (12th resolution) by 97.46% of the votes cast.

This policy complies with the basic principles described in section 6.2.1.1, as it helps to promote long-term growth. These principles were devised after taking into account the vote of the June 17, 2021 General Meeting (13th resolution, approved by 99.11% of votes cast).

Annual fixed compensation (fiscal year 2021)

The Chief Financial Officer, member of the Executive Board, received fixed annual compensation of €480,000 in 2021.

The Chief Operating Officer, member of the Executive Board, received fixed annual compensation of €450,000 in 2021.

Short-term variable compensation (fiscal year 2021)

Short-term variable compensation paid in fiscal year 2021 (for fiscal year 2020) approved by the General Meeting of June 17, 2021

For the Chief Financial Officer, on the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of March 18, 2021 decided that:

- The variable portion of 2020 compensation due for achieving the quantitative target would amount to 0% of the fixed annual compensation; and
- The variable portion of 2019 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation;

representing a total of €240,000.

Details of the achievement rates for the quantitative and qualitative criteria are presented on page 297 of Klépierre's 2020 Universal Registration Document. This compensation was approved by the General Meeting of June 17, 2021 (16th resolution, approved by 98.61% of votes cast).

For the Chief Operating Officer, on the basis of the Nomination and Compensation Committee's work, the Supervisory Board meeting of March 18, 2021 decided that:

- The variable portion of 2020 compensation due for achieving the quantitative target would amount to 0% of the fixed annual compensation; and
- The variable portion of 2019 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation;

representing a total of €28,571.50.

Details of the achievement rates for the quantitative and qualitative criteria are presented on page 297 of Klépierre's 2020 Universal Registration Document. This compensation was approved by the General Meeting of June 17, 2021 (17th resolution, approved by 98.61% of votes cast).

Short-term variable compensation allotted for fiscal year 2021 submitted for approval at the General Meeting of April 26, 2022

The short-term variable compensation due to Executive Board members for fiscal year 2021 was set by the Supervisory Board on February 15, 2022, acting on the recommendation of the Nomination and Compensation Committee. It should be noted that, in accordance with the recommendations of the AFEP-MEDEF Code, the members of the Executive Board were not present during the deliberations of the Supervisory Board regarding their compensation.

In application of the compensation policy approved by the General Meeting of June 17, 2021 (12th resolution, approved by 97.46% of votes cast):

- the quantitative component grants entitlement to 80% of the fixed compensation:

Objective		Achievement for fiscal year 2021
Net current cash flow per share target	The quantitative component is based on the target announced to the markets in 2021 of €1.90 per share. In addition, a performance floor was set at a minimum of 92% of the target.	€2.18
As a % of fixed compensation	From 0% to 80%	80%
2021 QUANTITATIVE TOTAL *(as a % of fixed compensation)*		**80%**

- the qualitative component grants entitlement to 50% of the fixed compensation as presented in the tables below:

Jean-Michel Gault

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2021
Financing	50%	• Quality of management of financial transactions to improve the Group's profitability • Management and hedging of financial risks	• Extension and renewal of the derivatives portfolio, which reduced the cost of debt by 4 basis points • Extension of the €1.4 billion revolving credit facility for one year • Increase of 20.6% in the share price, increase in the PER from 7.2x to 8.6x, and decrease in the discrepancy between the NAV and the share price from 45% to 30%, between January 4, 2021 and December 31, 2021	After examining the main achievements, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, that the target attained was 100%, corresponding to 25% of Jean-Michel Gault's fixed compensation.
Tax and audit	30%	• Management of the Group's tax policy and exposure to risks • Optimization of the audit function to improve risk management	• Italian accounting and tax revaluation resulting in significant tax savings and a positive impact of €345 million on consolidated net book income • Reorganization and focus of the Internal Audit Department on its audit assignments, with the creation of a dedicated Risk Management Department	After examining the main achievements, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, that the target attained was 100%, corresponding to 15% of Jean-Michel Gault's fixed compensation.
Investor relations	20%	• Quality of exchanges with the financial community • Relevance of financial information	• Ongoing frequent dialog with the financial community to explain the effects of the pandemic • Received the *Gold Award* for the eighth straight year for the implementation of EPRA *Best Practices Recommendations*	After examining the main achievements, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, that the target attained was 100%, corresponding to 10% of Jean-Michel Gault's fixed compensation.
2021 QUALITATIVE TOTAL *(as a % of fixed compensation)*				**50%**

For fiscal year 2021, the short-term variable compensation of Jean-Michel Gault amounts to €624,000, i.e., 130% of his fixed compensation.

Beñat Ortega

Topics	Weighting	Target	Main achievements	Achievement for fiscal year 2021
Leasing and marketing	40%	• Adaptation of the retail offer to new consumer trends and improvement of customer satisfaction • Development of the digitalization of B2C and B2B interactions • Strengthening of the harmonization of business practices between business units in different countries	• Continued expansion of key brands such as Primark, JD Sports, Rituals, etc. • Signature of 1,570 leases in 2021, i.e., almost the pre-Covid level • Launch of a new loyalty program • Creation of the Group Operations Management function	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 20% of Beñat Ortega's fixed compensation.
Safety, security and engineering	30%	• Increased safety and security of operations • Increased efficiency of shopping center management • Improvement in the environmental performance of the portfolio	• No major security incidents in an environment shaped by multiple crises and changing regulations • Creation of a quality and methods unit • Reduction of 3% in energy consumption versus 2020 and of 45% versus 2013	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 15% of Beñat Ortega's fixed compensation.
Crisis management	30%	• Strengthening of crisis response capabilities • Contingency planning • Adaptation of business priorities and reporting	• Full and prompt identification of all crises • Immediate management of incidents by the Crisis Management Coordination unit, thereby avoiding any impact • Creation of a new management and reporting system for rent arrears	After examining the main achievements, the Supervisory Board decided, acting on the recommendation of the Nomination and Compensation Committee, that the achievement level was 100% corresponding to 15% of Beñat Ortega's fixed compensation.
2021 QUALITATIVE TOTAL *(as a % of fixed compensation)*				**50%**

> For fiscal year 2021, the short-term variable compensation of Beñat Ortega amounts to €585,000, i.e., 130% of his fixed compensation.

Long-term variable compensation (fiscal year 2021)

Performance shares vested in fiscal year 2021

Executive Board member	Plan	End of vesting period	Number of shares vested
Jean-Michel Gault	2018 Plan	April 24, 2021	15,000 shares, representing a vesting rate of 50%
Beñat Ortega[a]	2018 Plan	April 24, 2021	5,500 shares, representing a vesting rate of 50%

(a) It being specified that Beñat Ortega became a corporate officer until November 2020 and these performance shares were allotted to him in his capacity as an employee.

Performance shares allotted in fiscal year 2021

Jean-Michel Gault

Performance shares were allotted to Jean-Michel Gault under the 2021 Plan, with the following characteristics:

- Plan of July 1, 2021 authorized by the General Meeting of April 16, 2019 (22nd resolution);
- Allotment of 41,000 shares, representing:
  - €403,440, based on the measurement of the performance shares in accordance with IFRS,
  - 8.43% of the total allotment under this plan for all beneficiaries concerned,
  - 0.02% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 316;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.

Beñat Ortega

Performance shares were allotted to Jean-Michel Gault under the 2021 Plan, with the following characteristics:

- Plan of July 1, 2021 authorized by the General Meeting of April 16, 2019 (22nd resolution);
- Allotment of 38,000 shares, representing:
  - €373,920, based on the measurement of the performance shares in accordance with IFRS,
  - 7.81% of the total allotment under this plan for all beneficiaries concerned,
  - 0.02% of the Company's share capital at the date of the allotment;
- Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 316;
- Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office;
- As Beñat Ortega resigned from his salaried duties with effect from February 1, 2022, he forfeited all rights to these shares.

Severance package

It should be recalled that the Executive Board members are eligible for a severance package in the event of their forced departure from Klépierre. The conditions attached to this package are detailed on pages 285 and 287.

For Jean-Michel Gault, at January 1, 2022 the severance payment would be equal to 24 months based on the latest (gross) fixed and short-term variable compensation, including the statutory severance to which Jean-Michel Gault may be entitled under the collective bargaining agreement in the event of the termination of his employment contract.

For Beñat Ortega, at January 1, 2022, the severance payment would have been equal to 13 months based on the latest (gross) fixed and short-term variable compensation. No severance payment was made upon his departure.

Other benefits

The members of the Executive Board received the following benefits in 2021, valued at €38,741 for Jean-Michel Gault and at €36,231 for Beñat Ortega:

- Use of a company car;
- The same occupational insurance and healthcare benefits plan as other Group managers;
- Unemployment insurance subscribed with GSC;
- The same compulsory private sector supplementary pension plan as other Group managers.

Jean-Michel Gault also benefits from the supplementary pension plan for senior executives of the former Compagnie Bancaire, which provides for an additional pension on retirement of a maximum annual amount of €7,122.

Comparative analysis of the total compensation of the members of the Executive Board and that of Klépierre employees

The compensation ratios of the Chief Financial Officer, member of the Executive Board, are as follows:

- 2021 average ratio: 16.16;
- 2021 median ratio: 20.58.

The 2021 compensation ratios of the Chief Operating Officer, member of the Executive Board, are as follows:

- 2021 average ratio: 12.36;
- 2021 median ratio: 15.74.

The following table sets out the year-on-year change in the members of the Executive Board's compensation, Klépierre's performance, the average compensation, on a full-time equivalent basis, of Klépierre employees, and the average and median ratios over the last five years:

PAY RATIOS REFERRED TO IN PARAGRAPHS I. 6° AND 7° OF ARTICLE L. 22-10-9 OF THE FRENCH COMMERCIAL CODE, PREPARED IN ACCORDANCE WITH THE AFEP GUIDELINES, AS UPDATED IN FEBRUARY 2021

	2021	2020	2019	2018	2017
Change (%) in the compensation of the Chief Financial Officer, member of the Executive Board (Jean-Michel Gault)[a]	-2.70%	-27.90%	+2.04%	+14.21%	+12.79%
Change (%) in the compensation of Chief Operating Officer, member of the Executive Board[b]	N/A				
KLÉPIERRE SA SCOPE		N/A (no employees)			
ENLARGED SCOPE (KLÉPIERRE MANAGEMENT, WHICH EMPLOYS THE GROUP'S ENTIRE FRENCH WORKFORCE)[c]					
Change (%) in the average compensation of Klépierre employees	-14.29%	+1.97%	+0.91%	-1.33%	+1.95%
Concerning the Chief Financial Officer, member of the Executive Board					
Ratio of the average compensation of Klépierre employees	16.16	14.24	20.14	19.92	17.21
Year-on-year change (%)	+13.51%	-29.30%	+1.12%	+15.75%	+10.63%
Ratio of the median compensation of Klépierre employees	20.58	19.69	26.31	25.63	22.14
Year-on-year change (%)	+4.50%	-25.13%	+2.63%	+15.76%	+8.57%
Concerning the Chief Operating Officer, member of the Executive Board[b]					
Ratio of the average compensation of Klépierre employees	12.36				
Year-on-year change (%)	N/A				
Ratio of the median compensation of Klépierre employees	15.74				
Year-on-year change (%)	N/A				
KLÉPIERRE PERFORMANCE					
Financial criterion (net current cash flow)	2.18	2.05	2.82	2.65	2.48
Year-on-year change (%)	+10.6%	-27.30%	+6.42%	+6.85%	+7.36%

(a) Components of compensation included in the calculation are the total (gross) amount paid during the year. (i) the fixed portion; (ii) the variable portion paid during the year in respect of the prior year; (iii) extraordinary compensation paid during the year; (iv) performance shares allotted during the year (IFRS value) and (v) benefits in kind. They are presented on page 302 of this document, as well as pages 305 and 306 of the 2020 Universal Registration Document, pages 261 of the 2019 Universal Registration Document and page 260 of the 2018 Registration Document.

(b) Beñat Ortega joined the Executive Board on November 16, 2020.

(c) The scope of Klépierre Management's staff used for the calculation below represents 77.2% of the total workforce of this company as of 31 December 2021.

Summary:

CHANGES IN TOTAL COMPENSATION PAID TO THE CHAIRMAN AND EXECUTIVE BOARD MEMBERS

	Chairman of the Executive Board		Chief Financial Officer, member of the Executive Board		Chief Operating Officer, member of the Executive Board[a]	
In euros	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**
Fixed compensation	581,250[b]	750,000	372,000[c]	480,000	57,143[d]	450,000
Short-term variable compensation (paid in current year with respect to previous year)	975,000	375,000	624,000	240,000	N/A	28,574.50
Number of performance shares allotted during the fiscal year concerned	35,000 shares	64,000 shares	30,000 shares	41,000 shares	1,250	38,000 shares
Number of performance shares vested during the fiscal year concerned	4,550 shares (out of 35,000 shares initially allotted)	17,500 shares (out of 35,000 shares initially allotted)	3,900 shares (out of 30,000 shares initially allotted)	15,000 shares (out of 30,000 shares initially allotted)	N/A	5,500 shares (out of 11,000 shares initially allotted)

(a) *Compensation paid in respect of his term of office as an Executive Board member from November 16, 2020 (Beñat Ortega having resigned from his employment contract as of that date without receiving a termination benefit).*

(b) *Including the voluntary waiver of 30% of the fixed compensation of the Chairman of the Executive Board for the period from April 1, 2020 to December 31, 2020, in the context of the Covid-19 pandemic.*

(c) *Including the voluntary waiver of 30% of the fixed compensation of the Chief Financial Officer for the period from April 1, 2020 and December 31, 2020, in the context of the Covid-19 pandemic.*

(d) *Calculated pro rata for the period from November 16, 2020 (date of appointment to the Executive Board) to December 31, 2020, based on a fixed annual compensation of €450,000.*

6.2.4 Components of compensation paid during or allotted for fiscal year 2021 to corporate officers

6.2.4.1 Chairman of the Supervisory Board

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Fixed annual compensation	None	Compensation paid or allocated by the Company to David Simon in 2021 amounted to €100,367 and solely corresponded to compensation for his role as Chairman and member of the Supervisory Board and the Investment Committee. Calculated in accordance with the rules for allotting compensation to the members of the Supervisory Board, as described in sections 6.2.2.1 and 6.2.3.1.
Annual variable compensation	None	
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	None	
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	None	
Severance payment	None	
Non-compete benefit	None	
Supplementary pension plan	None	
Other	None	
Compensation in respect of his role as Chairman and member of the Supervisory Board	100,367	

6.2.4.2 Chairman of the Executive Board

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Fixed annual compensation	€750,000	The Chairman of the Executive Board received fixed annual compensation of €750,000 in 2021.
Annual variable compensation	€975,000	**Annual variable compensation paid in 2021 (in respect of 2020)**: on the basis of the Nomination and Compensation Committee's work, and, in view of the exceptional circumstances arising due to the Covid-19 pandemic, the Supervisory Board meeting of March 18, 2021 decided that: • The variable portion of 2020 compensation due for achieving the quantitative target would amount to 0% of the fixed annual compensation; and • The variable portion of 2020 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation; representing a total of €375,000. Details of the achievement rates for the quantitative and qualitative criteria are presented on page 294 of Klépierre's 2020 Universal Registration Document. This compensation was approved by the General Meeting of June 17, 2021 (15th resolution, approved by 97.97% of votes cast). **Annual variable compensation allotted for fiscal year 2021:** for information, the Chairman of the Executive Board's variable compensation for fiscal year 2021 could vary between 0% and 130% of his fixed annual compensation and is set as follows: • 0% to 80% of the fixed annual compensation based on net current cash flow per share; and • 0% to 50% of the fixed annual compensation, based on the following areas and targets set for 2021: (i) strategy, (ii) corporate social responsibility, (iii) crisis management, and (iv) human resources. At its meeting of February 15, 2022, the Supervisory Board set: • The variable portion of 2021 compensation due for achieving the quantitative target would amount to 80% of the fixed annual compensation; and • The variable portion of 2021 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation; representing a total of €975,000. Details of the achievement rates for the quantitative and qualitative criteria are presented on page 293 of this document. Payment of this compensation is subject to the approval of the General Meeting of April 26, 2022.
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Performance shares	€629,760 (accounting value)	The allotment of performance shares is examined in light of the total annual compensation of the executive corporate officer concerned, while ensuring that the interests of shareholders are respected. Shares are allotted in the scope of annual plans and the number of shares is set at pre-determined times. The main characteristics of the 2021 Plan are as follows: • Plan of July 1, 2021 authorized by the General Meeting of April 16, 2019 (22nd resolution); • Allotment of 64,000 shares to the Chairman of the Executive Board, representing: - €629,760, based on the measurement of the performance shares in accordance with IFRS, - 13.16% of the total allotment under this plan for all beneficiaries concerned, - 0.03% of the Company's share capital at the date of the allotment; • Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 315; • Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€39,407	Provision of a company car. Contributions paid by the Company for Jean-Marc Jestin to continue to benefit from the occupational insurance and healthcare benefits plan for Group employees. Unemployment insurance subscribed with GSC.
Severance payment	None	Jean-Marc Jestin is eligible for a severance package in the event of his forced departure from Klépierre. The severance package will be paid in all cases of forced departure regardless of the method (removal, resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. In the event of Jean-Marc Jestin's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the fixed compensation as of the last day of his term of office and the most recent (gross) short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to Jean-Marc Jestin's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. At January 1, 2022, the severance payment would therefore be equal to 17 months based on the latest (gross) fixed and short-term variable compensation. In terms of performance conditions, the severance package may only be paid in the event that: • In the two fiscal years preceding the year of termination of his term of office, Jean-Marc Jestin received or is entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being 130%); and • The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years.
Non-compete benefit	None	
Supplementary pension plan	None	Jean-Marc Jestin is not eligible for benefits under a specific supplementary pension plan but is eligible for the same compulsory private sector supplementary pension plan as other Group managers.
Other	None	

6.2.4.3 Chief Financial Officer, member of the Executive Board

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Fixed annual compensation	€480,000	The Chief Financial Officer received fixed annual compensation of €480,000 in 2021.
Annual variable compensation	€624,000	**Annual variable compensation paid in 2021 (in respect of 2020)**: on the basis of the Nomination and Compensation Committee's work, and in view of the exceptional circumstances arising due to the Covid-19 pandemic, the Supervisory Board meeting of March 18, 2021 decided that: • The variable portion of 2020 compensation due for achieving the quantitative target would amount to 0% of the fixed annual compensation; and • The variable portion of 2020 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation; representing a total of €240,000. Details of the achievement rates for the quantitative and qualitative criteria are presented on page 297 of Klépierre's 2020 Universal Registration Document. This compensation was approved by the General Meeting of June 17, 2021 (16th resolution, approved by 98.61% of votes cast). **Annual variable compensation allotted for fiscal year 2021:** for information, the variable compensation allotted to the Chief Financial Officer, member of the Executive Board for fiscal year 2021 could vary between 0% and 130% of his fixed annual compensation and is set as follows: • 0% to 80% of the fixed annual compensation based on net current cash flow per share; and • 0% to 50% of the fixed annual compensation, based on the following areas and targets set for 2021: (i) financing, (ii) tax and audit, and (iii) investor relations. At its meeting of February 15, 2022, the Supervisory Board set: • The variable portion of 2021 compensation due for achieving the quantitative target would amount to 80% of the fixed annual compensation; and • The variable portion of 2021 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation; representing a total of €624,000. Details of the achievement rates for the quantitative and qualitative criteria are presented on page 293 of this document. Payment of this compensation is subject to the approval of the General Meeting of April 26, 2022.
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	
Performance shares	€403,440 (accounting value)	The allotment of performance shares is examined in light of the total annual compensation of the executive corporate officer concerned, while ensuring that the interests of shareholders are respected. Shares are allotted in the scope of annual plans and the number of shares is set at pre-determined times. The main characteristics of the 2021 Plan are as follows: • Plan of July 1, 2021 authorized by the General Meeting of April 16, 2019 (22nd resolution); • Allotment of 41,000 shares, representing: - €403,440, based on the measurement of the performance shares in accordance with IFRS, - 8.43% of the total allotment under this plan for all beneficiaries concerned, - 0.02% of the Company's share capital at the date of the allotment; • Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 315; • Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office.
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€38,741	Provision of a company car. Contributions paid by the Company for Jean-Michel Gault to continue to benefit from the occupational insurance and healthcare benefits plan for Group employees. Unemployment insurance subscribed with GSC.

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Severance payment	None	Jean-Marc Gault is eligible for a severance package in the event of his forced departure from Klépierre. The severance package will be paid in all cases of forced departure regardless of the method (removal, resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as a member of the Executive Board at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination. In the event of Jean-Michel Gault's forced departure, the amount of the severance payment under this package will be limited to two years of the fixed annual compensation and (gross) short-term variable compensation calculated on the basis of the fixed annual compensation as of the last day of his term of office and his most recent (gross) short-term variable compensation as of the date of his termination, less any amount paid for any statutory severance or due under a collective bargaining agreement that Jean-Michel Gault may otherwise receive under his employment contract. The payment of the non-statutory severance is also subject to the achievement of the same performance conditions as applicable to the Chairman of the Executive Board, namely: • In the two fiscal years preceding the year of termination of his term of office, Jean-Michel Gault received or will be entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being 130%); and • The quantitative portion of the annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years.
Non-compete benefit	None	
Supplementary pension plan	€7,122	Jean-Michel Gault is eligible for the supplementary pension plan for senior executives of the former Compagnie Bancaire, which provides for an additional pension of a maximum amount determined on the basis of reference compensation and seniority as of December 31, 2000. This maximum amount is capped (subject to the application of an increase based on the growth rate of the AGIRC point value) at €7,122, and no increase in the conditional rights may vest in respect of seniority or increases in compensation after December 31, 2000. This plan has been closed to new beneficiaries since December 31, 2000. Jean-Michel Gault's compensation package takes this pension plan into account. Jean-Michel Gault is also entitled to the same compulsory private sector supplementary pension plan as other Group managers.
Other	None	

6.2.4.4 Chief Operating Officer, member of the Executive Board

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Fixed annual compensation	€450,000	The fixed annual compensation due to the Chief Operating Officer amounts to €450,000.
Annual variable compensation	€585,000	**Annual variable compensation paid in 2021 (in respect of 2020):** on the basis of the Nomination and Compensation Committee's work, and, in view of the exceptional circumstances arising due to the Covid-19 pandemic, the Supervisory Board meeting of March 18, 2021 decided that: • The variable portion of 2020 compensation due for achieving the quantitative target would amount to 0% of the fixed annual compensation; and • The variable portion of 2020 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation; representing a total of €28,571.50. Details of the achievement rates for the quantitative and qualitative criteria are presented on page 294 of Klépierre's 2020 Universal Registration Document. This compensation was approved by the General Meeting of June 17, 2021 (17th resolution, approved by 98.61% of votes cast). **Annual variable compensation allotted for fiscal year 2021:** for information, the variable compensation allotted to the Chief Operating Officer, member of the Executive Board for fiscal year 2021 could vary between 0% and 130% of his fixed annual compensation (calculated on a pro rata basis from his appointment to the Executive Board) and is set as follows: • 0% to 80% of the fixed annual compensation based on net current cash flow per share; and • 0% to 50% of the fixed annual compensation, based on the following areas and targets set for 2021: (i) leasing and marketing, (ii) safety, security and engineering, and (iii) crisis management. At its meeting of February 15, 2022, the Supervisory Board set: • The variable portion of 2021 compensation due for achieving the quantitative target would amount to 80% of the fixed annual compensation; and • The variable portion of 2021 compensation due for achieving the qualitative targets would amount to 50% of the fixed annual compensation; representing a total of €585,000. Details of the achievement rates for the quantitative and qualitative criteria are presented on page 293 of this document. Payment of this compensation is subject to the approval of the General Meeting of April 26, 2022.
Deferred variable compensation	None	
Multi-annual variable compensation	None	
Extraordinary compensation	None	

Components of compensation put to the vote	Amounts paid during or allotted for fiscal year 2021 or accounting value	Presentation
Performance shares	None	Performance shares were allotted under the 2021 Plan, with the following characteristics: • Plan of July 1, 2021 authorized by the General Meeting of April 16, 2019 (22nd resolution); • Allotment of 38,000 shares, representing: – €373,920, based on the measurement of the performance shares in accordance with IFRS, – 7.81% of the total allotment under this plan for all beneficiaries concerned, – 0.02% of the Company's share capital at the date of the allotment; • Allotment subject to four performance conditions (absolute, relative, internal and CSR) assessed over a three-year period. Details of the four performance conditions and the achievement scale are presented on page 315; • Obligation to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares, until the end of his term of office. As Beñat Ortega resigned from his salaried duties with effect from February 1, 2022, he forfeited all rights to these shares.
Stock options	None	
Compensation in respect of Board membership	None	
Value of benefits in kind	€36,231	Provision of a company car. Contributions paid by the Company for Beñat Ortega to continue to benefit from the occupational insurance and healthcare benefits plan for Group employees. Unemployment insurance subscribed with GSC.
Severance payment	None	The Chief Operating Officer was eligible for a severance package in the event of his forced departure from Klépierre. No severance payment was made following the resignation of Beñat Ortega with effect from January 31, 2022.
Non-compete benefit	None	
Supplementary pension plan	None	Beñat Ortega is not eligible for benefits under a specific supplementary pension plan but was eligible for the same compulsory private sector supplementary pension plan as other Group managers.
Other	None	

6.2.5 Summary tables based on AMF and AFEP-MEDEF Code recommendations

TABLE 1 – SUMMARY OF COMPENSATION IN STOCK OPTIONS AND SHARES ALLOTTED TO EACH EXECUTIVE CORPORATE OFFICER *(in euros)*

David Simon – Chairman of the Supervisory Board	2020	2021
Compensation due in respect of the fiscal year (itemized in Table 2)	91,389	100,367
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	–	–
TOTAL	**91,389**	**100,367**

Jean-Marc Jestin – Chairman of the Executive Board	2020	2021
Compensation due in respect of the fiscal year (itemized in Table 2)	995,657	1,764,407
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	186,200	629,760
TOTAL	**1,181,857**	**2,394,167**

Jean-Michel Gault – Chief Financial Officer, member of the Executive Board	2020	2021
Compensation due in respect of the fiscal year (itemized in Table 2)	650,881	1,142,741
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year	159,600	403,440
TOTAL	**810,481**	**1,546,181**

Beñat Ortega – Chief Operating Officer, member of the Executive Board	2020	2021
Compensation due in respect of the fiscal year (itemized in Table 2)	90,236	1,071,231
Value of options allotted during the fiscal year	–	–
Value of performance shares allotted during the fiscal year(a)	12,050(a)	373,920(a)
TOTAL	**102,286**	**1,445,151**

(a) As Beñat Ortega resigned from his salaried duties with effect from February 1, 2022, he forfeited all rights to these shares.

TABLE 2 – SUMMARY OF COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER *(in euros)*

	2020		2021	
David Simon – Chairman of the Supervisory Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	–	–	–	–
Short-term variable compensation	–	–	–	–
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind	–	–	–	–
Other	–	–	–	–
Compensation in respect of his role as Chairman and member of the Supervisory Board	91,389	98,120	100,367	91,389
TOTAL	**91,389**	**98,120**	**100,367**	**91,389**

	2020		2021	
Jean-Marc Jestin – Chairman of the Executive Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	581,500	581,500	750,000	750,000
Short-term variable compensation	375,000(a)	975,000(b)	975,000(c)	375,000
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind(d)	39,407	39,407	39,407	39,407
Other	0	0	0	0
TOTAL	**995,657**	**1,595,657**	**1,764,407**	**1,164,407**

(a) Jean-Marc Jestin's variable compensation for fiscal year 2020 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 294 of the 2020 Universal Registration Document.

(b) Jean-Marc Jestin's variable compensation for fiscal year 2019 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 253 of the 2019 Universal Registration Document.

(c) Jean-Marc Jestin's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 290 of this document.

(d) Corresponds to the provision of a company car, contributions paid by the Company for Jean-Marc Jestin to continue to benefit from the occupational insurance and healthcare benefits plan for Group employees, and the unemployment insurance subscribed with GSC.

	2020		2021	
Jean-Michel Gault – Chief Financial Officer, member of the Executive Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	372,000	372,000	480,000	480,000
Short-term variable compensation	240,000(a)	624,000(b)	624,000(c)	240,000
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind(d)	38,881	38,881	38,741	38,741
Other	0	0	0	0
TOTAL	**650,881**	**1,034,881**	**1,142,741**	**758,741**

(a) Jean-Michel Gault's variable compensation for fiscal year 2020 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 297 of the 2020 Universal Registration Document.

(b) Jean-Michel Gault's variable compensation for fiscal year 2019 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 256 of the 2019 Universal Registration Document.

(c) Jean-Michel Gault's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 294 of this document.

(d) Corresponds to provision of a company car, contributions paid by the Company for Jean-Michel Gault to continue to benefit from the occupational insurance and healthcare benefits plan for Group employees, and the unemployment insurance subscribed with GSC.

	2020		2021	
Beñat Ortega – Chief Operating Officer, member of the Executive Board	**Amount due**	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	57,143(a)	57,143(a)	450,000	450,000
Short-term variable compensation	28,571(b)	–	585,000(b)	28,571
Extraordinary compensation	–	–	–	–
Compensation in respect of Board membership	–	–	–	–
Benefits in kind(c)	4,522	4,522	36,231	36,231
Other	–	–	-	-
TOTAL	**90,236**	**61,665**	**1,071,231**	**514,802**

(a) The fixed annual compensation of €450,000 was calculated on a pro rata basis for the term of office as a member of the Executive Board in 2020.

(b) Beñat Ortega's variable compensation for fiscal year 2021 was set by the Supervisory Board, acting on the proposal of the Nomination and Compensation Committee. Details of the calculations used appear on page 294 of this document.

(c) Corresponds to the provision of a company car, contributions paid by the Company for Beñat Ortega to continue to benefit from the occupational insurance and healthcare benefits plan for Group employees, and the unemployment insurance subscribed with GSC.

TABLE 3 – COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

	2020		2021	
Non-executive corporate officers	**Amount allotted**	**Amount paid**	**Amount allotted**	**Amount paid**
David Simon				
Fixed/variable compensation	91,389	98,120	100,367	91,389
Other compensation	-	-	-	-
John Carrafiell				
Fixed/variable compensation	72,889	69,227	68,628	72,889
Other compensation	-	-	-	-
Béatrice de Clermont-Tonnerre				
Fixed/variable compensation	55,167	50,674	56,367	55,167
Other compensation	-	-	-	-
Steven Fivel				
Fixed/variable compensation	97,902	103,689	101,092	97,902
Other compensation	-	-	-	-
Stanley Shashoua				
Fixed/variable compensation	71,889	74,797	75,845	71,889
Other compensation	-	-	-	-
Catherine Simoni				
Fixed/variable compensation	90,389	93,350	91,353	90,389
Other compensation	-	-	-	-
Rose-Marie Van Lerberghe				
Fixed/variable compensation	87,402	86,458	81,614	87,402
Other compensation	-	-	-	-
Florence Von Erb				
Fixed/variable compensation	61,389	54,120	56,367	61,389
Other compensation	-	-	-	-
Robert Fowlds				
Fixed/variable compensation	47,389	54,120	56,367	47,389
Other compensation	-	-	-	-

TABLE 4 – STOCK OPTIONS ALLOTTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE COMPANY AND BY ANY GROUP COMPANY

Not applicable.

TABLE 5 – STOCK OPTIONS EXERCISED DURING THE FISCAL YEAR

Not applicable.

TABLE 6 – PERFORMANCE SHARES ALLOTTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER

Beneficiary	Plan date	Number of shares allotted during the fiscal year	Value of shares based on method used in the consolidated financial statements	End of vesting period	End of lock-up period	Performance conditions
David Simon Chairman of the Supervisory Board	-	-	-	-	-	-
Jean-Marc Jestin Chairman of the Executive Board	Plan of July 1, 2021	64,000	€629,760	July 1, 2024	July 1, 2026	All of these shares are subject to performance conditions in accordance with the principles set out on page 316 of this document.
Jean-Michel Gault Chief Financial Officer, member of the Executive Board		41,000	€403,440			
Beñat Ortega Chief Operating Officer, member of the Executive Board		38,000[(a)]	€373,920[(a)]	July 1, 2024[(a)]	July 1, 2026[(a)]	All of these shares were subject to performance conditions in accordance with the principles set out on page 316 of this document.[(a)]

(a) As Beñat Ortega resigned from his salaried duties with effect from February 1, 2022, he forfeited all rights to these shares.

TABLE 7 – VESTING OF PERFORMANCE SHARES FOR EACH EXECUTIVE CORPORATE OFFICER

Beneficiaries	Plan	Number of shares that vested during the fiscal year	Vesting conditions
David Simon	-	-	-
Jean-Marc Jestin	2016 Plan	5,301	Yes
Jean-Michel Gault	2016 Plan	5,301	Yes
Beñat Ortega	2016 Plan	1,590	Yes

Senior executives remain bound by a holding obligation under Article L. 225-197-1 of the French Commercial Code as recommended in the AFEP-MEDEF Code.

The additional chart below sets out the number of performance shares allotted to Executive Board members as corporate officers, which vested during the fiscal year:

Beneficiaries	Plan	End of vesting period	Number of shares vested
David Simon	-	-	-
Jean-Marc Jestin	2018 Plan	April 24, 2021	17,500
Jean-Michel Gault	2018 Plan	April 24, 2021	15,000
Beñat Ortega	2018 Plan	April 24, 2021	5,500

TABLE 11

	Employment contract		Supplementary pension plan		Compensation or benefits due or conditionally due on termination or change of function		Compensation related to non-compete clause	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
David Simon Chairman of the Supervisory Board Date appointed: March 14, 2012 Term expires: June 16, 2022		X		X		X		X
Jean-Marc Jestin Chairman of the Executive Board Date appointed[a]: June 22, 2019 Term expires[a]: June 21, 2022		X		X	X			X
Jean-Michel Gault Chief Financial Officer Executive Board member Date appointed[a]: June 22, 2019 Term expires[a]: June 21, 2022	X[b]		X[c]		X			X
Beñat Ortega Chief Operating Officer Executive Board member Date appointed[a]: November 16, 2020 Term expires[a]: June 21, 2022[d]		X		X	X			X

(a) *On the Executive Board.*

(b) *In the past, Jean-Michel Gault exercised his corporate office as an Executive Board member without consideration and received compensation for his employment contract. In order to allow him to fully undertake his role as an Executive Board member, the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee, decided to suspend his employment contract for the duration of his corporate office, with effect from July 1, 2016.*

(c) *Jean-Michel Gault is eligible for the supplementary pension plan for senior executives of the former Compagnie Bancaire, which provides for an additional pension on retirement of a maximum annual amount of €7,122.*

(d) *Beñat Ortega has resigned with effect as from 1 February 2022.*

7

Share capital and ownership, General Meeting, and share buyback program

7 Share capital and shareholding, General Meeting, and share buyback program

7.1 SHARE CAPITAL AND SHAREHOLDING

7.1.1 General information on the share capital

7.1.1.1 Share capital – Type of shares

As of December 31, 2021, the share capital totaled €401,605,640.80, divided into 286,861,172 fully paid-up shares each with a par value of €1.40.

In accordance with Article 29 of the Company's bylaws, each share confers a single vote.

The shares may be held in either registered or bearer form, at the shareholder's discretion. The share capital may be modified under the conditions provided by law.

7.1.1.2 Delegations of authority and authorizations granted the Executive Board

As of the date of this document, the Executive Board had been granted the following delegations of authority and authorizations that are in force:

By the General Meeting of Shareholders of April 16, 2019

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2021
Authorization to allot free shares of the Company without preemptive subscription rights	0.5% of the share capital	38 months with effect from April 16, 2019 (22nd resolution)	Allotment of 486,500 free shares representing 0.17% of the share capital as of December 31, 2021

General Meeting of June 17, 2021

Purpose of the resolution	Maximum nominal amount or percentage	Duration of the authorization	Utilization during fiscal year 2021
Authorization for the Company to buy back its own shares	Maximum program amount: 10% of the share capital and €959,805,408 Maximum purchase price: €32 per share with a par value of €1.40	18 months with effect from June 17, 2021 (18th resolution)	None
Authorization to reduce the share capital by canceling treasury shares	10% of the share capital in a 24-month period	26 months with effect from June 17, 2021 (19th resolution)	Cancellation of 7,986,882 shares
Capital increase with preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities[(a)]	Maximum nominal amount: €120 million and €1.5 billion for debt securities	26 months with effect from June 17, 2021 (20th resolution)	None
Capital increase without preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company or its subsidiaries and/or securities giving rights to debt securities, by means of a public offering or private placement[(a)(b)]	Maximum nominal amount: €41 million and €1.5 billion for debt securities	26 months with effect from June 17, 2021 (21st and 22nd resolutions)	None
Increase in the number of securities to be issued in the event of an issue of ordinary shares and/or securities giving rights to shares of the Company, any subsidiary and/or any other company, with or without preemptive subscription rights[(a)]	At the same price as that decided for the initial issue, within the periods and limits specified by the applicable regulations as of the date of the issue[(c)]	26 months with effect from June 17, 2021 (23rd resolution)	None
Capital increase without preemptive subscription rights through the issue of shares and/or securities giving rights to shares of the Company as consideration for contributions in kind in the form of equity securities and/or securities giving rights to shares of the Company[(a)]	Up to 10% of the share capital	26 months with effect from June 17, 2021 (24th resolution)	None
Capital increase by capitalizing premiums, reserves, profits or other items[(a)]	€100 million	26 months with effect from June 17, 2021 (25th resolution)	None

(a) *Overall maximum nominal amount of the share capital increases, whether immediate and/or future, that may be carried out pursuant to the authorizations granted to the Executive Board: €120 million (26th resolution) (plus the nominal amount of any additional shares issued to protect the rights of the holders of securities giving rights to shares of the Company).*
Overall maximum nominal amount of debt securities giving rights to shares of the Company: €1.5 billion (26th resolution).

(b) *Private placement: issues may not exceed the limits specified by the applicable regulations as of the date of the issue (20% of the share capital per year, pursuant to Article L. 225-136-2 of the French Commercial Code).*

(c) *Within 30 days of the close of the subscription period and within the limit of 15% of the initial issue, pursuant to Article R. 225-118 of the French Commercial Code.*

7.1.1.3 Distributions

The distributions made in the last five fiscal years are as follows:

Fiscal year	2016	2017	2018	2019	2020[c]
Number of shares	314,356,063	314,356,063	[a]	[b]	294,848,054
Net distribution	€1.82	€1.96	€2.10	€2.20	€1.00
Net amount distributed	€572,128,034.66	€616,137,883.48	€642,619,152	€665,861,009	€294,848,054

(a) The dividend of €2.10 consisted of (i) an interim dividend in a total amount of €322,794,781.05, or €1.05 per share (based on a total of 307,423,601 shares), with the shares going ex-dividend on March 7, 2019 and the interim dividend being paid in cash on March 11, 2019; and (ii) a final dividend to the shareholders representing an additional distribution of €319,824,370.95, or €1.05 per share (based on a total of 304,594,639 shares), with the shares going ex-dividend on July 8, 2019 and the final dividend being paid in cash on July 11, 2019.

(b) The dividend of €2.20 consisted of (i) an interim dividend in a total amount of €332,930,504.50, or €1.10 per share (based on a total of 302,664,095 shares), with the shares going ex-dividend on March 9, 2020 and the interim dividend being paid in cash on March 11, 2020; and (ii) a final dividend to the shareholders representing an additional distribution of €319,824,370.95, or €1.10 per share (based on a total of 299,939,198 shares), with the shares going ex-dividend on July 7, 2020 and the final dividend being paid in cash on July 9, 2020.

(c) The distributed amount qualifies as equity repayment.

Dividends unclaimed after a period of five years from the date of payment are paid to the French State.

Shares held by the Company do not confer rights to dividends.

7.1.1.4 Share capital and stock market

Shares

All the Company's share capital is traded on Euronext Paris (compartment A).

	2017	2018	2019	2020	2021
Market capitalization *(in millions of euros)*[a]	11,526	8,475	10,245	5,516	5,981
Number of shares traded (daily average)	654,615	718,289	726,782	1,456,093	1,089,183
SHARE PRICE *(in euros)*					
High	38.13	37.32	33.85	34.66	25.76
Low	32.24	26.50	26.53	10.21	16.53
Closing	36.67	26.96	33.85	18.39	20.85

Trading volume over the last 18 months (in number of shares and amount of equity traded)

		High *(in euros)*	**Low** *(in euros)*	**Number of shares traded**	**Amount of equity traded** *(in euros)*
2020	September	13.82	10.21	41,314,600	491,201,767
	October	13.14	10.65	34,896,410	419,132,636
	November	20.55	11.06	53,533,394	910,354,056
	December	20.31	17.60	27,087,689	511,301,407
2021	**January**	**21.60**	**16.53**	**33,031,652**	**636,854,324**
	February	**19.87**	**17.23**	**29,269,610**	**542,346,779**
	March	**21.80**	**19.59**	**43,357,493**	**888,929,190**
	April	**22.06**	**20.30**	**20,295,657**	**428,445,007**
	May	**23.85**	**22.03**	**19,192,375**	**441,033,197**
	June	**25.76**	**21.45**	**17,776,200**	**420,498,125**
	July	**22.86**	**20.12**	**19,928,028**	**426,408,402**
	August	**21.32**	**20.15**	**13,525,785**	**279,909,657**
	September	**20.96**	**18.91**	**18,788,723**	**369,516,667**
	October	**21.21**	**18.61**	**21,066,654**	**415,769,271**
	November	**22.34**	**18.69**	**25,373,297**	**516,284,520**
	December	**20.85**	**18.79**	**19,646,866**	**382,700,218**
2022	January	24.04	21.14	23,716,023	545,769,964
	February	26.37	22.38	21,530,034	529,824,344

Source: Bloomberg.

Dilutive instruments

There are no outstanding dilutive instruments.

7.1.1.5 Bonds

Issue date	Maturity date	Currency	Outstanding nominal	Coupon	ISIN code
EUROBOND ISSUES LISTED ON THE PARIS STOCK EXCHANGE (EMTN)[(a)]					
05/21/2012	05/21/2027	EUR	50,000,000	4.23%	FR0011255280
11/06/2014 – 01/28/2015 – 11/06/2015	11/06/2024	EUR	630,000,000	1.75%	FR0012283653
04/17/2015	04/17/2023	EUR	750,000,000	1.00%	FR0012674661
10/22/2015	10/22/2025	EUR	255,000,000	2.125%	FR0013030038
02/19/2016	02/19/2026	EUR	500,000,000	1.875%	FR0013121753
09/29/2016	09/29/2031	EUR	600,000,000	1.250%	FR0013203825
02/16/2017 – 02/27/2017	02/16/2027	EUR	600,000,000	1.375%	FR0013238045
12/11/2017 – 05/06/2020 – 06/16/2020	12/13/2032	EUR	700,000,000	1.625%	FR0013300605
07/01/2019	07/01/2030	EUR	600,000,000	0.625%	FR0013430741
05/12/2020	05/12/2029	EUR	600,000,000	2.00%	FR0013512233
05/25/2020	05/25/2022	EUR	100,000,000	1.10%	FR0013514213
11/17/2020	02/17/2031	EUR	600,000,000	0.875%	FR0014000KT3
EUROBOND ISSUES LISTED ON THE AMSTERDAM STOCK EXCHANGE (EMTN)[(a)]					
12/13/2012	12/13/2022	EUR	85,000,000	3.516%	XS0864386825

(a) Prospectuses for the EMTN (Euro Medium Term Notes) program are available on Klépierre's website (www.klepierre.com), in the "Finance" section.

7.1.2 Changes in the share capital – Breakdown of the share capital and voting rights

7.1.2.1 Changes in the share capital over the last five fiscal years as of December 31, 2021

Dates	Nature of change	Number of shares concerned	Additional paid-in capital	Share capital on completion of the transaction
February 20, 2019	Share capital reduction	6,932,462	€240,363,057.51	€430,393,041.40
June 20, 2019	Share capital reduction	2,828,962	€96,011,667.47	€426,432,494.60
December 17, 2019	Share capital reduction	1,930,544	€63,912,225.52	€423,729,733
June 22, 2020	Share capital reduction	2,724,897	€79,529,401.12	€419,914,877.20
January 19, 2021	Share capital reduction	5,091,144	€150,713,532.84	€412,787,275.60
June 22, 2021	Share capital reduction	4,493,022	€135,709,688.50	€406,497,044.80
December 15, 2021	Share capital reduction	3,493,860	€94,856,813.12	€401,605,640.80

7.1.2.2 Changes in the breakdown of the share capital and voting rights over the last three fiscal years

To the Company's knowledge and based on disclosures of crossings of thresholds set in the bylaws, the share capital breaks down as follows:

	Position as of December 31, 2019				Position as of December 31, 2020				Position as of December 31, 2021			
	Number of shares	**% of share capital**	**% of theoretical voting rights(a)**	**% of voting rights exercisable in GMs(b)**	**Number of shares**	**% of share capital**	**% of theoretical voting rights(a)**	**% of voting rights exercisable in GMs(b)**	**Number of shares**	**% of share capital**	**% of theoretical voting rights(a)**	**% of voting rights exercisable in GMs(b)**
Simon Property Group	63,924,148	21.12	21.12	22.14	63,924,148	21.31	21.31	22.41	63,924,148	22.28	22.28	22.40
APG Group	30,431,632	10.05	10.05	10.54	17,648,751	5.88	5.88	6.19	17,648,751	6.15	6.15	6.18
BlackRock	18,212,011	6.02	6.02	6.31	19,063,125	6.36	6.36	6.68	17,918,808	6.25	6.25	6.28
Norges Bank	–	–	–	–	14,898,142	4.97	4.97	5.22	14,747,803	5.14	5.14	5.17
Employees/ corporate officers	523,811	0.17	0.17	0.18	571,905	0.19	0.19	0.20	651,988	0.23	0.23	0.23
Free float	175,644,468	58.03	58.03	60.83	169,119,011	56.38	56.38	59.30	170,492,253	59.43	59.43	59.74
Treasury shares	13,928,025	4.60	4.60	–	14,714,116	4.91	4.91	–	1,477,421	0.52	0.52	–
TOTAL	**302,664,095**	**100**	**100**	**100**	**299,939,198**	**100**	**100**	**100**	**286,861,172**	**100**	**100**	**100**

(a) Theoretical voting rights correspond to the total number of voting rights attached to the total number of outstanding shares, including any shares that do not have voting rights.
(b) Exercisable voting rights correspond to the total number of voting rights, less any shares that do not have voting rights.

Since December 31, 2021, no share capital reductions have been carried out under the delegation of authority granted in the nineteenth resolution to the Ordinary and Extraordinary General Meeting of June 17, 2021.

To the Company's knowledge, there have been no material changes since December 31, 2021 in the ownership of the share capital or voting rights.

Employee share ownership

In December 2018, the Executive Board decided to set up a share ownership plan reserved for certain Klépierre Management SNC employees (the "**Beneficiaries**"), through the Klépierre Management SNC company savings plan (*plan d'epargne d'entreprise* – PEE). Under this plan, the Beneficiaries had the opportunity to purchase shares in the Company at a price of €24.96 per share.

Following centralization of the Beneficiaries' purchase requests, the Executive Board noted that 326,689 shares of the Company had been sold to the Beneficiaries, for a total price of €8,154,157.44.

Shareholders' agreements

To the Company's knowledge, no agreement existed as of December 31, 2021 that could result in a change of control at a later date.

Upon the conclusion of the agreement between Klépierre and Corio on July 29, 2014, Simon Property Group ("**SPG**"), BNP Paribas SA ("**BNPP**"), Klépierre's reference shareholders, and the Dutch foundation (*stichting*) Stichting Depositary APG Strategic Real Estate Pool, represented by its management company APG Asset Management NV ("**APG**"), Corio's reference shareholder, each acting directly or through affiliates (respectively, the "**SPG group**", the "**BNPP group**" and the "**APG group**", and together, the "**Parties**"), entered into a shareholders' agreement (the "**Shareholders' Agreement**") to organize their relationship as Klépierre shareholders. The agreement was published by the French financial markets authority (Autorité des marchés financiers – AMF) as required by law, in decision 214C2161 of October 16, 2014.

The Shareholders' Agreement entered into force on January 15, 2015 (the "**Completion Date**").

To the Company's knowledge, the provisions of the Shareholders' Agreement are no longer applicable to the BNPP group, since its stake in Klépierre fell below 5% in November 2015.

I – Klépierre's Governance

Representation on the Supervisory Board

Under the Shareholders' Agreement, both the SPG and APG groups must be represented on Klépierre's Supervisory Board. As such, each group undertakes to vote in favor of the representatives presented by the other at General Meetings of Shareholders and Supervisory Board meetings (solely for appointments by way of co-option).

In particular, the Shareholders' Agreement provides that three Supervisory Board members must be representatives of the SPG group (including the Chairman of the Board who will have a casting vote) and one member must be a representative of the APG group. The Supervisory Board must have at least five independent members within the meaning of the AFEP-MEDEF Code, appointed by Klépierre's General Meeting of Shareholders.

In the event that the SPG group's stake falls below the lowest of (i) 13.6% of the total number of Klépierre shares, (ii) the BNPP group's stake in the Company or (iii) the APG group's stake in the Company:

(i) The number of representatives of each Party on the Supervisory Board will be determined pro rata to their respective stakes in Klépierre; and

(ii) The Chairman of the Board will no longer be appointed on a proposal from the SPG group.

Representation on the Supervisory Board committees

Under the Shareholders' Agreement, the Supervisory Board is assisted by the following advisory committees: the Audit Committee, the Nomination and Compensation Committee, the Sustainable Development Committee and the Investment Committee.

The Shareholders' Agreement also determines the membership of the Investment Committee and provides for mutual voting commitments on the part of the SPG and APG groups for that purpose, such that the representatives of each Party on the Supervisory Board are appointed as members of the Investment Committee.

II – Transfers of securities

The Shareholders' Agreement includes the following commitments with regard to transfers of Klépierre securities, which were still in force as of the date of this document:

Right of first refusal

After the Completion Date, (i) the APG group undertook to give the SPG group, and (ii) the SPG group undertook to give the APG group, a right of first refusal on all the securities offered at the price proposed by the selling entity within the SPG or APG groups (the "**Seller**"), within a period of five business days from the date of receipt of the notice.

This right of first refusal applies in the event of a transfer of Klépierre securities to a third party, on the understanding that "transfer" includes any transfer of the right of ownership, immediately or in the future, as well as any division of ownership, any form of security or trust and any derivative transaction.

However, the following transactions are excluded from the right of first refusal: (i) the tendering of securities to a public takeover bid for the Company; (ii) sales on the market (in the form of block sales, market placements or similar procedures); (iii) derivative contracts providing for settlement in cash; (iv) issues of indexed debt securities; and (v) securities lending and other temporary ownership transfer transactions (a "**Market Transaction**").

By way of exception, the right of first refusal will in any event apply in the case of the Market Transactions referred to in (i), (iii) and (v) above, as well as in the case of a Market Transaction with an identified third party, provided that the transfer is made to a competitor of SPG, and in the case of a Market Transaction (in the form of a placement) representing at least 7.5% of Klépierre's share capital and voting rights. In the case of a Market Transaction in the form of a sale on the market or a placement below this threshold, or in the case of the Market Transactions referred to in (iv) above, they will be conducted in good faith, in order to avoid the transfer of a substantial portion of the stake whose sale to a competitor of SPG is under consideration.

In the case of a Market Transaction to which the right of first refusal applies, the abovementioned period of five days is reduced to three business days.

Lastly, each Party undertakes to ensure that sales take place in an orderly fashion so as not to disrupt the market in Klépierre securities.

The Shareholders' Agreement was concluded for a term of 10 years. It may be terminated at any time as regards a Party, in the event that such Party comes to own less than 5% of Klépierre's share capital and voting rights.

Under the terms of the Shareholders' Agreement, SPG and APG declared that they were not acting in concert as regards Klépierre (within the meaning of Article L. 233-10 of the French Commercial Code [*Code de commerce*]), which was a key prerequisite to the signature of the Shareholders' Agreement, and they also undertake not to act in concert.

7.1.2.3 Crossing of thresholds set by law or in the bylaws

According to Article 7 of the bylaws, any individual or legal entity, acting alone or in concert, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company by registered letter with acknowledgment of receipt indicating the number of shares held, within five trading days of the date of the threshold crossing.

If the 10% threshold of the Company's share capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than an individual is required to indicate in its threshold crossing disclosure whether or not it is a Shareholder Subject to Withholding (as defined in Article 32 of the bylaws). Should such shareholder declare that it was not a Shareholder Subject to Withholding, it would have to substantiate such claim whenever so requested by the Company, as well as provide the Company with a legal opinion from an internationally reputed tax law firm whenever so requested. Any shareholder other than an individual who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's share capital must promptly notify the Company of any change in its tax status that may cause it to acquire or lose the status of Shareholder Subject to Withholding.

Unless they have been disclosed in accordance with the conditions set out above, the shares exceeding the disclosure threshold subject to the declaration requirement will be stripped of voting rights at General Meetings of Shareholders where the failure to disclose is brought to the attention of the Meeting or where one or more shareholders together holding at least 2% of the Company's share capital ask the Meeting to do so. Voting rights will be suspended at all General Meetings of Shareholders held within two years of the date on which the appropriate disclosure is duly made.

All shareholders are also required to inform the Company, in accordance with the procedures and deadlines set out above, if their shareholding falls below any of the abovementioned thresholds.

The table below summarizes all crossings of thresholds, set by law or in the bylaws, of which the Company was notified during fiscal year 2021:

	Date of crossing	Number of shares held after threshold crossing	Date of the letter of notification sent to the Company	Above or below/(% share capital held)	Above or below/(% voting rights held)
BlackRock Inc.[(a)]	March 19, 2021	16,935,362	March 22, 2021	Below/(5.74%)	Below/(5.74%)
	March 24, 2021	17,720,628	March 25, 2021	Above/(6.01%)	Above/(6.01%)
	March 26, 2021	17,682,006	March 29, 2021	Below/(5.99%)	Below/(5.99%)
	April 2, 2021	17,721,488	April 6, 2021	Above/(6.01%)	Above/(6.01%)
	April 5, 2021	17,611,737	April 6, 2021	Below/(5.97%)	Below/(5.97%)
	August 25, 2021	17,918,808	August 31, 2021	Above/(6.17%)	Above/(6.17%)
Cohen & Steers	August 27, 2021	11,623,501	August 30, 2021	Above/(4.00%)	Above/(4.00%)
Citigroup Inc.	January 8, 2021	12,338,313	January 11, 2021	Above/(4.11%)	Above/(4.11%)
	January 13, 2021	10,970,297	January 14, 2021	Below/(3.66%)	Below/(3.66%)
	March 8, 2021	11,649,247	March 9, 2021	Above/(3.88%)	Above/(3.88%)
	March 15, 2021	5,356,504	March 16, 2021	Below/(1.79%)	Below/(1.79%)
CDC group	February 15, 2021	4,191,620	February 19, 2021	Individual crossing below the threshold by CNP Assurances (1.42%)	Individual crossing below the threshold by CNP Assurances (1.42%)
	March 3, 2021	5,739,803	March 5, 2021	Below/(1.94%)	Below/(1.94%)
	June 8, 2021	6,062,377	June 10, 2021	Above/(2.05%)	Above/(2.05%)
	August 27, 2021	4,501,819	September 3, 2021	Below/(1.55%)	Below/(1.55%)
Norges Bank	June 28, 2021	14,747,803	June 29, 2021	Above/(5.08%)	Above/(5.08%)
Resolution Capital Limited[(a)]	July 6, 2021	14,790,600	July 13, 2021	Above/(5.09%)	Above/(5.09%)
	July 20, 2021	14,010,100	July 26, 2021	Below/(4.83%)	Below/(4.83%)

(a) *Acting on behalf of customers and funds, which it manages.*

7.1.2.4 Transactions by corporate officers and similar individuals in Company securities (Article L. 621-18-2 of the French Monetary and Financial Code [*Code monétaire et financier*])

Transactions reported by corporate officers and similar individuals to the AMF during fiscal year 2021 were as follows:

Name	Type of transaction	Financial instruments	Description of transaction	Total amount of transactions *(in euros)*
Jean-Marc Jestin	Purchase	Shares	Purchase of 5,100 shares at a unit price of €19.3363	(98,615.13)
Jean-Michel Gault	-	-	-	-
Beñat Ortega	-	-	-	-

7.1.3 Stock purchase options and performance shares

7.1.3.1 Stock option and performance share allotment policy

Stock options and performance shares are allotted to executive corporate officers and employees in order to strengthen their motivation over the long-term, thus aligning the interests of senior executives with those of shareholders with a view to creating long-term value.

Prior to 2012, the Company implemented several stock purchase option plans for its senior executives and certain employees. However, since 2012, the Company has given preference to performance shares.

Beneficiaries

The beneficiaries of these plans are senior executives, to whom allotments are made in accordance with the executive corporate officer compensation policy, and particularly dedicated Group employees, in order to foster loyalty. As a result, the list of beneficiaries changes each year, along with the number of shares allotted to each beneficiary.

Allotment by the Supervisory Board

These allotments are made pursuant to the recommendations of the AFEP-MEDEF Code and generally occur during the second quarter of the year.

Cap on the number of performance shares offered

Pursuant to the AFEP-MEDEF Code, the Supervisory Board determines the maximum percentage of performance shares that may be allotted to the members of the Executive Board (currently 0.2% of the share capital over a 38-month period from the General Meeting of Shareholders of April 16, 2019, which is deducted from the overall percentage of 0.5% of the share capital authorized by that General Meeting of Shareholders over the same period).

The number of performance shares allotted to individual members of the Executive Board must be previously approved by the Supervisory Board after recommendation by the Nomination and Compensation Committee, and is determined with regard to the executive corporate officer's total annual compensation.

Hedging arrangements

In accordance with the AFEP-MEDEF Code, the members of the Executive Board have not implemented any hedging instruments with regard to the stock options and performance shares allotted to executive corporate officers.

7.1.3.2 Stock purchase option plan

The most recent stock option plan was adopted by the Executive Board on May 27, 2011. The stock options had a term of eight years and therefore expired on May 26, 2019, as described on page 275 of the 2019 Universal Registration Document.

Accordingly, tables 8 and 9 on allotments of stock options provided for in AMF instruction no. 2019-21 are therefore not currently required.

7.1.3.3 Performance share plans

Conditions common to all plans adopted up to December 31, 2021

Share vesting period and lock-up period

- **Vesting period:** the shares allotted to beneficiaries vest and are delivered in the form of Company shares at the end of a vesting period set by the Executive Board. In accordance with the authorization of the General Meeting of Shareholders, the vesting period cannot be less than three years.
- **Lock-up period:** following the vesting period, beneficiaries are required to hold the shares for a period of two years. Where the vesting period for all or a portion of an allotment is at least four years, the Executive Board may not impose any lock-up period for the relevant shares.
- **Plans implemented by the Supervisory Board:** on the basis of the above principles, the Executive Board has implemented “3+2” plans (three-year vesting period and two-year lock-up period) for French tax residents and “4+0” plans (four-year vesting period and no lock-up period) for non-French tax residents.

Service condition

The shares will only vest if the beneficiary is still with the Group at the end of the vesting period, barring exceptional cases where rights are maintained pursuant to the rules of the relevant plan.

Should the beneficiary leave the Group before the expiration of the term set for assessing the performance share performance criteria, maintenance of all or a portion of the entitlement to the performance shares is subject to the decision of the Supervisory Board and must be substantiated. With respect to the Executive Board members, the Supervisory Board will authorize a partial waiver of the service condition, such that performance shares vest pro rata to members’ service to the Group.

Performance conditions

Performance conditions are determined by the Executive Board after consultation with the Nomination and Compensation Committee and the Supervisory Board. They are identical for all performance share beneficiaries, as described below.

Overview of plans adopted between January 1, 2018 and December 31, 2021

2018 Plans

On April 24, 2018 and July 9, 2018, the Executive Board adopted two plans for, respectively, 309,300 shares in respect of 119 beneficiaries and 3,300 shares in respect of one beneficiary, representing, on the basis of the Company’s share capital as of December 31, 2021, a maximum potential dilution of 0.11%.

At the end of the vesting period, the performance conditions were measured as follows:

April 24, 2018 plan:

Criteria	Weighting	Outcome
Absolute performance of Klépierre	10%	0% of performance shares vested
Relative performance of Klépierre	30%	100% of performance shares vested
Internal performance of Klépierre	40%	0% of performance shares vested
Klépierre’s CSR performance	20%	100% of performance shares vested

July 9, 2018 plan:

Criteria	Weighting	Outcome
Absolute performance of Klépierre	10%	0% of performance shares vested
Relative performance of Klépierre	30%	60.19% of performance shares vested
Internal performance of Klépierre	40%	0% of performance shares vested
Klépierre’s CSR performance	20%	100% of performance shares vested

2019 Plans

On May 6, 2019 and October 31, 2019, the Executive Board adopted two plans for, respectively, 317,800 shares in respect of 106 beneficiaries and 4,000 shares in respect of one beneficiary, representing, on the basis of the Company's share capital as of December 31, 2021, a maximum potential dilution of 0.11%.

Under the 2019 Plans, the performance conditions are assessed against the following achievement scale:

Absolute performance: 10% weighting		Relative performance: 30% weighting		Internal performance: 40% weighting		CSR performance: 20% weighting	
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**
≤16.5%	0%	Index -1%	0%	<1%	0%	GRESB rating: Klépierre must rank in the top five and have a "5-star" rating	8%
20%	33.3%	Index	33.3%	1%	30%	Reduction in the Group's energy consumption (target: ≥35%)	3%
22.5%	50%	Index +1%	50%	≥3%	100%	Net asset value of Group shopping centers with sustainable development certification (target: ≥90%)	3%
25%	66.7%	Index +2%	66.7%			Number of Group shopping centers having implemented at least one initiative during the year to promote local employment (target: ≥85%)	3%
27.5%	83.3%	Index +3%	100%			Number of Group employees having received training (target: ≥97%)	3%
≥30%	100%						

If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

2020 Plans

On May 7, 2020 and December 22, 2020, the Executive Board adopted two plans for, respectively, 312,900 shares in respect of 109 beneficiaries and 7,250 shares in respect of two beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2021, a maximum potential dilution of 0.11%.

Under the 2020 Plans, the performance conditions are assessed against the following achievement scale:

Absolute performance: 10% weighting		Relative performance: 30% weighting		Internal performance: 40% weighting		CSR performance: 20% weighting	
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**
≤16.5%	0%	Index -1%	0%	<1%	0%	GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating	8%
20%	33.3%	Index	33.3%	1%	30%	Reduction in the Group's energy consumption Objective: 40% reduction	3%
22.5%	50%	Index +1%	50%	≥3%	100%	Shopping centers with sustainable development certification Objective: 100% of shopping centers	3%
25%	66.7%	Index +2%	66.7%			Shopping centers contributing to local employment Objective: 100% of shopping centers having implemented at least one initiative during the year to promote local employment	3%
27.5%	83.3%	Index +3%	100%			Employees receiving training Objective: 100% of employees	3%
≥30%	100%						

If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

2021 Plan

On July 1, 2021, the Executive Board adopted a plan for 486,500 shares in respect of 117 beneficiaries, representing, on the basis of the Company's share capital as of December 31, 2021, a maximum potential dilution of 0.17%.

Under the 2021 Plan, the performance conditions are assessed against the following achievement scale:

Absolute performance: 10% weighting		**Relative performance: 30% weighting**		**Internal performance: 40% weighting**		**CSR performance: 20% weighting**		
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**	**Performance**	**% of shares delivered**	**Criteria**	**Target**	**% of shares delivered**
≤16.5%	0%	Index -1%	0%	<1%	0%	GRESB rating (12% of the allotment)		100%
20%	33.3%	Index	33.3%	1%	30%	Reduction in the Group's energy consumption ("REDUC") (2% of the allotment)	REDUC > -40%	0%
							REDUC ≤ -44%	100%
22.5%	50%	Index +1%	50%	≥3%	100%	Shopping centers with sustainable development certification ("CERTIF") (2% of the allotment)	CERTIF = 100%	100%
25%	66.7%	Index +2%	66.7%			Shopping centers contributing to local employment ("EMP") (2% of the allotment)	EMP = 100%	100%
27.5%	83.3%	Index +3%	100%			Employees receiving training ("TRAIN") (2% of the allotment)	TRAIN = 100%	100%
≥30%	100%							

If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

TABLE 10 – AMF/AFEP-MEDEF CODE RECOMMENDATIONS – HISTORICAL DATA OF FREE SHARES ALLOTTED – INFORMATION ON PERFORMANCE SHARES

	2018 Plans	2019 Plans	2020 Plans	2021 Plan
Date of Executive Board meeting	April 24, 2018 July 9, 2018	May 6, 2019 October 31, 2019	May 7, 2020 December 22, 2020	July 1, 2021
Total number of performance shares allotted	312,600	321,800	320,150	486,500
o/w allotted to corporate officers:				
• Jean-Marc Jestin	35,000	35,000	35,000	64,000
• Jean-Michel Gault	30,000	30,000	30,000	41,000
• Beñat Ortega	N/A*	N/A*	2020 Plan no. 1: N/A* 2020 Plan no. 2: 1,250	38,000
End of vesting period	France Plan: April 24, 2021 International Plan: April 24, 2022	France Plan: May 6, 2022 International Plan: May 6, 2023	France Plan: May 7, 2023 and December 22, 2023 International Plan: May 7, 2024	France Plan: July 1, 2024 International Plan: July 1, 2025
End of lock-up period	France Plan: April 24, 2023 International Plan: April 24, 2022	France Plan: May 6, 2024 International Plan: May 6, 2023	France Plan: May 7, 2025 and December 22, 2025 International Plan: May 7, 2024	France Plan: July 1, 2026 International Plan: July 1, 2025
Performance condition	Performance conditions assessed based on four criteria: • TSR of the Klépierre share; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • TSR of the Klépierre share; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • TSR of the Klépierre share; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.	Performance conditions assessed based on four criteria: • TSR of the Klépierre share; • Performance of the Klépierre share compared to a panel of peers; • Internal performance assessed based on the average change over three years in net rental income on a like-for-like basis; • Group CSR performance, assessed based on the GRESB rating and on the achievement within three years of the Group's CSR strategic priorities.
Number of shares vested as of December 31, 2021	95,523	0	0	0
Total number of shares canceled or lapsed	177,627	58,700	31,500	9,000
Shares outstanding at the fiscal year end	39,450**	263,100	288,650	477,500

* *Beñat Ortega joined the Klépierre Executive Board on November 16, 2020.*
In accordance with the terms of the plan, Beñat Ortega forfeited all rights to performance shares not already allotted on the date his resignation was received (i.e., performance shares granted under the 2019, 2020 and 2021 plans).

** *Still under service condition.*

7.1.4 Material contracts

7.1.4.1 Material financing contracts

2020

Credit facility agreements

- Purpose: credit facility agreement for a total maximum amount of €1,385 million.
- Repayment terms: in full at maturity (2025) where the two one-year extension options are not exercised.
- Interest: indexed to three-month Euribor, plus a fixed margin and a drawdown fee. The interest rate on the facility may be adjusted (upwards or downwards) based on the attainment of ESG objectives (per-sq.m. carbon intensity reduction objectives for Klépierre's asset portfolio).

Update of the Euro Medium Term Note (EMTN) program

- Purpose: legal framework enabling the rapid issuance of a broad range of bonds.
- Maximum amount: €7 billion.
- Listing: Paris.
- Governing law: French.
- Dealers: ABN Amro, Banca IMI, BBVA, Banco Sabadell, Barclays, BNP Paribas, BofA, CaixaBank, Citigroup, CIC, Crédit Agricole, Deutsche Bank, DnB, Goldman Sachs, HSBC, ING, JP Morgan, Mediobanca, Mizuho, Morgan Stanley, MUFG, Natixis, NatWest, Santander, Société Générale, SMBC, UBS, Unicredit.
- Program rating: A-.

Under the EMTN program, several euro-denominated fixed-rate issues of varying maturities (2 to 13 years) for a total amount of €1.5 billion were launched in 2020.

2021

Update of the Euro Medium Term Note (EMTN) program

- Purpose: legal framework enabling the rapid issuance of a broad range of bonds.
- Maximum amount: €7 billion.
- Listing: Paris.
- Governing law: French.
- Dealers: ABN Amro, Banco Sabadell, Barclays, BNP Paribas, BofA, CaixaBank, Citigroup, CIC, Crédit Agricole, Deutsche Bank, DnB, Goldman Sachs, HSBC, ING, Intesa, JP Morgan, Mediobanca, Mizuho, Morgan Stanley, MUFG, Natixis, NatWest, Santander, Société Générale, SMBC, UBS, Unicredit.
- Program rating: A-.

In 2021, Klépierre did not issue any notes under the EMTN program.

7.1.4.2 Material investment and disposal contracts

This section sets out transactions exceeding €100 million.

2020

None.

2021

Sale of medium-sized units (22 stores) in Bègles (Gironde) – France

Date of sale: December 16, 2022 (promissory agreement signed on September 22, 2021)

- Parties: Begles Arcins SCS and Begles Papin SNC, and SOREF1 Rives d'Arcins SAS.
- Purpose: sale of the Arches de l'Estey retail park and of medium-sized units in the immediate vicinity of the Rives d'Arcins shopping center.

Sale of the Boulevard Berlin asset in Berlin – Germany

Date of sale: December 17, 2021 (promissory agreement signed on June 28, 2021)

- Parties: Klépierre SA and Multi Mikado Holding BV, and Ainoa Investment SARL, Dunman Bob GmbH and Hatrix Investment SARL.
- Purpose: sale of Klépierre Berlin GmbH and Klépierre Berlin Leasing GmbH, owner of the shopping center.

7.1.4.3 Related-party agreements

Annual review of related-party agreements

On February 15, 2022, the Supervisory Board reviewed (i) the related-party agreements and commitments entered into and authorized by the Supervisory Board during fiscal year 2021 as well as (ii) the related-party agreements and commitments entered into and authorized by the Supervisory Board during previous fiscal years that remained in force during fiscal year 2021.

Related-party agreements authorized during fiscal year 2021

No related-party agreements were entered into and authorized by the Supervisory Board during fiscal year 2021.

PREVIOUSLY AUTHORIZED RELATED-PARTY AGREEMENTS THAT REMAINED IN FORCE DURING FISCAL YEAR 2021

Date of the authorization granted by the Supervisory Board	Date of signature of the agreement	Parties to the agreement	Purpose of the agreement	Description of the agreement
October 3, 2008	October 6, 2008	Nordica Holdco AB and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensioenfonds ABP	Intra-group loan granted as part of the Steen & Strøm transaction	Amount as of December 31, 2021: €79,483,283.25 Term: perpetual Interest rate: 3.30% since October 6, 2018 Interest accrued in 2021: €2,593,802.42
November 30, 2015	December 18, 2015	Klépierre and APG Strategic Real Estate Pool NV (parent companies of the shareholders of Nordica Holdco AB) in favor of Nordica Holdco AB	Intra-group loan granted as part of the Oslo Center acquisition	Amount as of December 31, 2021: €21,771,166.93 Term: perpetual Interest rate: 3.20% until December 17, 2020, then 3% Interest accrued in 2021: €643,408.56

Internal charter relating to the classification of agreements (the “Charter”)

Klépierre SA has adopted a Charter that clarifies the rules used internally to classify the various agreements likely to be entered into within the Klépierre Group. The Charter applies to the French companies of the Group.

The Charter was implemented in response to AMF recommendation no. 2012-05 of July 2, 2012 as amended on October 5, 2018, and more specifically to proposal no. 4.1, which recommends that companies:

- *“Introduce an internal charter […] governing the classification of agreements and their submission to the procedure applicable to related-party agreements. The charter should define the criteria adopted by the company, by adapting the CNCC guide to its own situation, in agreement with their Statutory Auditors; and*
- *Submit the charter to their Board for approval and publish it on their website”.*

The Charter is available for consultation at www.klepierre.com.

Procedure applicable to agreements entered into by Klépierre SA in the ordinary course of business and on arm’s length terms (the “Procedure”)

Article L. 22-10-29 of the French Commercial Code states that: *“in companies whose shares are admitted to trading on a regulated market, the Supervisory Board shall put in place a procedure to regularly assess whether agreements entered into in the ordinary course of business and on arm’s length terms, as stated in Article L. 225-87, still qualify as such.* All persons directly or indirectly involved in any such agreements shall not take part in their assessment”. Accordingly, Klépierre SA introduced the Procedure applicable to agreements entered into by Klépierre SA in the ordinary course of business and on arm’s length terms.

It is available for consultation at www.klepierre.com.

In accordance with the Procedure, the Executive Board(1) shall meet at least once a year to identify all existing agreements entered into in the ordinary course of business and on arm’s length terms and to verify whether they still qualify as such. Thus, for each agreement entered into in the ordinary course of business and on arm’s length terms, the Executive Board shall specifically assess, on a case-by-case basis:

- “Ordinary course of business” condition: Several criteria shall be examined, in particular the ordinary nature of the agreement in view of the business of the Company, as well as the legal importance or the economic consequences of the agreement;
- “Arm’s length terms” condition: The terms usually employed by the Company in its relations with third parties can be regarded as arm’s length, provided that they are also in line with the practices of external companies engaged in the same business. For example, an agreement could be regarded as having not been entered into at arm’s length if the economic data of that agreement differ too much from the terms under which agreements are usually entered into with third parties.

After its examination, the Executive Board shall recommend either (i) that the agreement continue to be classified as an agreement entered into in the ordinary course of business and on arm’s length terms, on the grounds that the related conditions are still satisfied; or otherwise, (ii) that the agreement be reclassified as a related-party agreement. The Executive Board shall then submit its recommendations to the Audit Committee in a written report. The Audit Committee shall decide whether or not to reclassify each agreement submitted to it by the Executive Board. In this respect, it may ask the opinion of the Statutory Auditors. It may also decide to involve any experts or, more generally, request any further information that it deems useful. In the event that the original classification as an agreement entered into in the ordinary course of business and on arm’s length terms is retained by the Audit Committee, the Procedure will no longer apply to that agreement. Otherwise, the Audit Committee shall issue a recommendation to the Supervisory Board to approve or reject the agreement concerned. In addition, the agreement shall be disclosed to the Statutory Auditors, who may prepare a special report explaining the circumstances under which the advance authorization procedure provided for in Article L. 225-86 of the French Commercial Code was not followed. If the Supervisory Board approves the agreement, the following General Meeting of the Company will then be asked to ratify it.

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(1) *In the event that the Executive Board cannot carry out the assessment of an agreement, such agreement will be assessed by the Deputy Chief Financial Officer and/or the Group General Counsel.*

7.1.5 Statutory auditors' report on related party agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2021

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of KLÉPIERRE,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying why they benefit the Company, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-58 of the French Commercial Code (*Code de Commerce*) in respect of the performance of the agreements, already authorized by the Annual General Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These guidelines require that we verify the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the annual general meeting

Agreements authorized and concluded during the year ended December 31, 2021

We have not been informed of any agreement authorized and concluded during the year ended to be submitted for approval of the Annual General Meeting pursuant to Article R. 225-86 of the French Commercial Code (*Code de Commerce*).

Agreements previously approved by the annual general meeting

Agreements, previously approved by the Annual General Meeting during previous fiscal years, continued during the year

Pursuant to Article R. 225-57 of the French Commercial Code (*Code de commerce*), we have been informed that the performance of the following agreements, previously approved by the Annual General Meeting during previous fiscal years, continued during the year.

With Nordica Holdco AB, 56.1% indirectly held by KLÉPIERRE Company

Agreement n° 1

Nature and purpose

On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Nordica Holdco AB bearing annual fixed interest of 6.5% with indefinite life duration. This interest rate came to 4.7% starting January 1, 2014 and then 3.3% since October 6, 2018 in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions

This loan was granted on October 6, 2008. As of December 31, 2021, the loan balance totaled €79,483,283.25 and the interest recorded in respect of the fiscal year amounted to €2,593,802.42.

Agreement n° 2

Nature and purpose

On November 30, 2015, your Supervisory Board authorized an intercompany loan with indefinite life duration, granted by your Company and APG Strategic Real Estate Pool NV to Nordica Holdco AB and bearing annual fixed interest of 3.2%. This interest rate have been reduced to 3% starting December 18, 2020 in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions

This loan was granted on December 18, 2015. As of December 31, 2021, the loan balance totaled €21,771,166.93 and the interest recorded in the respect of the fiscal year amounted to €643,408.56.

Paris-La Défense, March 29, 2022
The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES		ERNST & YOUNG Audit
Damien Leurent	Emmanuel Proudhon	Bernard Heller

7.2 GENERAL MEETING OF SHAREHOLDERS

7.2.1 Report of the Executive Board to the Ordinary and Extraordinary General Meeting

The Report of the Executive Board presents to the Company's shareholders the draft resolutions that will be submitted to their vote on April 26, 2022. Shareholders are nevertheless invited to read the draft resolutions in full before exercising their voting rights.

Dear Shareholders,

We have called this Ordinary and Extraordinary General Meeting of Shareholders to submit the following draft resolutions to the agenda for your approval:

Resolution of the Ordinary General Meeting

1. Approval of the Company financial statements for the fiscal year ended December 31, 2021;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2021;
3. Appropriation of net income for the fiscal year ended December 31, 2021;
4. Payment of €1.70 per share by distribution of equity premiums;
5. Review of agreements subject to the provisions of Articles L. 225-86 *et seq.* of the French Commercial Code;
6. Re-appointment of Rose-Marie Van Lerberghe as a member of the Supervisory Board;
7. Re-appointment of Béatrice de Clermont-Tonnerre as a member of the Supervisory Board;
8. Re-appointment of Deloitte & Associés as Statutory Auditor;
9. Re-appointment of Ernst & Young Audit as Statutory Auditor;
10. Approval of the 2022 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board;
11. Approval of the 2022 compensation policy for the Chairman of the Executive Board;
12. Approval of the 2022 compensation policy for the other members of the Executive Board;
13 Approval of the disclosures on the compensation of the Chairman and the other members of the Supervisory Board and the Chairman and the other members of the Executive Board required under Article L. 22-10-9, paragraph I of the French Commercial Code;
14. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Supervisory Board;
15. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Executive Board;
16. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chief Financial Officer and Executive Board member;
17. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chief Operating Officer and Executive Board member;
18. Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer;

Resolutions of the Extraordinary General Meeting

19. Delegation of authority to the Executive Board, for a period of 26 months, to reduce the share capital by canceling treasury shares;
20. Delegation of authority to the Executive Board, for a period of 38 months, to allot free shares of the Company, without preemptive subscription rights;

Resolution of the Ordinary General Meeting

21. Powers for formalities.

First and second resolutions – Approval of the Company financial statements and the consolidated financial statements

Having considered the Executive Board's management report, as well as the reports of the Supervisory Board and of the Statutory Auditors, the General Meeting is invited to approve the Company financial statements for the year ended December 31, 2021, showing net income of €60,165,268, and the consolidated financial statements for the year ended December 31, 2021, showing net income of €572,038,000.

The Company financial statements for the year ended December 31, 2021 do not report any non-deductible expenses or charges as defined in Article 39-4 of the French Tax Code (*Code général des impôts*).

The Company financial statements and the consolidated financial statements, as well as the Statutory Auditors' reports on those statements and the Executive Board's management report, are set out in the present document.

You are invited to approve the first and second resolutions as presented to you.

Third and fourth resolutions – Appropriation of net income for the fiscal year ended December 31, 2021 and payment €1.70 per share by distribution of equity premiums

The General Meeting is invited to resolve, subject to approval of the first resolution, to appropriate net income for the fiscal year as follows:

Net income for the fiscal year ended December 31, 2021	€60,165,268
Retained earnings for the fiscal year ended December 31, 2021	€(147,094,925)
Appropriation of the entire net income for the fiscal year ended December 31, 2021 to retained earnings, i.e., retained earnings of:	€(86,929,657)

In view of the resumption of the Group's business activities and its financial solidity, the Supervisory Board proposes that the General Meeting resolve to pay a distribution of €1.70 per share, by deducting €487,663,992 from equity premiums.

Following this distribution and the appropriation of net income for the fiscal year ended December 31, 2021, equity would continue to exceed share capital plus the legal reserve.

The amount of €1.70 per share conferring dividend rights, deducted from equity premiums, would be deemed to constitute an equity repayment within the meaning of Article 112-1° of the French Tax Code (*Code général des impôts*).

The total amount of the above distribution would be calculated based on the number of shares outstanding at February 10, 2022, i.e., 286,861,172 shares. The overall amount of the distribution would be reduced to account for the number of treasury shares held by the Company on the distribution payment date as they would not confer distribution rights. The amount corresponding to treasury shares held by the Company will be reallocated to contribution premiums.

The ex-dividend date would be May 12, 2022 and the distribution would be paid on May 16, 2022.

If shares are sold before the distribution payment date, the rights to the distribution would accrue to the shareholder who owns the shares on the day before the date on which the shares go ex-distribution.

You are invited to approve the third and fourth resolutions as presented to you.

Fifth resolution – Related-party agreements

You are invited to note that the Statutory Auditors' special report on agreements governed by Article L. 225-86 of the French Commercial Code (*Code de commerce*) has been submitted to you and does not mention any new agreement authorized by the Supervisory Board during the year ended December 31, 2021 and not yet approved by the General Meeting.

You are invited to approve the fifth resolution as presented to you.

Sixth and seventh resolutions – Re-appointment of members of the Supervisory Board

Pursuant to the sixth and seventh resolutions, the General Meeting is invited to re-appoint Rose-Marie Van Lerberghe and Béatrice de Clermont-Tonnerre for terms of three years, expiring at the end of the Ordinary Shareholders' Meeting to be called in 2025 to approve the financial statements for the fiscal year ending December 31, 2024.

The terms of office expire at the close of the General Meeting of April 26, 2022, and they are both seeking re-appointment. After reviewing the individual situation of each of these two members and given their skills, the quality of their contribution to the Supervisory Board's work and to the Committees of which they are members, their solid understanding of the Group's challenges and their assiduous attendance at meetings, both the Nomination and Compensation Committee and the Supervisory Board are in favor of their re-appointment.

Rose-Marie Van Lerberghe

If her re-appointment to the Supervisory Board is approved, the Supervisory Board will re-appoint Rose-Marie Van Lerberghe as a member of the Nomination and Compensation Committee and of the Sustainable Development Committee.

However, her term of office as Vice-Chair of the Supervisory Board will not be renewed due to the age limit set out in the Company's bylaws. The Supervisory Board intends to appoint Béatrice de Clermont-Tonnerre as Vice-Chair at the end of the Meeting.

Her attendance rate at the 2021 meetings of the Supervisory Board, the Nomination and Compensation Committee and the Sustainable Development Committee is 100%.

She is regarded as independent according to the criteria set out in the AFEP-MEDEF Corporate Governance Code.

Her detailed profile can be found on page 261 of the present document.

Béatrice de Clermont-Tonnerre

If her re-appointment to the Supervisory Board is approved, the Supervisory Board will re-appoint Béatrice de Clermont-Tonnerre as a member of the Audit Committee and the Sustainable Development Committee.

Her attendance rate at the 2021 meetings of the Supervisory Board, the Audit Committee and the Sustainable Development Committee is 100%.

Béatrice de Clermont-Tonnerre is regarded as independent according to the criteria set out in the AFEP-MEDEF Corporate Governance Code.

Her detailed profile can be found on page 256 of the present document.

The current membership of the Supervisory Board (which would remain unchanged in the event of the re-appointment of the above members) is set forth on pages 252 *et seq.* of the present document. As a result, the Supervisory Board comprises:

- Five independent members, representing 56% of the members, above the minimum 50% proportion recommended by the AFEP-MEDEF Code;
- Four women, representing 44%, above the 40% proportion required under the French Commercial Code;
- Five non-French members.

In accordance with the AFEP-MEDEF Code, the Supervisory Board regularly deliberates on the desirable balance of its membership and that of the Board Committees in order to guarantee shareholders and the market that its duties are carried out with the necessary independence and objectivity, in line with the Group's challenges and strategy. When reviewing its membership and proposals for appointment or re-appointment submitted to the General Meeting, the Supervisory Board closely examines the individual situation of each member, particularly:

- The skills and experience they contribute to the work of the Board and the Committees;
- Their availability and attendance at meetings, as well as their commitment;
- Their situation as regards any conflicts of interest;
- Their contribution to the diversity of the Board in terms of qualifications, age, gender, nationality, length of service on the Board and professional experience.

At the date hereof, the Supervisory Board considers that its current membership is balanced and satisfactory and meets both regulatory requirements and the recommendations of the AFEP-MEDEF Code. All of its members have expertise and complementary skills. In addition, they all have in-depth knowledge of Klépierre and its organization and operations. The Board also notes that its members are active, and attend meetings assiduously.

You are invited to approve the sixth and seventh resolutions as presented to you.

Eighth and ninth resolutions – Re-appointment of Statutory Auditors

The eighth and ninth resolutions concern the re-appointment of the incumbent Statutory Auditors, whose terms of office expire at the end of this General Meeting.

The Supervisory Board proposes, following a selection procedure led by the Audit Committee, that Deloitte & Associés and Ernst & Young Audit be re-appointed as Statutory Auditors for terms of six years.

Deloitte & Associés and Ernst & Young Audit will continue to provide, within the framework of the geographical coverage of their worldwide networks, their professionalism recognized by major groups and their solid technical skills.

You are invited to approve the eighth and ninth resolutions as presented to you.

Tenth to twelfth resolutions – 2022 corporate officer compensation policy

The Supervisory Board submits for the approval of the General Meeting the compensation policies applicable in 2022 for the Chairman and the other members of the Supervisory Board and the Chairman and the other members of the Executive Board, respectively, for the performance of their offices.

2022 compensation policy for the Chairman and the other members of the Supervisory Board

No changes are envisaged in the compensation policy of the Chairman and the other members of the Supervisory Board for 2022 versus the policy in place for fiscal year 2021.

As a reminder, the compensation of the Chairman and members of the Supervisory Board consists solely of an overall budget, the maximum of which was set at €700,000 by the Ordinary and Extraordinary Shareholders' Meeting of April 19, 2016 (i.e., €688,000 for a nine-member Supervisory Board).

The annual budget is allotted each year based on the duties of each member on the Board and/or its various Committees, distinguishing between Chair or Vice Chair and members, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (of the Supervisory Board and/or the Committees) or Vice Chair of the Supervisory Board	Fixed portion: €22,000 per office Variable portion: N/A	€132,000
Supervisory Board member	Fixed portion: €12,000	€108,000
	Variable portion: Amount based on attendance record at Board meetings	€224,000
Committee members	Fixed portion: N/A Variable portion: Amount based on attendance record at the relevant Committee meetings	€224,000
TOTAL		**€688,000**

The table above shows that the variable portion is preponderant, representing up to 65% of the overall amount, in accordance with the recommendations of the AFEP-MEDEF Code.

The compensation policy for the Chairman and the other members of the Supervisory Board is presented in detail in sections 6.2.1.1 "Basic principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy" and 6.2.2.1 "Compensation of the Chairman and the members of the Supervisory Board for fiscal year 2022" of the present document.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable to the Chairman and the other members of the Supervisory Board under these policies will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2022.

2022 compensation policy for the Chairman and the other members of the Executive Board

The compensation policy for the Chairman and the other members of the Executive Board has remained unchanged throughout their three-year term of office, which ends in June 2022.

The Nomination and Compensation Committee regularly benchmarks the practices of companies comparable in size and activities to Klépierre, notably to verify (i) the appropriateness of Executive Board member compensation with regard to the Group's size and to Board members' experience as well as (ii) the competitiveness of the compensation offered to Executive Board members versus the benchmark.

In view of the results of this study (details of which are set out below) and the recent departure of a member of the Executive Board to head another company in the industry, the Nomination and Compensation Committee considered it appropriate to recommend certain changes to the 2022 compensation policy for the Chairman of the Executive Board and the other members of the Executive Board compared to the applicable 2021 policy.

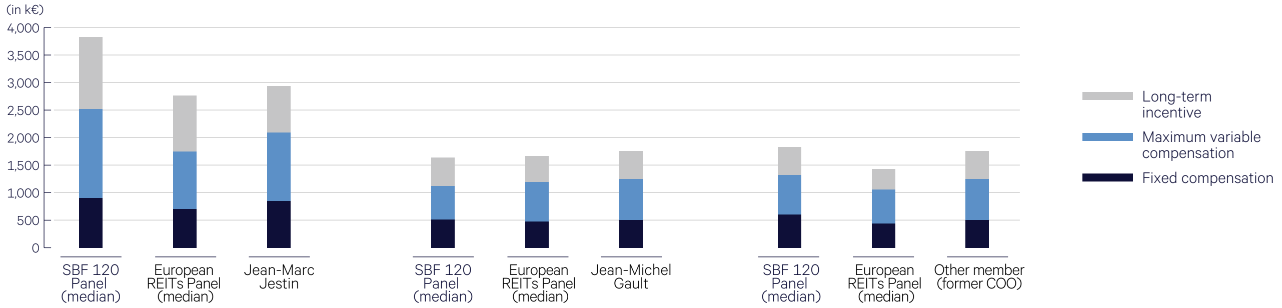
In this context that the Supervisory Board debated and approved the following 2022 compensation policy, subject to the approval of the General Meeting:

- **Maintain the current compensation structure based on three components:**
  - Fixed compensation, determined on the basis of the responsibilities of the Chairman and each of the other members of the Executive Board, which must be sufficiently competitive to attract and retain the best talent,
  - Short-term variable compensation, the aim of which is to associate the Chairman and the other members of the Executive Board with the Group's short-term performance, and
  - Long-term incentives, to align the interests of the beneficiaries as closely as possible with the interests of shareholders, with a view to creating long-term value;
- **Maintain practically unchanged the maximum total compensation** for the Chairman and the other members of the Executive Board. The maximum total compensation of the Chairman of the Executive Board would indeed increase by 2.7%, and that of the CFO, member of the Executive Board, would decrease by 2.7%;
- **Re-assess the fixed compensation of the Chairman and the other members of the Executive Board** in order to make it more competitive, taking into account the results of the benchmark carried out by the Nomination and Compensation Committee at the beginning of 2022. This revaluation would lead to a moderate increase in fixed compensation, which would:
  - still be below or equal to the average of the medians of the reference panels as per the benchmark carried out by the Nomination and Compensation Committee, depending on the case, and
  - be similar for the Chairman of the Executive Board, and lower for the Chief Financial Officer, than the average increase in the fixed compensation of all Group employees since 2019, the year in which the fixed compensation of Executive Board members was last increased, i.e., 9.7%;
- **Raise the ceiling for total short-term variable compensation** from 130% to 150% of fixed compensation; the quantitative portion may represent up to 100% (versus 80% previously) of fixed compensation and the qualitative portion may represent up to 50% (unchanged);
- **Lower the ceiling for the long-term variable compensation** of the Chairman and the other members of the Executive Board from 125% to 100% of their short-term compensation;
- **Modify the weighting of the performance criteria of the long-term incentive scheme to strengthen the CSR criterion**; and
- **Adapt the stock market and CSR performance assessment scale**.

To ensure a consistent approach, the benchmark study conducted by the Nomination and Compensation Committee to verify the market positioning of the compensation of the Executive Board members was based on the same two panels as those used during the previous changes in the compensation policy that took place in 2019:

- a panel of 40 SBF 120 companies centered around Klépierre's last known ranking in this index;(1) and
- a panel of the main European listed real estate companies(2).

The charts below show that the 2022 compensation levels for executive corporate officers as submitted to the vote of the General Meeting are consistent with Klépierre's positioning (in terms of its market capitalization) within the reference panels selected. This positioning corresponds to the median of the panel of SBF 120 companies and to the highest quartile of the panel of major European listed real estate companies.



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(1) *Accor; ALD Automotive; Alten; Aperam; Arkema; Atos; Bouygues; Covivio; Dassault Aviation; Edenred; Eiffage; Elis; Eurazeo; Euronext; Faurecia; Gecina; Getlink SE; Ipsen; JCDecaux SA; Lagardère SA; Neoen; Nexans; Orpea; OVH; Plastic Omnium; Rémy Cointreau; Renault; Rexel; Scor; SEB; Sodexo; Soitec; Solvay; Spie; Ubisoft Entertainment; Unibail-Rodamco-Westfield; Valeo; Verallia; Virbac; and Wendel.*

(2) *British Land; Castellum; Cofinimmo; Covivio; Derwent London; Deutsche Wohnen; Fabege; Fastighets AB Balder; Gecina; Great Portland Estates; Hammerson; Icade; Inmobiliaria Colonial Socimi; Lundbergs AB; Land Securities Group; Leg Immobilien; Merlin Properties Socimi; PSP Swiss Property; Segro; Swiss Prime Site-Reg; Tag Immobilien; Unibail-Rodamco-Westfield; Unite Group; and Vonovia.*

SUMMARY OF THE STRUCTURE OF THE COMPENSATION OF THE CHAIRMAN AND THE OTHER EXECUTIVE BOARD MEMBERS FOR 2021

<table>
<tr><th>Fixed compensation</th><th>Short-term variable compensation (capped at 130% of fixed compensation)</th><th colspan="4">Long-term incentives (capped at 125% of short-term variable[a])</th></tr>
<tr><td>Fixed compensation
Benefits in kind</td><td>Quantitative criteria, up to 80% of fixed compensation
+
Qualitative criteria, up to 50% of fixed compensation</td><td>Absolute stock market performance of Klépierre (TSR)</td><td>Relative stock market performance versus a panel of comparable companies (TSR)</td><td>Internal performance (change in shopping center net rental income)</td><td>CSR performance</td></tr>
<tr><td></td><td></td><td>10%</td><td>30%</td><td>40%</td><td>20%</td></tr>
<tr><td></td><td></td><td colspan="4">Performance assessed over three years, followed by a two-year lock-up period</td></tr>
<tr><td></td><td></td><td colspan="4">Shareholding obligation</td></tr>
</table>

(a) Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.

The following table summarizes the structure of the compensation of the Chairman and the other members of the Executive Board under the 2022 compensation policy as submitted to the vote of the General Meeting, and the changes compared to 2021:

Compensation	Comments	Change in 2022 versus 2021[a]
Fixed compensation	After remaining unchanged from 2019 to 2022, the fixed compensation of the members of the Executive Board would be increased as from their re-appointment (June 22, 2022) to take account of market trends: • The fixed compensation of the Chairman of the Executive Board would be increased from €750,000 to €825,000; • The fixed compensation of the other members of the Executive Board (Chief Financial Officer and Chief Operating Officer) would be increased from €480,000 and €450,000, respectively, to €500,000. These amounts are below or equal to the average of the medians of the two reference panels (see details and charts above).	Moderate increase
Short-term variable compensation	**In respect of 2021**: variable compensation is determined using (i) a quantitative objective of net cash flow per share, one of the key indicators used by the Group in its communications with the markets, and (ii) a qualitative component based on specific objectives set for each Executive Board member. The quantitative portion can represent up to 80% of fixed compensation, and the qualitative portion up to 50%. **In respect of 2022**: variable compensation would be determined using (i) a quantitative objective based on net cash flow per share, and (ii) a qualitative component based on specific objectives set for each Executive Board member. The quantitative portion would be raised to 100% of fixed compensation, and the qualitative portion held at 50%.	Increase in the maximum short-term variable compensation from 130% to 150% of fixed compensation
Long-term variable compensation	**In respect of 2021**: the value of long-term variable compensation is 125% of short-term compensation[b]. Vesting of performance shares is subject to service and performance conditions assessed over a three-year period: • Financial performance: TSR of the Klépierre share; • Financial performance: TSR of the Klépierre share compared to the TSR of a panel of comparable companies[c]; • Operating performance: average change in net rental income; • CSR performance: achievement of objectives relating to social and environmental matters. **In respect of 2022**: the value of long-term variable compensation is reduced to 100% of short-term compensation. The assessment period for performance conditions remains unchanged (three years), but the conditions would be modified as follows: • The relative weighting of the criteria, in order to increase the weighting of non-financial performance (from 20% to 35%); • The TSR performance scales have been adapted to the market outlook and smoothed out by removing any allotment below the median; and a member of the panel of stock market comparables has been replaced due to the probable delisting of Atrium (inclusion of Lar España); • The CSR grid has been adapted to reflect the end of the first phase of the Act for Good® internal plan.	• Decrease in the ceiling for long-term variable compensation from 125% to 100% of short-term compensation[b] • Planned amendment to the stock market and CSR performance assessment criteria and scales

(a) The General Meeting of June 17, 2021 approved the components of compensation paid or allotted for fiscal year 2020 to Jean-Marc Jestin (by 97.91% of votes cast), and to Jean-Michel Gault (by 98.61% of votes cast) and Beñat Ortega (by 98.61% of votes cast).

(b) Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.

(c) Unibail Rodamco-Westfield, CityCon OYJ, Eurocommercial Properties, Deutsche Euroshop, Wereldhave NV, Mercialys, Vastned Retail NV, Immobiliare Grande Dis, Atrium European Real Estate (replaced by Lar España Real Estate SOCIMI), and Carmila.

SUMMARY PRESENTATION OF THE 2022 COMPENSATION STRUCTURE FOR THE CHAIRMAN AND THE OTHER MEMBERS OF THE EXECUTIVE BOARD AS PROPOSED TO THE GENERAL MEETING

Fixed compensation	Short-term variable compensation (capped at 150% of fixed compensation)	Long-term incentives (capped at 100% of short-term variable[a])			
Fixed compensation Benefits in kind	Quantitative criteria, up to 100% of fixed compensation + Qualitative criteria, up to 50% of fixed compensation	Absolute stock market performance of Klépierre (TSR)	Relative stock market performance versus a panel of comparable companies (TSR)	Internal performance (change in shopping center net rental income)	CSR performance
		20%	25%	20%	35%
		Performance assessed over 3 years			
		Shareholding obligation			

(a) *Short-term compensation is equal to the sum of fixed compensation and short-term variable compensation when the target is fully met.*

In addition, the Supervisory Board may, in exceptional circumstances and having solicited the opinion of the Nomination and Compensation Committee, use its judgment to adapt and/or amend the criteria and/or calculation scale (upwards or downwards) used to determine the annual short-term variable compensation of the Chairman and the other members of the Executive Board, in the event that the impact of such an exceptional circumstance were disproportionate with regard to the fundamental principles of the compensation policy.

In any event, the Supervisory Board's faculty in this regard (which is separate from that granted under the legal exemption provided for in Article L. 22-10-26 of the French Commercial Code) may not give rise to a change in the weighting of the quantitative component of short-term variable compensation (capped at 100% of fixed compensation) or of the qualitative component of short-term variable compensation (capped at 50% of fixed compensation). If this faculty were to relate to the modification of the assessed components subject to performance criteria, this modification may not lead to a significant change in the components initially provided for.

Exceptional circumstances that may give rise to the use of this faculty include any exogenous event that could not reasonably have been taken into consideration or quantified at the time the compensation policy was set, such as the Covid-19 health crisis and subsequent developments, and any events with a comparable impact on Klépierre's business.

The Supervisory Board is required to give account to shareholders in the event that it exercises this discretionary faculty. It will ensure that any adjustments make it possible to measure the effective performance of the Chairman and the other members of the Executive Board in light of the circumstances that justified the use of the faculty, and taking into account the interests of all stakeholders.

The proposed 2022 compensation policy for the Chairman and the other members of the Executive Board is presented in detail in sections 6.2.1.1 "Basic principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy" and 6.2.2.2 "Compensation of the Chairman and the other members of the Executive Board for fiscal year 2022" of the present document.

Pursuant to paragraph II of Article L. 22-10-34 of the French Commercial Code, the amounts payable under this policy will be submitted for the approval of the shareholders at the General Meeting called to approve the financial statements for the fiscal year ending December 31, 2022.

You are invited to approve tenth to twelfth resolutions as presented to you.

Thirteenth resolution – Approval of the disclosures on the compensation for 2021 of the Chairman and the members of the Supervisory Board and the Chairman and the members of the Executive Board required under Article L. 22-10-9, paragraph I of the French Commercial Code

The General Meeting is invited to hold an ex-post vote on the disclosures on corporate officer compensation required under paragraph I of Article L. 22-10-9 of the French Commercial Code, as presented in section 6.2.3 "Compensation of corporate officers for fiscal year 2021" of Klépierre's 2021 Universal Registration Document.

You are invited to approve the thirteenth resolution as presented to you.

Fourteenth to seventeenth resolutions – Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Supervisory Board, the Chairman of the Executive Board and the other members of the Executive Board

The General Meeting is invited to hold an *ex-post* vote on the amount or value of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Supervisory Board, the Chairman of the Executive Board and each of the members of the Executive Board.

Information on the compensation paid during or allotted for fiscal year 2020 to executive corporate officers is presented in sections 6.2.4.1 "Chairman of the Supervisory Board", 6.2.4.2 "Chairman of the Executive Board", 6.2.4.3 "Chief Financial Officer, member of the Executive Board" and 6.2.4.4 "Chief Operating Officer, member of the Executive Board" of the present document.

You are invited to approve the fourteenth to seventeenth resolutions as presented to you.

Eighteenth resolution – Authorization granted to the Company to buy back its shares

The General Meeting is invited to renew the authorization granted to the Executive Board on June 17, 2021, for a further period of 18 months, to trade in the Company's shares, notably in order:

- To maintain the secondary market in or liquidity of the Klépierre SA share through an investment services provider pursuant to a liquidity agreement that complies with decision no. 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 et seq. of the French Labor Code (Code du travail); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 et seq. of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

The Executive Board may not use this authorization during the offer period in the event of a public offer initiated by a third party for the Company's shares without the prior authorization of the General Meeting.

The shares may be purchased, sold, exchanged or transferred by any means, on one or more occasions, in particular on the market or over-the-counter, including in whole or in part, by purchasing, selling, exchanging or transferring blocks of shares. Where appropriate, these means shall include the use of financial futures.

The number of Company shares that may be purchased in this manner would be subject to the following ceilings: on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program may not exceed 10% of the shares comprising the Company's share capital, and the number of shares held by the Company at any time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

The maximum purchase price per share would be €32, representing a total amount allocated to the share buyback program of €917,955,744, excluding acquisition costs.

This authorization is requested for a period of 18 months and would supersede the authorization granted by the General Meeting of June 17, 2021.

For information purposes, no shares were bought back during the fiscal year ended December 31, 2021.

You are invited to approve the eighteenth resolution as presented to you.

Resolutions of the Extraordinary General Meeting

Nineteenth resolution – Delegation of authority to reduce the share capital by canceling treasury shares

The purpose of this resolution is to authorize the Executive Board, which may delegate such authorization under the conditions provided for by law, to reduce the share capital, on one or more occasions, by canceling any number of treasury shares within the limits authorized by law.

The Company may cancel treasury shares in order to achieve various financial objectives, such as to actively manage its capital, to optimize its balance sheet, or to offset dilution resulting from a capital increase.

The number of the Company's shares that may be canceled would be subject to the following ceilings: on the date of each cancellation, the maximum number of shares canceled by the Company during the 24-month period preceding such cancellation, including the shares subject to said cancellation, may not exceed 10% of the shares comprising the Company's capital on that date.

This authorization is requested for a period of 26 months and would supersede the authorization granted by the General Meeting of June 17, 2021.

Two share capital reductions were carried out during fiscal year 2021:

- capital decrease on June 22, 2021 by canceling 4,493,022 shares;
- capital decrease on December 15, 2021 by canceling 3,493,860 shares.

You are invited to approve the nineteenth resolution as presented to you.

Twentieth resolution – Delegation of authority to the Executive Board to allot free shares of the Company for a period of 38 months without preemptive subscription rights

We recommend that you authorize the Executive Board to allot free shares to employees and corporate officers of the Company and Group companies.

The allotment of such shares would be subject to a three-year vesting period and the Executive Board would have the power to decide whether or not to set a lock-up period at the end of the applicable vesting period, and if so, to determine the duration thereof. The members of the Executive Board would be required to hold, in registered form until the end of their term of office, a number of shares equivalent to 50% of the gain on vested shares net of taxes and charges as calculated on delivery of the shares.

If this resolution is approved, any allotments of free shares would be decided, where appropriate, by the Executive Board or the Supervisory Board, based on proposals by the Nomination and Compensation Committee.

The Supervisory Board is considering adjusting certain inputs of the performance criteria used in the last plan implemented by the Company for 2021 in order to, for example, reflect the Group's growing commitment to implementing its ambitious CSR strategy.

The following changes are being considered:

- Implement a three-year vesting period for all French and foreign beneficiaries and eliminate the lock-up period for all beneficiaries in order to ensure uniform treatment of beneficiaries Group-wide;
- Modify the weighting of certain criteria: increase the weighting associated with the criterion linked to Klépierre's CSR performance from 20% to 35% in order to ensure the active involvement of Group management in implementing this strategy, increase the weighting associated with the criterion linked to Klépierre's absolute stock market performance from 10% to 20%; decrease the weighting associated with the relative performance condition from 30% to 25% and decrease the weighting associated with the internal performance condition from 40% to 20%;
- Modify the achievement scale for the absolute performance condition, as well as for the relative performance condition (such that there is no share allotment for performance below the median performance).

Consequently, any share allotments made in 2022 would be subject to financial, non-financial and operational performance conditions which would be assessed over a three-year period.

Except in the event of a change in the economic environment or in exceptional circumstances, these conditions, which comply with the Group's business operations and which the Supervisory Board consider to be exacting, are as follows:

SERVICE CONDITION

The beneficiary must remain within the Group until the end of the vesting period, except for cases provided for in the terms and conditions of the plan, namely, in the event of retirement, death or disability of the beneficiary, transactions resulting in a change of control and delisting (it being specified that the performance conditions are assessed in advance in the event of death, disability, and change of control and at the end of the vesting period in the event of retirement).
Should the beneficiary leave the Group before the end of the performance assessment period for the performance shares not provided for in the plan rules, entitlement to all or a portion of the performance shares is subject to the decision of the Supervisory Board and must be substantiated. The Supervisory Board will only authorize a partial waiver of the service condition, such that the performance shares vest pro rata to members' service to the Group, and performance conditions will continue to apply until the end of the vesting period.

PERFORMANCE CONDITIONS

Performance assessed	Indicator	Calculation method	Weighting	Justification of choice
Absolute stock market performance	Total Shareholder Return (TSR, change in share price plus dividend) of the Klépierre share.	Comparison of the share price during the initial allotment period with the share price during the final allotment period.	20% of the total allotment	This condition measures the returns for Klépierre shareholders based on its stock market performance and dividends received.
Relative stock market performance	Klépierre's TSR compared to the TSR of a panel of European retail real estate firms, comprising: URW, CityCon OYS, Eurocommercial Properties, Deutsche Euroshop, Wereldhave NV, Mercialys, Vastned Retail NV, Immobiliare Grande Dis, Lar España Real Estate SOCIMI SA and Carmila.	Comparison of Klépierre's TSR with that of the panel.	25% of the total allotment	This criterion compares Klépierre's TSR with the TSR of directly comparable companies, i.e., owners and operators of shopping centers in continental Europe that are therefore faced with comparable issues and economic cycles.
Internal performance	Change over three years in net rental income.	Calculation of the average annual change in shopping center like-for-like net rental income, as reported by the Group in its annual consolidated financial statements over the last three fiscal years preceding the reference date.	20% of the total allotment	This criterion is appropriate for measuring the Company's business growth and the teams' efforts to optimize like-for-like rental income and therefore maximize returns from the Group's real estate portfolio. Growth in like-for-like net rental income includes: • Increases in minimum guaranteed rents when the lease is renewed, which reflect the Group's capacity to host the most attractive retailers in its centers and to optimize the rental value of available space; • Reductions in vacancy rates, which are key to the attractiveness of a given shopping center; • Optimal management of shopping center costs.
CSR performance	(i) GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating, which is awarded only to the top performers (15%). (ii) Reduction in carbon emissions from Klépierre's shopping centers (20%).	Calculation of the greenhouse gas emissions from Klépierre's shopping centers in relation to their surface area (in kgCO$_2$e/sq.m, Scopes 1 & 2, market-based approach), as reported in the Group's non-financial performance statement audited annually by an independent third-party (Deloitte).	35% of the total allotment	These criteria reflect Klépierre's desire to unite its employees and executives around corporate social responsibility issues to maintain its global leadership in non-financial performance, as evidenced by the Group's ambition to achieve carbon neutrality by 2030.

The following achievement scale would be applied to 2022 share allotments:

Performance assessed	Performance		% of shares delivered[a]	Assessment of the requirements for the chosen performance conditions
Absolute stock market performance (20% of the allotment)	≤10%		0%	The number of shares allotted is zero where the TSR is less than or equal to 10%. To achieve the maximum target, the TSR must be greater than or equal to 20%. Exceeding the 20% threshold does not result in the allotment of additional shares, which is capped at 20% of the initial number of shares allotted.
	12%		33.3%	
	14%		50%	
	16%		66.7%	
	18%		83.3%	
	≥20%		100%	
Relative stock market performance (25% of the allotment)	Below the median		0%	The number of shares allotted is zero where Klépierre's TSR is less than the panel median. To achieve the maximum target, Klépierre must rank first in the panel (without conferring the right to allotment of additional shares).
	6th (median)		50%	
	5th		60%	
	4th		70%	
	3rd		80%	
	2nd		90%	
	1st		100%	
Internal performance (20% of the allotment)	<1%		0%	If the growth in net rental income over three years is equal to 1%, only 30% of the shares will be allotted. To achieve the maximum target, the increase must be greater than or equal to 3%. Exceeding the 3% threshold does not result in the allotment of additional shares, which is capped at 20% of the initial number of shares allotted. This is a very ambitious growth target considering that the Group renews an average of only 8% of its leases each year. The level of ambition of this target can be measured in light of the historical performance of Klépierre and of its main competitors. Based on Klépierre's results since 2010[b], the performance criterion has been met in only five fiscal years, i.e., less than half the time, over the 2010 to 2021 period (2010 being the first year the three-year average was calculated). As regards the results of Klépierre's main competitors since 2012, none of them have reported average growth in like-for-like net rental income[c] in excess of 3% for the 2012-2021 period.
	1% ≤ x <3%		30%	
	≥3%		100%	
CSR performance (35% of the allotment)	GRESB rating: Klépierre must rank in the top five and have a "5-star" rating (15% of the allotment)		100%	GRESB (Global Real Estate Sustainable Benchmark) is an organization that assesses the ESG performance of real estate companies. The objective is to rank among the top five companies in its category[d] and to obtain the highest "5-star" rating.
	Reduction in carbon emissions from Klépierre's shopping centers (20% of the allotment) Targets: 2024: 3.86kg 2025: 3.68kg 2026: 3.50kg	Increase in emissions relative to the latest level reported prior to the allotment date of the shares	0%	In 2021, the carbon footprint was 4.4 kgCO_2e/sq.m. The target values correspond to an average annual decrease of 4.5%, which is particularly ambitious given that 88% of the Group's shopping centers (in value) were already below the threshold defined by CRREM[e] at that date.
		Emissions maintained at the level reported prior to the allotment date of the shares	50%	
		Achievement of the targets (see opposite)	100%	

(a) If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

(b) For the years prior to 2013, the Company calculated growth in like-for-like rental income on the basis of its gross rental income only. In addition, for purposes of comparability, the calculations were made over the entire period by retaining just the shopping center portfolio, which has represented more than 95% of the value of the property portfolio since 2013.

(c) Based on reported like-for-like net rental income, using shopping center portfolios for which data are available.

(d) The category (European/Retail/Listed/Real Estate Company) had 10 members in 2021.

(e) Carbon Risk Real Estate Monitor, an EU-funded tool to assess "stranding" risks, applicable GHG-reduction pathways according to the Science-Based Targets initiative, and reporting templates.

The existing or future shares allotted under this authorization may not represent more than 1% of the share capital at the date of the Executive Board's decision.

This resolution would also authorize the Executive Board to allot, in addition to the shares subject to performance conditions, free shares without performance conditions to certain employees and senior executives of the Group (excluding members of the Executive Board and members of management). The number of shares granted without performance conditions may not exceed 15% of the maximum volume set out in the paragraph above.

In addition, the number of shares allotted to corporate officers may not represent more than 0.3% of the share capital at the date the Executive Board decides to allot them, and will be deducted from the abovementioned total ceiling of 1% of the share capital.

This authorization would be granted for a period of 38 months with effect from this General Meeting.

You are invited to approve the twentieth resolution as presented to you.

Resolution of the Ordinary General Meeting

Twenty-first resolution – Powers for formalities

The Executive Board requests all necessary powers to carry out the publication and filing formalities involved in holding this General Meeting.

You are invited to approve the twenty-first resolution as presented to you.

7.2.2 Text of the resolutions proposed to the Ordinary and Extraordinary General Meeting

Agenda

Resolutions of the Ordinary General Meeting

1. Approval of the Company financial statements for the fiscal year ended December 31, 2021;
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2021;
3. Appropriation of net income for the fiscal year ended December 31, 2021;
4. Payment of €1.70 per share by distribution of equity premiums;
5. Review of agreements subject to the provisions of Articles L. 225-86 *et seq.* of the French Commercial Code;
6. Re-appointment of Rose-Marie Van Lerberghe as a member of the Supervisory Board;
7. Re-appointment of Béatrice de Clermont-Tonnerre as a member of the Supervisory Board;
8. Re-appointment of Deloitte & Associés as Statutory Auditor;
9. Re-appointment of Ernst & Young Audit as Statutory Auditor;
10. Approval of the 2022 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board;
11. Approval of the 2022 compensation policy for the Chairman of the Executive Board;
12. Approval of the 2022 compensation policy for the other members of the Executive Board;
13. Approval of the disclosures on the compensation of the Chairman and the other members of the Supervisory Board and the Chairman and the other members of the Executive Board required under Article L. 22-10-9, paragraph I of the French Commercial Code;
14. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Supervisory Board;
15. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Executive Board;
16. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chief Financial Officer and Executive Board member;
17. Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chief Operating Officer and Executive Board member;
18. Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer.

Resolutions of the Extraordinary General Meeting

19. Delegation of authority to the Executive Board, for a period of 26 months, to reduce the share capital by canceling treasury shares;
20. Delegation of authority to the Executive Board, for a period of 38 months, to allot free shares of the Company, without preemptive subscription rights.

Resolution of the Ordinary General Meeting

21. Powers for formalities.

Draft resolutions

Resolutions of the Ordinary General Meeting

First resolution

(Approval of the Company financial statements for the fiscal year ended December 31, 2021)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, as well as the Company financial statements for the fiscal year ended December 31, 2021, approves said financial statements as presented, which comprise the balance sheet and income statement, as well as the notes to the Company financial statements, and the operations reflected in said financial statements or summarized in said reports, showing net income of €60,165,268.

It notes that the Company financial statements for the fiscal year ended December 31, 2021 do not report any non-deductible expenses or charges as defined in Article 39-4 of the French Tax Code and do not report any add-back expenses pursuant to Article 39-5 of said Code for the fiscal year.

Second resolution

(Approval of the consolidated financial statements for the fiscal year ended December 31, 2021)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, as well as the consolidated financial statements for the fiscal year ended December 31, 2021, approves said financial statements as presented, which comprise the statements of financial position and income, as well as the notes to the consolidated financial statements, and the operations reflected in said financial statements or summarized in said reports, showing net income of €572,038,000.

Third resolution

(Appropriation of net income for the fiscal year ended December 31, 2021)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings:

1. After recognizing at December 31, 2021 that the “legal reserves” account equals one-tenth of the share capital and that Company shares are all fully paid up;
2. Resolves, subject to the adoption of the first resolution by the General Meeting, to appropriate net income for the fiscal year as follows:

Net income for the fiscal year ended December 31, 2021	€60,165,268
Retained earnings for the fiscal year ended December 31, 2021	-€147,095,925
Appropriation of the entire net income for the fiscal year ended December 31, 2021 to retained earnings, i.e., retained earnings of:	-€86,929,657

Fourth resolution

(Payment of €1.70 per share by distribution of equity premiums)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and acting on the recommendation of the Executive Board with the approval of the Supervisory Board, resolves to pay a distribution by deducting €487,663,992 from equity premiums as follows:

Equity premiums for the fiscal year ended December 31, 2021, of which:	**€4,071,218,513**
Issue premium	€4,045,488,515
Merger premium	€0
Bond conversion premium	€0
Contribution premium	€25,729,998
Payments for the equity reimbursement by withholding from accounts:	**€487,663,992**
Issue premium	€461,933,994
Merger premium	€0
Bond conversion premium	€0
Contribution premium	€25,729,998
	Corresponding to a distribution of €1.70 per share on the basis of 286,861,172 shares at February 10, 2022 (including treasury shares)
Balance following payments:	**€3,583,554,521**
Issue premium	€3,583,554,521
Merger premium	€0
Bond conversion premium	€0
Contribution premium	€0

Following this distribution and the appropriation of the net income for the fiscal year ended December 31, 2021, equity will continue to exceed share capital plus the legal reserve.

The amount of €1.70 per share conferring dividend rights, deducted from equity premiums, would be deemed to constitute an equity repayment within the meaning of Article 112-1° of the French Tax Code (*Code général des impôts*).

The overall amount of the distribution will be reduced to account for the number of treasury shares held by the Company on the distribution payment date to the extent that they do not confer distribution rights. The amount corresponding to treasury shares held by the Company will be reallocated to contribution premiums.

The General Meeting resolves that the ex-dividend date will be May 12, 2022 and the distribution will be paid on May 16, 2022.

Pursuant to Article 243 *bis* of the French Tax Code, distributions for the last three fiscal years were as follows:

Fiscal year	Total amount paid to shareholders (€)	Net amount per share (€)	Amount eligible for the tax relief provided for under Article 158-3-2° of the French Tax Code for eligible shareholders (€)	Amount not eligible for the tax relief provided for under Article 158-3-2° of the French Tax Code (€)
2018	642,619,152.00	2.10	295,456,799.83	347,162,352.17
2019	662,863,622.30	2.20	178,702,607.55	484,161,014.75(a)
2020	294,848,054.00	1.00	0	294,848,054.00(b)

(a) Including the equity reimbursements, within the meaning of paragraph 1 of Article 112 of the French Tax Code, of €254,378,433.82
(b) Entirely comprising the equity reimbursement, within the meaning of paragraph 1 of Article 112 of the French Tax Code.

The General Meeting confers all necessary powers on the Executive Board to determine the number of shares held by the Company and the amount of the balance of equity premiums.

Fifth resolution

(Review of agreements subject to the provisions of Articles L. 225-86 of the French Commercial Code)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report on the agreements referred to in Article L. 225-86 of the French Commercial Code, concludes that the Statutory Auditors were not made aware of any new agreement authorized by the Supervisory Board during the fiscal year ended December 31, 2021 and not yet approved by the General Meeting.

Sixth resolution

(Re-appointment of Rose-Marie Van Lerberghe as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and noted that the term of office of Rose-Marie Van Lerberghe as member of the Supervisory Board expires at the close of this General Meeting resolves to re-appoint her for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2025 to approve the financial statements for the fiscal year ending December 31, 2024.

Rose-Marie Van Lerberghe is prepared to renew her term of office and has stated that she neither holds any position nor is affected by any situation that might prevent her from exercising it.

Seventh resolution

(Re-appointment of Béatrice de Clermont-Tonnerre as a member of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and noted that the term of office of Béatrice de Clermont-Tonnerre as member of the Supervisory Board expires at the close of this General Meeting resolves to re-appoint her for a period of three years expiring at the end of the Ordinary General Meeting to be called in 2025 to approve the financial statements for the fiscal year ending December 31, 2024.

Béatrice de Clermont-Tonnerre is prepared to renew her term of office and has stated that she neither holds any position nor is affected by any situation that might prevent her from exercising it.

Eighth resolution

(Re-appointment of Deloitte & Associés as Statutory Auditor)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and noted that the term of office of Deloitte & Associés as Statutory Auditor expires at the close of this General Meeting resolves to re-appoint the firm for a period of six years expiring at the end of the Ordinary General Meeting to be called in 2028 to approve the financial statements for the fiscal year ending December 31, 2027.

Deloitte & Associés has stated that it will accept this appointment.

Ninth resolution

(Re-appointment of Ernst & Young Audit as Statutory Auditor)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and noted that the term of Ernst & Young Audit as Statutory Auditor expires at the close of this General Meeting, resolves to re-appoint the firm for a period of six years expiring at the end of the Ordinary General Meeting to be called in 2028 to approve the financial statements for the fiscal year ending December 31, 2027.

Ernst & Young Audit has stated that it will accept this appointment.

Tenth resolution

(Approval of the 2022 compensation policy for the Chairman of the Supervisory Board and the other members of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in the 2021 Universal Registration Document in sections 6.2.1.1 "Basic principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.1 "Compensation of the Chairman and the other members of the Supervisory Board for fiscal year 2022", approves the 2022 compensation policy for the Chairman and the other members of the Supervisory Board including the principles and criteria for distributing and allotting sums allocated to the compensation of the Chairman and the other members of the Supervisory Board as set out in the aforementioned Document.

Eleventh resolution

(Approval of the 2022 compensation policy for the Chairman of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in the 2021 Universal Registration Document in sections 6.2.1.1 "Basic principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.2.1 "Components of the Chairman of the Executive Board's compensation for fiscal year 2022", approves the compensation policy for the Chairman of the Executive Board for fiscal year 2022, including the principles and criteria for distributing sums allocated to the compensation of the Chairman of the Executive Board as set out in the aforementioned Document.

Twelfth resolution

(Approval of the 2022 compensation policy for the other members of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, and having considered the Supervisory Board's corporate governance report drawn up in accordance with Article L. 22-10-26 of the French Commercial Code and as set out in the 2021 Universal Registration Document in sections 6.2.1.1 "Basic principles for setting the compensation policy", 6.2.1.2 "Decision-making process for setting, revising and implementing the compensation policy", and 6.2.2.2.2 "Components of compensation of members of the Executive Board (other than the Chairman) for fiscal year 2022", approves the 2022 compensation policy for the members of the Executive Board including the principles and criteria for distributing and allotting sums allocated to the compensation of said members of the Executive Board (other than the Chairman) as set out in the aforementioned Document.

Thirteenth resolution

(Approval of the disclosures on the compensation of the Chairman and the other members of the Supervisory Board and the Chairman and the other members of the Executive Board required under Article L. 22-10-9, paragraph I of the French Commercial Code)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information required under Article L. 22-10-9, paragraph I of said Code, as presented in the Supervisory Board's corporate governance report referred to in Article L. 225-68 of said code and set out in the 2021 Universal Registration Document in section 6.2.3 "Compensation of corporate officers (fiscal year 2021)".

Fourteenth resolution

(Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Supervisory Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2021 to the Chairman of the Supervisory Board, as set out in the 2021 Universal Registration Document in section 6.2.4.1 "Chairman of the Supervisory Board".

Fifteenth resolution

(Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chairman of the Executive Board)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2021 to the Chairman of the Executive Board, as set out in the 2021 Universal Registration Document in section 6.2.4.2 "Chairman of the Executive Board".

Sixteenth resolution

(Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chief Financial Officer and Executive Board member)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2021 to the Chief Financial Officer and Executive Board member, as set out in the 2021 Universal Registration Document in section 6.2.4.3 "Chief Financial Officer, member of the Executive Board".

Seventeenth resolution

(Approval of the components of compensation paid during or allotted for fiscal year 2021 to the Chief Operating Officer and Executive Board member)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report and the Supervisory Board's corporate governance report, approves, pursuant to Article L. 22-10-34, paragraph II of the French Commercial Code, the fixed, variable and extraordinary components comprising the total compensation and benefits in kind paid during or allotted for fiscal year 2021 to the Chief Operating Officer and Executive Board member, as set out in the 2021 Universal Registration Document in section 6.2.4.4 "Chief Operating Officer, member of the Executive Board".

Eighteenth resolution

(Authorization, for a period of 18 months, to trade in the Company's shares, not to be used during a public offer)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings and having considered the Executive Board's report, authorizes the Executive Board, which may delegate under the conditions provided for by law and the Company's bylaws, in accordance with the provisions in Articles L. 22-10-62 *et seq.* and L. 225-210 *et seq.* of the French Commercial Code, Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 and Commission Delegated Regulation (EU) no. 2016/1052 of March 8, 2016, as well as any other legal and regulatory provisions which may be applicable, to purchase or arrange for the purchase of the Company's shares, notably in order:

- To maintain the secondary market in or liquidity of the Klépierre share through an investment services provider pursuant to a liquidity agreement that complies with decision no. 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or

- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 *et seq.* of the French Labor Code (Code du travail); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 *et seq.* of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

The General Meeting resolves that this program is also intended to enable any future market practices permitted by the AMF to be implemented, and more generally, any transaction in accordance with the legislation and regulations in force or which may become applicable. In such event, the Company will inform its shareholders by way of a press release.

The General Meeting resolves that the number of shares that may be purchased by the Company is subject to the following limits:

- The total number of shares purchased by Company since the start of the buyback program (including those subject to the said buyback) may not exceed 10% of the shares comprising the Company's share capital, at any time whatsoever, this percentage being applied to the share capital as adjusted to take into account the impact of any transactions affecting the share capital after this General Meeting, on the understanding (i) that the number of shares purchased by the Company with a view to their being held and subsequently delivered as payment or exchange as part of a merger, spin-off or asset transfer transaction may not exceed 5% of the share capital; and (ii) in accordance with the provisions in Article L. 22-10-62 of the French Commercial Code, that when the shares are purchased to maintain a liquid market under the conditions defined by the General Regulation of the AMF, the number of shares included in the calculation of the abovementioned 10% ceiling corresponds to the number of shares purchased, less the number of shares resold during the authorization period;
- The number of shares held by the Company at any given time may not exceed 10% of the shares comprising the Company's share capital at the relevant date.

The General Meeting resolves that such operations may be carried out on one or more occasions, at any time within the limits authorized by the legal and regulatory provisions in force and in those provided for in this resolution (except during a public offer for the Company's shares), and by any means, on regulated markets, multi-lateral trading systems, using systematic internalizers or over-the-counter, including by purchasing or selling blocks of securities (without limiting the proportion of the buyback program that may be carried out in this way), by public tender or exchange offer, or by using options or other financial futures, or by delivering shares following the issue of securities giving rights to shares of the Company by conversion, exchange, redemption, exercising of a warrant or any other means, whether directly or indirectly through an investment services provider.

The General Meeting sets the maximum purchase price of the shares under this resolution at €32 per share (or the exchange value of this amount in any other currency at the same date), excluding acquisition fees. This maximum price only applies to purchases decided after the date of this General Meeting and not to future transactions carried out pursuant to an authorization granted by a previous General Meeting and providing for purchases after the date of this General Meeting. In the event of transactions affecting the share capital, and in particular share splits or consolidations or the allotment of free shares, or of transactions affecting shareholders' equity, the abovementioned amount will be adjusted to take account of the impact of the value of such transactions on the share value.

The General Meeting notes, for information purposes, that the maximum purchase price per share of €32 (or the exchange value of this amount in any other currency at the same date), excluding acquisition fees and on the basis of the number of shares comprising the Company's share capital at December 31, 2021, corresponds to the total amount allocated to the share buyback program, the subject of this resolution, i.e., €917,955,744, excluding acquisition fees.

The General Meeting delegates to the Executive Board, which may sub-delegate under the conditions provided by law, in the event of a change in the par value, the power to carry out the following transactions (i) capital increase by capitalization of reserves, (ii) allotment of free shares, (iii) share splits or consolidations, (iv) reserve or other asset distributions, (v) capital amortization, or (vi) any other transaction affecting the shareholders' equity, as well as the power to adjust the abovementioned maximum purchase price to take into account the impact on the value of the share.

The General Meeting delegates to the Executive Board, which may sub-delegate under the conditions provided by law, all powers to implement this authorization, to carry out these transactions, to determine the terms and conditions thereof, to enter into any agreements and to complete any formalities, to issue stock exchange instructions, to allocate or reallocate purchased shares to various objectives, and to submit any declarations to the AMF or any other competent authority.

The General Meeting sets the authorization period at 18 months, from the date of this General Meeting, and notes that, from this same date, this delegation of authority supersedes the delegation of authority granted by the eighteenth resolution of the Company's General Meeting of June 17, 2021.

Resolutions of the Extraordinary General Meeting

Nineteenth resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to reduce the share capital by canceling treasury shares)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having considered the Executive Board's report and the Statutory Auditors' special report, authorizes the Executive Board to reduce the share capital, on one or more occasions, in such proportions and at such times as it shall decide, by canceling any number of treasury shares as it shall decide within the limits authorized by law, in accordance with the provisions of Articles L. 22-10-62 *et seq.* of the French Commercial Code and L. 225-213 of said Code.

On the date of each cancellation, the maximum number of shares canceled by the Company during the 24-month period preceding such cancellation (including the shares subject to said cancellation) may not exceed 10% of the shares comprising the Company's share capital on that date, i.e., for information purposes, as of December 31, 2021, a maximum of 28,686,117 shares, on the understanding that this limit applies to the amount of the Company's share capital as adjusted, where necessary, to take into account the impact of any transactions affecting the share capital after this General Meeting.

The General Meeting confers all necessary powers on the Executive Board, which may delegate such powers under the conditions provided for by law and the Company's bylaws, to charge the difference between the book value of the canceled shares and their par value to any reserve or share premium accounts, to approve the terms and conditions of the cancellations, to complete any share cancellation or capital reduction transactions that may be carried out pursuant to this authorization, to make the corresponding amendments to the bylaws, to submit any declarations to the AMF and to complete all formalities.

With effect from the date hereof, this authorization supersedes the delegation of authority granted by the nineteenth resolution of the Company's General Meeting of June 17, 2021.

It is given for a period of 26 months with effect from the date hereof.

Twentieth resolution

(Delegation of authority to the Executive Board, for a period of 38 months, to allot free shares of the Company, without preemptive subscription rights)

The General Meeting, acting under the conditions of quorum and majority required for Extraordinary General Meetings and having reviewed the report of the Executive Board and the special report of Statutory Auditors, and subject to the prior authorization of the Supervisory Board, and in accordance with the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code:

1. Authorizes the Executive Board, pursuant to the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code, under the conditions defined hereafter and after obtaining prior authorization from the Supervisory Board, on one or on more occasions, to allot existing or future free ordinary shares, to beneficiaries or categories of beneficiaries that it shall decide from amongst the employees of the Company or companies or groups of companies which are directly or indirectly related to it in accordance with the conditions provided for in Article L. 225-197-2 of said Code and/or the corporate officers of the Company or companies or groups of companies which are directly or indirectly related to it and meet the conditions provided for in Article L. 225-197-1 II of said Code, in the conditions defined hereafter;
2. Resolves that the existing or future shares allotted pursuant to this authorization may not represent more than 1% of the share capital at the date of the Executive Board's decision;
3. Resolves that:
   - The number of shares allotted to the Company's corporate officers, which will be deducted from the 1% ceiling mentioned in paragraph 2 above, may not exceed 0.3% of the Company's share capital at the date the Executive Board decides to allot them,
   - Vesting of all shares must be subject to performance conditions, it being specified that by way of exception, and for a total not exceeding 0.15% of the capital, the vesting of shares allocated to beneficiaries other than members of the Group's management may not be subject to performance conditions;
4. Resolves that the allotment of said shares to their beneficiaries will become final at the expiration of a minimum three-year vesting period, following which the beneficiaries may not be subject to any lock-up period, on the understanding that the allotment of said shares will become final before the expiration of the abovementioned vesting period in the event of second or third category disability within the meaning of Article L. 341-4 of the French Social Security Code (*Code de la sécurité sociale*) or the equivalent disposition outside of France, and that said shares will be freely transferable in such case;
5. Resolves that the Executive Board will have all necessary powers, which it may delegate under the conditions provided for by law and the Company's bylaws, to implement this delegation of authority, notably in order:
   - To determine whether the free shares exist or must be issued and, where appropriate, to modify its choice before the final allotment of the shares,
   - To determine the identity of the beneficiaries, or the category or categories of beneficiaries, of the allotment of shares from among the employees and corporate officers of the Company or of the abovementioned companies or groups of companies, and the number of shares allotted to each of them (it being specified that the allotments of free shares granted to members of the Executive Board will be decided beforehand by the Supervisory Board),
   - To establish (or not) a lock-up period following the vesting period and, where necessary, the length of said period it being specified that with respect to the free shares allotted to corporate officers, the Executive Board must either (a) decide that the free shares may not be transferred by the beneficiaries before the end of their term of office, or (b) determine the number of free shares that the beneficiaries must hold in registered form until the end of their term of office,
   - To set the conditions and criteria by which shares will be allotted, in particular the vesting period, in accordance with the above conditions,
   - To determine the performance conditions attached to the final allotment of shares subject to performance conditions,
   - To provide for the possibility to temporarily suspend allotment rights in the event of financial transactions,
   - To record the final allotment dates and the dates from which the shares may be freely sold, taking into account legal restrictions, and to lift the unavailability of the shares in any circumstances for which this resolution or the applicable regulations would allow,
   - In the event of the issue of new shares, to charge the amounts required to pay for said shares, where necessary, to reserves, profits or issue premiums, to record the capital increases carried out under this authorization, to set the dates from which the new shares will be entitled to distributions, to make the corresponding amendments to the bylaws, and generally to take all steps and carry out all formalities necessary;

6. Resolves that the Company may, where appropriate, adjust the number of free shares necessary to preserve beneficiaries' rights in the event of any transactions affecting the Company's share capital, as provided in Article L. 225-181 of the French Commercial Code. The shares allotted in accordance with these adjustments will be deemed to be allotted at the same date as the initially allotted shares;
7. Notes that in the event of the free allotment of new shares to be issued, this authorization shall entail, as and when the said shares are definitively allotted, a capital increase by capitalization of reserves, profits and premiums in favor of the beneficiaries of the said shares, and notes that this authorization automatically results in the waiver by the shareholders, in favor of the beneficiaries of the free allotment of new shares to be issued, of their preemptive right to subscribe to the ordinary shares to be issued as and when the said free shares are definitively allotted, and of any right to subscribe to the free shares allotted under this authorization;
8. Notes that, in the event that the Executive Board uses this authorization, it will inform the General Meeting every year of the transactions carried out pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, under the conditions provided for in Article L. 225-197-4 of said Code;
9. Notes that, with effect from the date hereof, this authorization supersedes any prior authorization given to the Executive Board to allot existing or future free shares to employees and corporate officers of the Group or to some of them;
10. Resolves that this authorization will be given for a period of 38 months with effect from the date hereof.

Resolution of the Ordinary General Meeting

Twenty-first resolution

(Powers for formalities)

The General Meeting, acting under the conditions of quorum and majority required for Ordinary General Meetings, confers all necessary powers on the bearer of an original, copy or extract of the minutes of this General Meeting to carry out all filing and other formalities required by law.

7.3 DESCRIPTION OF THE TREASURY SHARE BUYBACK PROGRAM

Pursuant to Articles 241-1 et seq. of the General Regulation of the AMF, this section provides details of the treasury share buyback program that will be submitted to the Ordinary and Extraordinary General Meeting of April 26, 2022 (the "**2022 Share Buyback Program**").

7.3.1 Date of the General Meeting of Shareholders called to approve the 2022 Share Buyback Program

April 26, 2022

7.3.2 Shares held by the Company as of January 31, 2022

As of January 31, 2022, Klépierre directly or indirectly held 1,477,721 shares, representing 0.52% of its share capital for an overall amount of €34,006,264.83 (book value).

The above figures and the following information take into account the total number of shares comprising the Company's share capital as of January 31, 2022, i.e., 286,861,172 shares.

7.3.3 Breakdown by objective of the shares held by Klépierre as of January 31, 2022

As of January 31, 2022,

- 1,477,421 shares are allocated to any stock purchase option plans offered by the Company, allotments of free shares or external growth transactions;
- 300 shares are allocated to maintaining a liquid market in the Klépierre share on Euronext Paris under the liquidity agreement entered into with Rothschild Martin Maurel in January 2019 that complies with the applicable legal framework, in particular Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Commission Delegated Regulation (EU) No. 2016/908 of February 26, 2016, Articles L. 22-10-62 *et seq.* of the French Commercial Code, decision 2018-01 of the AMF of July 2, 2018 and the legislation referred to therein.

7.3.4 Objectives of the 2022 Share Buyback Program

The objectives of the 2022 Share Buyback Program are as follows:

- To maintain the secondary market in or liquidity of the Klépierre SA share through an investment services provider pursuant to a liquidity agreement that complies with decision no. 2021-01 of June 22, 2021 of the French financial markets authority (*Autorité des marchés financiers* – AMF) or with market practices permitted by the AMF; or
- To hold the shares purchased for subsequent delivery (as exchange, payment or other) as part of an acquisition, merger, spin-off or asset transfer transaction; or
- To allot free shares of the Company under the provisions of Articles L. 225-197-1 *et seq.* and L. 22-10-59 *et seq.* of the French Commercial Code or of any similar plan; or
- To allot or sell shares to employees in connection with an employee profit-sharing plan or pursuant to an employee savings plan under the conditions provided for by law, in particular Articles L. 3332-1 et seq. of the French Labor Code (Code du travail); or
- To implement any Company stock option plan in accordance with the provisions of Articles L. 225-177 and L. 22-10-56 et seq. of the French Commercial Code or any other similar plan; or
- In general, to honor obligations with respect to stock option programs or other share allotments to employees or corporate officers of the Company or of a related company; or
- To deliver shares on the exercise of rights attached to securities giving rights to shares of the Company by redemption, conversion, exchange, presentation of a warrant or any other means; or
- To cancel all or a portion of the securities purchased in this way.

7.3.5 Maximum portion of the share capital to be acquired and maximum number of shares that may be acquired under the 2022 Share Buyback Program

The number of shares that the Company will be authorized to purchase may not exceed 10% of the shares comprising the Company's share capital at any time, this percentage being applied to the share capital as adjusted to take into account any transactions affecting the share capital after this General Meeting.

For information purposes, based on the share capital as of January 31, 2022, less the 1,477,721 shares held in treasury at this date, the maximum number of shares that may be purchased is 27,208,396.

The number of shares that the Company will be authorized to hold at any given time may not exceed 10% of the shares comprising the Company's share capital at the relevant date. For information purposes, based on the share capital existing at January 31, 2022, the maximum number of shares that can be held totals 28,686,117.

7.3.6 Maximum authorized purchase price per share

The maximum purchase price would be €32 per share, on the understanding that this price may be adjusted in the event of any transactions affecting the share capital or shareholders' equity, in order to take into account the impact of such transactions on the share value.

The maximum amount of funds that can be used to finance the 2022 Share Buyback Program is estimated at €917,955,744, calculated on the basis of a maximum purchase price of €32 per share and the share capital of Klépierre on January 31, 2022.

7.3.7 Duration of the 2022 Share Buyback Program

In accordance with the twentieth resolution of the General Meeting, the 2022 Share Buyback Program may be carried out over an 18-month period following that date, i.e., until October 26, 2023.

8

Additional information

8 Additional information

8.1 GENERAL INFORMATION

8.1.1 Legal information

Company name

Klépierre

Paris Trade and Companies Registry

SIREN registration number: 780 152 914

SIRET number: 780 152 914 00237

NAF/APE code: 6820B

Legal entity identifier

969500PB4U31KEFHZ621

Term of the Company

The Company's term was set at 99 years, expiring on October 3, 2067.

Legal form

Klépierre is a French joint-stock corporation (*société anonyme*) with an Executive Board and a Supervisory Board subject to the legal provisions applicable to French joint-stock corporations, in particular Articles L. 225-57 to L. 225-93 of the French Commercial Code (*Code de commerce*) and by its own bylaws.

Registered office

26, boulevard des Capucines, 75009 Paris (France)
(tel.: +33 (0)1 40 67 54 00)

8.1.2 Corporate purpose

Klépierre's corporate purpose is set out in Article 2 of the bylaws, as follows:

- To acquire, sell or exchange, whether directly or indirectly, any land, real-estate rights and buildings, located in France or abroad, as well as all goods and rights that might constitute an addition or annex to said buildings;
- Through its subsidiaries, to construct buildings on its own account or on behalf of Group companies and engage in all operations directly or indirectly related to the construction of these buildings;
- To operate and enhance property value by leasing such properties or otherwise;
- To enter into any lease agreement as a tenant, in France or abroad;
- To acquire direct or indirect equity interests in the persons indicated in Article 8 and in paragraphs 1, 2 and 3 of Article 206 of the French Tax Code (*Code général des impôts*) and, more generally, to acquire equity interests in any company whose purpose is to operate rental properties;
- As a subsidiary matter, to acquire or dispose of equity interests in any company or enterprise exercising any type of activity in the real estate sector; and
- More generally, to engage in all types of civil, commercial, financial, investment and real estate transactions directly related to the aforementioned purpose or in the furtherance thereof, in particular, borrowing and the constitution of any guarantees or pledges required in relation thereto.

8.1.3 Tax regime

The Company has elected to be taxed under the French real estate investment company (*Sociétés d'investissement immobilier cotées* – SIIC) tax regime in accordance with the terms of Article 208 C of the French Tax Code.

As such, it is exempt from corporate income tax on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a corporate purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that 70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated;
- Dividends received from subsidiaries having elected for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, provided that they are distributed during the fiscal year following the year in which they are generated.

8.1.4 Other disclosures

Website: www.klepierre.com(1).

The Company's bylaws are available in full on its website and are incorporated by reference in this Universal Registration Document.

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(1) *The information on the corporate website does not form part of this document, unless incorporated by reference.*

8.2 DOCUMENTS AVAILABLE

The updated bylaws, as well as appraisals and statements made by experts at the Company's request, and all other documents that must be kept at the disposal of shareholders in accordance with the law, may be consulted at the Company's registered office:

26, boulevard des Capucines, 75009 Paris.
(tel.: +33 (0)1 40 67 54 00).

Copies of this universal registration document are available free of charge from the Company's registered office and on its website (www.klepierre.com), as well as on the website of the French financial markets authority (*Autorité des marchés financiers* – AMF) (www.amf-france.org).

8.3 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT, WHICH SERVES AS THE ANNUAL FINANCIAL REPORT(1)

I hereby declare that the information contained in this universal registration document is, to my knowledge, in accordance with the facts and contains no omissions likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of operations of the Company and of all the entities included in the scope of consolidation, and that the management report (for which a cross-reference table is set out below on page 352) presents fairly the changes in business, results of operations and financial position of the Company and of all the entities included in the scope of consolidation and describes the main risks and uncertainties facing them.

Paris, March 29, 2022

Jean-Marc Jestin
Chairman of the Executive Board

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(1) *In accordance with the template of annex 1 of AMF Instruction DOC-2019-21 – Modalités de dépôt et de publication des prospectus (in French only, Procedures for submitting and publishing prospectuses).*

8.4 PERSONS RESPONSIBLE FOR THE STATUTORY AUDIT AND THE FINANCIAL INFORMATION

8.4.1 Persons responsible for the statutory audit

Statutory Auditors

Deloitte & Associés

6, place de la Pyramide
92908 Paris-La Défense Cedex, France
572 028 041 RCS Nanterre

Damien Leurent/Emmanuel Proudhon

First appointed: General Meeting of Shareholders of June 28, 2006

Last renewed: General Meeting of Shareholders of April 19, 2016

Term expires: General Meeting of Shareholders of 2022 to be called to approve the financial statements for fiscal year 2021

Ernst & Young Audit

1-2, place des Saisons
92400 Courbevoie-Paris-La Défense 1, France
344 366 315 RCS Nanterre

Bernard Heller

First appointed: General Meeting of Shareholders of April 19, 2016

Term expires: General Meeting of Shareholders of 2022 to be called to approve the financial statements for fiscal year 2021

Alternate Statutory Auditors

Société BEAS

6, place de la Pyramide
92908 Paris-La Défense Cedex, France
315 172 445 RCS Nanterre

First appointed: General Meeting of Shareholders of June 28, 2006

Last renewed: General Meeting of Shareholders of April 19, 2016

Term expires: General Meeting of Shareholders of 2022 to be called to approve the financial statements for fiscal year 2021

Picarle & Associés

1-2, place des Saisons
92400 Courbevoie-Paris-La Défense 1, France
410 105 894 RCS Nanterre

First appointed: General Meeting of Shareholders of April 19, 2016

Term expires: General Meeting of Shareholders of 2022 to be called to approve the financial statements for fiscal year 2021

8.4.2 Person responsible for financial information

Jean-Michel Gault

Chief Financial Officer, member of the Executive Board
Tel.: +33 (0)1 40 67 54 00

8.5 PROPERTY PORTFOLIO AS OF DECEMBER 31, 2021

8.5.1 Shopping centers

France

Property valuation of €8,084 million (total share basis, including transfer taxes)[1]

Center	Country	Region	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area[2]	Rentable floor area[3]	Klépierre equity interest
Créteil, Créteil Soleil	France	Île-de-France	1974	2019-20	1991	135,130	102,286	80.0%
Marne-la-Vallée – Serris, Val d'Europe	France	Île-de-France	2000	R/E 2017	2000	133,306	87,158	55.0%
Thiais, Belle Épine	France	Île-de-France	1971	R 2015	2019	148,006	148,006	10.0%
Toulouse, Blagnac	France	Occitanie	1993	R/E 2009	2004	96,140	96,140	54.0%
Montpellier, Odysseum	France	Occitanie	2009		2009	73,386	53,434	100.0%
Louvain-la-Neuve, Esplanade	Belgium	Walloon Brabant	2005		2005	55,659	55,659	100.0%
Boulogne-Billancourt, Les Passages de l'Hôtel de Ville	France	Île-de-France	2001	R 2013	2001	23,738	23,738	50.0%
Noisy-le-Grand, Arcades	France	Île-de-France	1978	R/E 2009	1995	57,553	41,466	54.0%
Clermont-Ferrand, Jaude	France	Auvergne-Rhône-Alpes	1980	R/E 2015	1990	43,208	43,208	100.0%
Bègles, Rives d'Arcins	France	Nouvelle Aquitaine	1995	R/E 2013	1996	97,856	75,657	52.0%
Grenoble, Grand Place	France	Auvergne-Rhône-Alpes	1976	R/E 2002	2015	58,285	32,605	100.0%
Paris, Saint-Lazare	France	Île-de-France	2012		2012	18,813	12,357	100.0%
Écully, Grand Ouest	France	Auvergne-Rhône-Alpes	1972	R (car park) 2009	2001	47,505	16,975	83.0%
Claye-Souilly, Les Sentiers de Claye-Souilly	France	Île-de-France	1972	E 2012	2001	66,122	35,173	55.0%
Caen, Mondeville 2	France	Normandy	1995		2015	45,467	19,454	100.0%
Portet-sur-Garonne, Grand Portet	France	Occitanie	1972	2018	2001	54,830	27,453	83.0%
Marseille, Grand Littoral	France	Provence-Alpes-Côte d'Azur	1996	R/E 2013	2015	107,376	58,074	100.0%
Villiers-en-Bière	France	Île-de-France	1971	2016	2001	72,932	31,651	83.0%
Marseille, Prado	France	Provence-Alpes-Côte d'Azur	2018		2018	23,147	23,147	60.0%
Nice, Nice TNL	France	Provence-Alpes-Côte d'Azur	1981	R 2005	2015	27,345	12,369	100.0%
Lattes, Grand Sud	France	Occitanie	1986	R/E 1993	2002	40,467	16,515	83.0%
Roques-sur-Garonne	France	Occitanie	1995	R/E 2009	2011	53,442	39,442	100.0%
Annecy, Courier	France	Auvergne-Rhône-Alpes	2001	R 2016	2001	21,502	21,120	58.0%
Toulouse, Saint-Orens	France	Occitanie	1991	R/E 1998	2004	66,472	66,472	54.0%
Pontault-Combault	France	Île-de-France	1978	R/E 1993	2001	58,984	13,892	83.0%
Tourville, Tourville-la-Rivière	France	Normandy	1990	R 2011	2007	28,210	10,547	85.0%
Rennes, Colombia	France	Brittany	1986	R 2016	2005	26,243	18,323	100.0%
Le Havre, Espace Coty	France	Normandy	1999		2000	26,799	26,799	50.0%
Toulon, Centre Mayol	France	Provence-Alpes-Côte d'Azur	1990		2015	46,296	20,517	40.0%
Saint-Étienne, Centre 2	France	Auvergne-Rhône-Alpes	1979		2015	35,158	38,474	100.0%
Aubervilliers, Le Millénaire	France	Île-de-France	2011		2011	59,551	59,551	50.0%
Givors, 2 Vallées	France	Auvergne-Rhône-Alpes	1976	R 2016	2001	33,586	15,389	83.0%
Valenciennes, Place d'Armes	France	Hauts-de-France	2006	R 2016	2006	15,890	15,890	100.0%

9 other assets, accounting for 4.1% of the property valuation of France, are not included in the above table: Creil, Saint-Maximin – Toulouse, Nailloux Outlet Village – Valence, Victor Hugo – Sevran, Beau Sevran – Dieppe, Belvédère – Riom, Riom Sud – Marseille, Bourse – Drancy, Avenir – Sète Balaruc.

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(1) Excluding €352 million reclassified to "Convenience shopping centers and other retail properties".

(2) Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.

(3) Area owned by Klépierre or its joint-ventures on which it collects rents.

Italy

Property valuation of €3,875 million (total share basis, including transfer taxes)(1)

Center	Region	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area(3)	Rentable floor area(4)	Klépierre equity interest
Roma, Porta di Roma	Lazio	2007	R 2016	2015	96,962	73,290	50.0%
Naples, Campania	Campania	2007	E 2014	2015	93,567	88,157	100.0%
Turin, Shopville Le Gru	Piedmont	1994	R 2013	2015	86,957	86,957	100.0%
Assago (Milan), Milanofiori	Lombardy	1988	E 2018	2005	50,199	31,426	100.0%
Bologna, Shopville Gran Reno	Emilia-Romagna	1993		2015	38,344	23,270	100.0%
Venice, Nave de Vero	Veneto	2014		2015	39,036	39,036	100.0%
Milan, Globo I-II-III	Lombardy	1993/2001/2004	E 2006	2015	94,312	30,452	100.0%
Modena, Grandemilia	Emilia-Romagna	1996		2015	39,688	19,779	100.0%
Savignano s. Rubicone (Rimini), Romagna Center	Emilia-Romagna	1992	R/E 2014	2002	72,567	51,390	100.0%
Lonato, Il Leone di Lonato	Lombardy	2007		2008	46,710	30,225	50.0%
Cagliari, Le Vele & Millennium	Sardinia	1998	R 2013	2015	43,536	32,306	100.0%
Udine, Citta Fiera	Friuli Venezia Giulia	1992	E 2015	2015	117,148	47,995	49.0%
Varese, Belforte	Lombardy	1988	E 2012	2002	28,904	10,029	100.0%
Vittuone, Il Destriero	Lombardy	2009		2009	27,240	16,043	100.0%
Pavia, Montebello della Battaglia, Montebello	Lombardy	1974	E 2005	2002	62,789	43,994	50.0%
Bergamo, Seriate, Alle Valli	Lombardy	1990	R/E 2008	2002	34,347	10,984	100.0%
Citta S. Angelo, Pescara Nord	Abruzzo	1995	R/E 2010	2002	33,912	19,514	83.0%
Verona, Le Corti Venete	Veneto	2006		2008	31,223	16,394	50.0%
Rome, La Romanina	Lazio	1992	R/E 2009	2002	31,737	19,832	83.0%

5 other assets, accounting for 4.6% of the property valuation of Italy, are not included in the table above: Colonnella (Teramo), Val Vibrata – Vignate (Milan), Acquario Center – Rome, Tor Vergata – Lecce, Cavallino – Pesaro, Rossini Center.

Scandinavia

Property valuation of €3,053 million (total share basis, including transfer taxes)(2)

Center	Country	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area(3)	Rentable floor area(4)	Klépierre equity interest
Copenhagen, Field's	Denmark	2004	E 2015	2009	93,886	93,886	56.1%
Malmö, Emporia	Sweden	2012		2008	68,803	68,803	56.1%
Oslo, Oslo City	Norway	1988		2015	23,289	23,289	56.1%
Ahrus, Bruun's Galleri	Denmark	2003		2008	34,860	34,860	56.1%
Drammen, Gulskogen Senter	Norway	1985	2010	2008	40,629	40,629	56.1%
Partille, Allum	Sweden	2006		2008	49,734	49,734	56.1%
Örebro, Marieberg	Sweden	1988	2009	2008	33,437	33,437	56.1%
Lørenskog, Metro Senter	Norway	1988	2009	2008	53,142	53,142	28.1%
Borlänge, Kupolen	Sweden	1989	2005	2008	37,641	37,641	56.1%

4 other assets, accounting for 5.4% of the property valuation of Scandinavia, are not included in the above table: Hamar, Maxi Storsenter (Norway) – Viejle, Bryggen (Denmark) – Stavanger, Arkaden Torgterrassen (Norway) – Kristiandstad, Galleria Boulevard (Sweden).

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(1) *Excluding €127 million reclassified to "Convenience shopping centers and other retail properties".*

(2) *Excluding €80 million reclassified to "Convenience shopping centers and other retail properties".*

(3) *Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.*

(4) *Area owned by Klépierre or its joint-ventures on which it collects rents.*

Iberia

Property valuation of €2,069 million (total share basis, including transfer taxes)(1)

Center	Country	Region	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area(3)	Rentable floor area(4)	Klépierre equity interest
Madrid Vallecas, La Gavia	Spain	Madrid	2008	R/E 2013	2008	85,423	50,143	100.0%
Madrid, Plenilunio	Spain	Madrid	2006	R 2018	2015	70,561	70,561	100.0%
Murcia, Nueva Condomina	Spain	Murcia	2006	R 2014	2017	110,371	110,371	100.0%
Santa Cruz de Tenerife, Meridiano	Spain	Canary Islands	2003	R 2015	2003	42,948	27,361	100.0%
Madrid, Principe Pio	Spain	Madrid	2004		2015	28,981	28,981	100.0%
Gondomar (Porto), Parque Nascente	Portugal	North	2003		2003	66,249	49,749	100.0%
Barcelona, Maremagnum	Spain	Catalonia	1995	R 2012	2015	22,632	22,632	100.0%
Portimão, Aqua Portimão	Portugal	South	2011		2011	35,713	23,999	50.0%
Guimarães, Espaço Guimarães	Portugal	North	2009		2015	49,391	33,107	100.0%

Netherlands and Germany

Property valuation of €1,895 million (total share basis, including transfer taxes)

Center	Country	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area(3)	Rentable floor area(4)	Klépierre equity interest
Utrecht, Hoog Catharijne	Netherlands	1973	R/E 2015	2015	196,525	165,693	100.0%
Dresden, Centrum Galerie Dresden	Germany	2009	R/E 2014	2015	68,414	68,414	100.0%
Rotterdam, Alexandrium	Netherlands	1984	R 2001	2015	49,988	47,509	100.0%
Duisburg, Forum Duisburg	Germany	2008	R/E 2008	2015	59,247	59,247	100.0%
Hildesheim, Arneken Galerie Hildesheim	Germany	2012	R/E 2012	2015	27,969	27,969	95.0%
Rotterdam, Markthal	Netherlands	2014		2015	11,802	11,802	95.0%

2 other assets, accounting for 3.4% of the property valuation of the Netherlands and Germany, are not included in the table above: Amsterdam, Villa Arena (Netherlands) – Duisburg, Königsgalerie (Germany).

Central Europe and Other

Property valuation of €1,052 million (total share basis, including transfer taxes)(2)

Center	Country	Opening date	Last renovation/ extension	Acquired by Klépierre	Gross leasable area(3)	Rentable floor area(4)	Klépierre equity interest
Prague, Nový Smíchov	Czech Republic	2001	R 2011	2001	57,567	57,567	100.0%
Istanbul, Akmerkez	Turkey	1993	2010	2015	33,077	33,077	46.0%
Poznan, Poznan Plaza	Poland	2005	R 2019	2005	29,446	29,446	100.0%
Warsaw, Sadyba Best Mall	Poland	2000		2005	26,243	26,243	100.0%
Lublin, Lublin Plaza	Poland	2007	R 2018	2007	25,941	25,941	100.0%
Plzeň, Plzeň Plaza	Czech Republic	2007		2008	19,704	19,704	100.0%

3 other assets, accounting for 8.3% of the property valuation of Central Europe and Other, are not included in the table above: Bursa, Anatolium (Turkey) – Tekirdağ, Tekira (Turkey) – Rybnik, Rybnik Plaza (Poland).

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(1) *Excluding €63 million reclassified to "Convenience shopping centers and other retail properties".*

(2) *Excluding €63 million reclassified to "Convenience shopping centers and other retail properties".*

(3) *Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.*

(4) *Area owned by Klépierre or its joint-ventures on which it collects rents.*

8.5.2 Convenience shopping centers and other retail properties

Property valuation of €685 million (total share basis, including transfer taxes)

Country	City, center
France	• Chartres, La Madeleine – Angoulême, Champ de Mars, Cholet La Séguinière Outlet – Marseille, Le Merlan – Besançon, Les Passages Pasteur – Metz, St-Jacques – Carcassonne, Salvaza – Mérignac, Mérignac Soleil PAC – Orgeval, Capteor – Marzy (Nevers) • Other retail properties (formerly Klémurs, 158 retail units)
Other countries	• Italy: Senigallia, Il Maestrale – Solbiate Olona, Le Betulle – Serravalle Scrivia, Serravalle – Cremona (Gadesco), Cremona Due – Moncalieri (Turin) – Collegno (Turin), La Certosa – Bergame, Brembate – Como, Grandate – Matera • Scandinavia: Oslo, Økernsenteret (Norway) – Odense, Viva (Denmark) • Iberia: Parla, El Ferial (Spain) – Jaén, La Loma (Spain) – Oviedo, Los Prados (Spain) – Vinaroz, Portal Mediterráneo (Spain) • Central Europe & Other: Denizli, Teras Park (Turkey) – Sosnowiec, Sosnowiec Plaza (Poland) – Ruda Slaska, Ruda Slaska Plaza (Poland) – Tarsus, Tarsu (Turkey) – Thessaloniki, Makedonia (Greece) – Patras, Patra Mall (Greece) – Adapazari, Adacenter (Turkey) – Thessaloniki, Efkarpia (Greece)

8.5.3 Overview of valuation reports prepared by Klépierre's independent external appraisers

General context of the valuation

Context and terms of the engagement

This is a free translation into English of the valuation report issued in French and is provided solely for the convenience of English speaking readers. Context and terms of the engagement In accordance with the instructions of Klépierre ("the Company") as detailed in the signed valuation agreements between Klépierre and the appraisers, we have valued the assets held by the Company taking account of the nature of their ownership (freehold, ground lease, etc.).

This Summary Report, which outlines the terms of our engagement, has been prepared for inclusion in the Company's Universal Registration Document. The valuations were undertaken by our valuation teams in each of the various countries and were reviewed by the pan-European valuation teams. In order to estimate the market value for each asset, we have taken into consideration domestic real estate transactions as well as the other valuations undertaken in Europe, in order to maintain a consistent approach and to take account of all available market transactions and information.

The valuations were performed using the discounted cash flow and capitalization methods, which are regularly used for these types of assets.

Our valuations were performed as of December 31, 2021.

Standards and general principles applied

We confirm that our valuations were performed in accordance with the appropriate sections of the June 2017 Edition of the RICS Valuation – Global Standards 2017 ("Red Book"), effective July 1, 2017. This is an internationally-accepted valuation basis. Our valuations are compliant with IFRS and IVSC guidance. The valuations were prepared on the basis of the recommendation of the French financial markets authority (*Autorité des marchés financiers* – AMF) on valuation data pertaining to the real estate assets of listed companies, as published on February 8, 2010. They also take into account the recommendations of the Barthès de Ruyter report on the valuation of real estate of listed companies, as published in February 2000.

We confirm that we have prepared our valuations as external and independent valuers, as defined by the RICS Red Book. We also confirm that the appraisals were performed in accordance with the principles of IFRS 13, i.e., on the basis of the "highest and best use" of each asset.

The market value set out hereafter generally approximates fair value within the meaning of IFRS, and particularly IFRS 13.

Basis of valuation

Our valuations correspond to market values and are reported to the Company on both a net basis (after deduction of transfer duties and costs) and gross basis (before deduction of transfer duties and costs).

Valuation considerations and assumptions

Information

The Company's management was asked to confirm that the information provided relating to the assets and tenants was complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by Company employees that could have an impact on values was made available to us and that this information was up to date in all material respects. This includes running costs, work undertaken, financial information (including doubtful debts), turnover rents, lettings signed or in the process of being signed and lease incentives, in addition to the list of leases in force and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions or an environmental analysis, and therefore have not investigated past events in order to determine if the ground or buildings are or have been contaminated. Unless provided with information to the contrary, we have worked on the assumption that the assets are free from historic ground contamination or potential contamination, and that the condition of the land will not affect its current or future usage.

Planning regulations

We have not reviewed the relevant planning permissions and have assumed that the assets have been built, and are occupied and used, in conformity with all necessary authorizations and that the land is free of legal restrictions. We have assumed that the layout of the assets conforms to legal requirements and planning regulations, including as regards structures, fire protection, health and safety, and security. We have also assumed that any extensions in progress are being undertaken in line with planning regulations and that all necessary authorizations have been obtained.

Title deeds and tenancy schedules

Our work was based on the tenancy schedules, summaries of additional revenues, non-recoverable charges, capital projects and business plans provided to us. We have assumed, beyond that which is set out in our individual asset reports, that the assets are not subject to any constraints that could impede a sale, and that they are free from any restrictions or charges. We have not reviewed the title deeds and have taken as correct the rental, occupational and all other pertinent information provided to us by the Company.

Condition of the assets

We observed the general condition of each asset during our inspection. While our engagement does not include a building or structural survey, we have indicated in our report any disrepair that was visible during our inspection. The assets were valued based on the information provided by the Company, which state that no deleterious or harmful materials were used in their construction.

Taxation

Our valuations were performed without taking into account any fees or taxes that may be applicable in the event of a transfer. Rental and market values are stated net of value-added taxes.

Confidentiality and disclosure

In accordance with our standard practice, we confirm that our valuation reports are confidential and are addressed solely to the Company. Accordingly, we accept no liability to third parties. This report, or an extract thereof, may not be published or reproduced in any document, declaration, memorandum or communication with any third party without our prior written consent as regards the form and context in which this information may appear. In signing this Summary Report, the individual valuation firms accept no liability for the valuations carried out by the other firms.

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Head of Valuation France
Cushman & Wakefield

Jean-Claude Dubois
Chairman
BNP Paribas Real Estate Valuation France

Arabella Edwards
Head of Valuation, JLL France
JLL Expertises

Christian Robinet
Senior Director
CBRE Valuation

8.6 SIMPLIFIED ORGANIZATION CHART AS OF DECEMBER 31, 2021

Shopping centers

France	Klécar France **83**	Progest **100**	Real estate companies			
	Klépierre Management **100**	Klépierre Brand Ventures **100**	Klépierre Gift Cards **100**	Klépierre Procurement International **100**	Klépierre Finance **100**	Financière Corio **100**
Belgium	Real estate companies **100**					
	Klépierre Management Belgique **100**	Klépierre Finance Belgique **100**				
Spain	Real estate companies **100**	Klépierre Molina **100**				
	Klépierre Management España **100**					
Italy	Klécar Italia **83**	Clivia Spa **50**	Klépierre Italia **100**	Real estate companies **100**	ISCI **50**	
	Klépierre Management Italia **100**	Klépierre Finance Italie **100**				
Portugal	Real estate companies **100**					
	Klépierre Management Portugal **100**					
Luxembourg	Holding Klégé **50**					
	Reluxco **100**					
Greece	Real estate companies **100**					
	Klépierre Management Hellas **100**					
Netherlands	Capucine BV **100**	Klépierre Nordica BV **100**	Klépierre Nederland BV **100**	Real estate companies **100**		
	Klépierre Management Nederland BV **100**					
Turkey	Real estate companies					
Germany	Real estate companies					
	Klépierre Management Deutschland **100**					
Poland	Real estate companies **100**					
	Klépierre Management Polska **100**					
Czech Republic	Real estate companies **100**					
	Klépierre Management Ceska Republika **100**					
Slovakia	Real estate companies **100**					
	Klépierre Management Slovensko **100**					
* Norway Sweden Denmark	Steen & Strøm AS **56.1**	Real estate companies				
	Management companies					

Legend

% **Direct or indirect percentage control of Klépierre SA at December 31, 2021**

■ **Real estate business**

□ **Service business**

▬ **Company management and/or administration**

* **Subsidiary (Steen & Strøm) covering the Scandinavian countries, 56.1%-owned with Storm ABP**

Other activities

France	Klémurs **100**	Klé dir **100**
	Klépierre Conseil **100**	Klé Start **100**

8.7 INFORMATION ABOUT THE SHARES

Klépierre shares are traded on Euronext Paris (compartment A).

ISIN code	FR0000121964
Ticker symbol	LI
Trading market	Euronext Paris – Compartment A
Number of shares	286,861,172
Core indices	Euronext CAC Next 20, Euronext SBF 120, Euro STOXX Index, MSCI World, MSCI Europe, S&P Developed ex-US, S&P Europe, STOXX Europe 600
Real Estate Sector indices	DJ Global Select Real Estate Securities, Euronext IEIF REIT Europe, Euro STOXX Real Estate, FTSE EPRA/NAREIT Global, FTSE EPRA/NAREIT Developed, S&P Eurozone REIT, S&P Global Ex-US Property, STOXX Europe 600 Real Estate
ESG indices	Euronext CAC 40 ESG Index, Euronext Eurozone ESG Large 80, Euronext Vigeo Euro 120, Euronext Vigeo Europe 120, FTSE4Good Europe, FTSE4Good Global, MSCI Europe ESG Leaders, MSCI Global Green Building, MSCI World Custom ESG Climate Series, STOXX Europe 600 ESG, STOXX Europe Climate Impact, STOXX Sustainability

For more information, please see chapter 7 of this Universal Registration Document, “Share capital and shareholding, general meeting and share buyback program”.

8.8 CROSS-REFERENCE TABLES

Cross-reference table for the headings in Annex 1 of Commission Delegated Regulation (EU) 2019/980

The cross-reference table below helps to identify, within this Universal Registration Document, the information referred to in the headings of Annex 1 of Commission Delegated Regulation (EU) 2019/980.

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Information incorporated by reference

Pursuant to Article 19 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference into this Universal Registration Document:

- **For fiscal year 2020:** the consolidated financial statements and the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2020, and the Company financial statements, the Statutory Auditors' Report on the Company financial statements for the year ended December 31, 2020, as well as the financial information included in the management report, as presented in the Universal Registration Document filed with the AMF on March 31, 2021, under number D.21-0236;
- **For fiscal year 2019:** the consolidated financial statements and the Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2019, and the Company financial statements, the Statutory Auditors' Report on the Company financial statements for the year ended December 31, 2019, as well as the financial information included in the management report, as presented in the Universal Registration Document filed with the AMF on March 13, 2020, under number D.20-0123.

The portions of these documents that are not referred to above are either not relevant for the investor, or are included elsewhere in this Universal Registration Document.

Annual financial report cross-reference table

In order to facilitate navigating this Universal Registration Document, the cross-reference table below helps to identify, within this Universal Registration Document, the information that makes up the annual financial report to be published by listed companies in accordance with Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 222-3 of the General Regulation of the AMF.

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Management report cross-reference table

The cross-reference table below helps to identify, within this Universal Registration Document, the information to be included in the management report in accordance with Articles L. 225-100 *et seq.*, L. 232-1, L. 22-10-34 *et seq.*, II and R. 225-102 *et seq.* of the French Commercial Code, as well as the information that makes up the corporate governance report. A table cross referencing governance disclosures pursuant to Articles L. 22-10-8 and L 22-10-9 of the French Commercial Code can be found in chapter 6, on pages 250-251.

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9

Glossary

Glossary

Act for Good®

Act for Good® is Klépierre's CSR approach. Through the implementation of its Act for Good® policy, Klépierre reconciles the requirements of operational excellence with environmental, societal and social performance.

Act for Good® with Klépierre is based on three pillars:

- "Act for the Planet", which sums up the Group's ambition to make a positive contribution to the environment;
- "Act for Territories", which illustrates the importance of the Group's local involvement in the regions in which it operates;
- "Act for People," which is devoted to the well-being of Klépierre's visitors, employees and clients.

Each of the three pillars is broken down into specific quantified commitments, with a five-year timeframe (2022) supplemented by medium-term goals (2030).

More information on this strategy is available in chapter 3 "Sustainable development" of this Universal Registration Document.

Anchor tenant

A retailer whose broad appeal as a consumer magnet plays a leading role in attracting and driving footfall within a specific retail or commercial zone, or shopping center.

Box

A stand-alone retail space that is generally situated near or in the parking lot of a shopping mall or retail park, designed to enhance its appeal.

BREEAM (Building Research Establishment Environmental Assessment Method)

Method of environmental assessment for buildings that was developed by the Building Research Establishment (UK).

Capitalization rate (cap rate)

The average capitalization rate corresponds to the ratio of total expected net rents for occupied and vacant properties to the value, excluding transfer taxes, of these same properties. Transfer taxes are paid upon change in ownership when the asset or its owning company is sold (notary fees, deed and title, registration, etc.).

Catchment area

A habitual or theoretical area from which a point of sale or shopping center draws its potential customers. The scope of this area is influenced by the distance and time it takes to gain access.

Clubstore®

All the actions taken to enhance the customer journey and experience in the Group's shopping centers. Clubstore® is one of Klépierre's strategic pillars. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

Collection rate

The collection rate is calculated as the ratio of rents and charges collected to the amount of rents and charges billed to tenants.

Corporate governance

The system of rules, practices and processes through which the executive officers and Board of Directors or Supervisory Board direct and control a company in the interest of its shareholders and other stakeholders. Corporate governance also provides the framework within which corporate objectives are set, the resources needed to achieve them are defined, and performance assessment standards are agreed.

Destination Food®

Destination Food® is a comprehensive plan aimed at developing and enhancing the food and beverage offer in Klépierre's shopping centers. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

Development pipeline

Name given to all investments that the Group plans to undertake over a given period of time, concerning the creation, extension and/or renovation of portfolio assets or the acquisition of assets or companies.

The Klépierre development pipeline is generally broken down into two categories:

- Committed projects: projects that are in the process of completion or for which the Klépierre Executive Board has decided to commence work; and
- Controlled projects: projects that are in the process of advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative clearance and permits).

Environmental Management System (EMS)

A management tool that allows businesses to roll out processes that help mitigate adverse environmental impacts. These systems are designed to help organizations achieve lasting improvements and make continuous progress in environmental matters. The ISO 14001 family of standards, for example, sets out specifications and guidelines for the implementation of EMS, as well as defining the principles, procedures and criteria governing environmental audits.

European Public Real Estate Association (EPRA)

The European Public Real Estate Association is the voice of the publicly traded European real estate sector. With more than 270 members, EPRA's mission is to promote, develop and represent the European public real estate sector. It achieves this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices (financial and non-financial) and the cohesion and strengthening of the industry. Financial and non-financial best practice recommendations contribute to improving the transparency, comparability and relevance of reporting in the whole industry.

EPRA Cost Ratio

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

EPRA NDV (Net Disposal Value)

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

EPRA Net Initial Yield (NIY)

The EPRA NIY is calculated as the annualized rental income based on passing cash rents, less non-recoverable property operating expenses, divided by the gross market value of the property.

EPRA NRV (Net Reinvestment Value)

The EPRA Net Reinstatement Value (NRV) scenario aims to highlight the value of net assets on a long-term basis and to represent the value required to rebuild the entity assuming that no selling of assets takes place.

EPRA Net Tangible Assets (NTA)

The EPRA Net Tangible Assets value (NTA) reflects the Company's 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. By definition, EPRA NTA aims at valuing solely tangible assets and therefore, as regards Klépierre, does not incorporate the fair value of management services companies (unlike the former indicators EPRA NAV and NNNAV).

EPRA Vacancy Rate

EPRA Vacancy Rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces), excluding properties that are under development and strategic vacancies. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

Estimated rental value (ERV)

Estimated rental value is the value at which space would be let in market conditions prevailing at the valuation date assuming that the space would be re-let to a tenant operating in the same business sector.

Flagship

A large, iconic shop in a strategic location within Klépierre's shopping centers.

French commercial rent index (*Indice des loyers commerciaux* – ILC)

The ILC is published quarterly by the French National Institute of Statistics and Economic Studies (INSEE) and comprises the ICC (25%), ICAV (retail trade sales index, expressed in value, 25%), and IPC (consumer price index, 50%) indices. The ICAV index, published monthly by INSEE, is calculated using a sample of revenue reports filed by 31,000 businesses. The IPC index is published monthly in the French legal gazette and is commonly used to measure inflation. Further to the August 4, 2008 law on economic modernization and its application decree dated November 4, 2008, the ILC index can be used for retail rental price adjustments.

French cost of construction index (*Indice du coût de la construction* – ICC)

This is one of two benchmark indices used to adjust rents on retail properties. It is published quarterly by the French National Institute of Statistics and Economic Studies (INSEE), and is calculated using data from the quarterly survey on trends in the cost of new housing (PRLN). Using a representative sample of building permits, it provides information on market trends, construction characteristics and factors that can be used to derive the cost of land (price of land, demolitions, taxes, etc.). It is also currently the benchmark index used to adjust office rents.

French council of shopping centers (*Conseil national des centres commerciaux* – CNCC)

Trade organization bringing together a range of stakeholders in the promotion and development of shopping centers: developers, owners, managers, retailers, service providers and merchant organizations.

French REIT (*Société d'Investissement Immobilier Cotée* – SIIC)

Tax regime allowed under Article 208-C of the French General Tax Code that allows joint stock companies that are publicly listed and whose stated share capital exceeds €15 million, optionally, as part of their primary business activity of acquiring and/or constructing buildings for the purpose of leasing them and direct or indirect ownership of equity in corporations whose business purpose is identical, to qualify for corporate tax exemption on:

- Earnings from rental properties, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are generated;
- Capital gains from the sale of property, investments in partnerships with a purpose identical to that of a SIIC or shareholdings in subsidiaries that have elected for the SIIC regime, provided that

70% of these capital gains are distributed to shareholders before the end of the second fiscal year following the year in which they are generated; and

- Dividends received from subsidiaries having elected for SIIC status (or SIIC equivalent) where these dividends arise as a result of profits and/or capital gains that are exempt from corporate income tax under the SIIC regime, provided that they are distributed in full during the fiscal year following the year in which they are generated.

Klépierre elected for SIIC status in 2003. No shareholder, acting alone or in concert with others, may control more than 60% of the equity capital of a company that has opted for SIIC status. Failing to comply with this threshold would lead to the Company losing SIIC status.

Global Real Estate Sustainability Benchmark (GRESB)

Non-profit organization whose primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector. Created in 2009, it brings together the leading pension fund managers and key property sector bodies, including EPRA (European Public Real Estate Association) and ECCE (European Centre for Corporate Engagement – an international research association based at the University of Maastricht).

Global Reporting Initiative (GRI)

Originally established in 1997, this initiative seeks to develop directives that are applicable internationally in the area of sustainable development and report on the economic, environmental and social performances of companies. It proposes a range of benchmarks and indicators used to measure progress made in corporate sustainability programs.

Gross leasable area (GLA)

Total sales area of a shopping center (including the hypermarket, where applicable), plus storage area and excluding aisles and shared tenant space.

Gross rent

Contractual rent calculated as the minimum guaranteed rent plus any additional variable rent based on retailer sales.

Hypermarket

A large retail establishment that displays and sells a broad assortment of both food and non-food products over a sales space that exceeds 2,500 sq.m.

Interest coverage ratio (ICR)

This ratio measures the company's ability to cover the cost of its debt. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

ISO 14001

International environmental certification used for the implementation of Environmental Management Systems (EMS).

Klépierre University

The Group's corporate university, which aims to share know-how inside the Company and promote the emergence of a common culture.

Late payment

Late payment (rent, utilities and taxes, including VAT) corresponds to any payment that has not been received on the due date, recorded as of the first day it is observed as past due.

Let's Play®

Name given to the Group's marketing strategy aiming at making visiting its shopping centers an entertaining retail experience. More information is available in chapter 1 "Group overview" of this Universal Registration Document.

Like-for-like/reported portfolio basis

The Group analyzes changes in certain indicators either based on all holdings actually owned during the comparative periods (reported portfolio), or by separating out the impact of any acquisitions, extensions or disposals during the period under review, in order to obtain a stable underlying comparison basis with the prior period (like-for-like portfolio).

Liquidity position

Liquidity position is the total financial resources available to a company. This indicator is therefore equal to the sum of the cash at hand at the end of the year, confirmed and unused revolving credit facilities (net of commercial paper) and uncommitted credit facilities.

Loan-to-Value ratio (LTV)

Calculated by dividing consolidated net debt by the total value of the Group's property portfolio as determined by independent appraisers (total share, including transfer taxes).

Mid-size unit

A retail outlet whose sales area covers more than 750 sq.m.

Minimum guaranteed rent (MGR)

The minimum guaranteed rent payable under the terms of the lease. Also known as base rent.

Net Asset Value (NAV)

NAV is an indicator that measures the break-up value of a real estate company. It essentially represents the difference between the value of the Company's assets (as estimated by independent appraisers) and the total sum of its liabilities. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

Net current cash flow

This indicator corresponds to cash flow generated by the recurring operations and business of the Company, after interest and tax. See chapter 2 "Business of the year" of this Universal Registration Document for more information on the methodology used to calculate this indicator.

Net rent

Gross rent less fees, non-recovered rental charges (in particular due to vacancies), expenses chargeable to the owner and, where applicable, expenses related to the land on which the rental unit is situated.

Non-financial rating agencies

Agencies that rate businesses on their performances in the three key sustainability areas: quality of environment, governance and social performance. They provide investors with guidelines for assessing businesses from a non-financial perspective.

Occupancy cost ratio

The occupancy cost ratio represents the ratio of rent and tenant charges (excluding taxes) to revenues (excluding taxes).

Rentable floor area

Gross leasable area owned by Klépierre and in respect of which Klépierre collects rents.

Reversion

Additional minimum guaranteed rent (MGR) obtained as a result of re-letting or when a lease is renewed with the same tenant (excluding additional MGR obtained when a property is leased for the first time). Therefore, the rate is calculated by comparing the resulting additional rent obtained (excluding inflation) with the former minimum guaranteed rent (MGR). Reversion is negative if the new rent is lower than the previous one.

Right-sizing

A Klépierre initiative consisting of ensuring that retailers are able to offer the right format for the right location. In many cases, this implies expanding or reducing the size of stores, and/or relocating them to more appropriate sites within a given shopping center.

Sale and purchase promissory agreement

A contractual instrument signed between seller and buyer, under which both parties undertake to proceed with the sale of an asset at an agreed price and before a specified date.

Senior workers

Pursuant to applicable law in France, any employee who is aged 55 or over is considered to be a senior worker with respect to career management. For new hires, the threshold is set at 50. The Group entered into an agreement pertaining to the employment of senior workers in October 2009.

Shopping center

A group of at least 20 stores and services that form a gross leasable area (GLA) of at least 5,000 sq.m., designed, built and managed as a single entity.

Specialty leasing

Package of services offering a wide range of communication media to retail chains in order to promote their products (in- and out-of-store poster campaigns for shopping centers, plasma screens, event organization, temporary lets for promotional purposes, etc.). Klépierre Brand Ventures is the Group's entity dedicated to this activity.

Stakeholders

Any individual or group that may affect or be affected by the accomplishment of the objectives of the organization. Stakeholders may be part of the Group (employees) or be external parties (clients, suppliers, shareholders, lenders, etc.).

Universal Registration Document (URD)

In accordance with the entry into force of the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation 3" or "PD 3"), the new Universal Registration Document (also known as the URD) has replaced the Registration Document as of July 20, 2019. The document presents the Company's organization, business, financial position, earnings and prospects. In addition to the information already presented in the Registration Document, more information is provided and/or presented differently on: strategy, non-financial information and risk factors.

Yield

Unlike the cap rate, the yield is based on property values excluding transfer taxes, and is used by independent appraisers to estimate the value of the Group's property portfolio. It is determined using analyses of comparable recent transactions and criteria specific to the type of asset under consideration (location, sales area, rental reversion potential, possibility of extensions, percentage of ownership, etc.).

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