2024

INTERIM FINANCIAL REPORT

KLEPIERRE

CONTENTS

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1 MANAGEMENT REPORT

1.1 FIRST-HALF 2024 HIGHLIGHTS

Klépierre, the premier shopping malls specialist with an exclusive focus on continental Europe delivered a strong set of results in the first half of 2024.

Operating momentum continues

Klépierre's proactive asset management and development initiatives designed to constantly adapt the offering have been driving significant leasing tension for assets identified as key destinations for expanding banners. This translated into growth of 11% in the volume of leases signed (896) and a 3.0% rental uplift on renewals and relettings, while the occupancy rate was up 50 basis points compared to June 30, 2023, at 96.2%. The occupancy cost ratio decreased to 12.6% (down 20 basis points over 12 months), showcasing the affordable level of rents amid a 3.9%(1) year-on-year increase in retailer sales and 2% growth in footfall.

Against this backdrop, net rental income amounted to €520.1 million, up 4.9% year on year, or 6.0% on a like-for-like basis(2), representing a spread of 320 basis points over indexation driven by higher collection and occupancy rates and an 8% like-for-like increase in additional revenues (turnover rents, car park revenues and mall income).

Growing earnings and property values

Fueled by strong net rental income growth, strict control over payroll and G&A expenses and higher management fees, EBITDA(3) grew by 5.4% year on year. At the same time, net current cash flow increased by 3.3% year on year to €1.25 per share.

Portfolio valuationss upturned, increasing 2% on a like-for-like basis over six months(4), to €19,874 million (total share)(5). The EPRA NIY(6) for the portfolio remained stable at 5.9%. EPRA NTA per share amounted to €31.4 as of June 30, 2024, up 4.3% over six months.

Strong balance sheet capacities enabled to invest into high-return opportunities

Klépierre continues to operate sector-leading credit metrics. The net debt to EBITDA reached a historically low level of 7.3x, the Loan-to-Value ratio was down 40 basis points compared to end-2023 at 37.6% and the interest coverage ratio stood at 8.2x. Eventually, the average debt maturity was 6.2 years and the cost of debt 1.6% Taken together, this has created significant balance sheet capacity to act as a net investor in accretive opportunities.

Since January 1, the Group closed the acquisitions of O'Parinor and RomaEst, two super-regional shopping malls for a total amount of €238 million. Pursuing its active capital rotation approach, the Group disposed non-core assets for a total amount of €106 million (€65 million closed and €41 million(7) under promissory agreements), above appraised values (+16.4%) for a blended EPRA Net Initial Yield of 5.5%.

In parallel, Klépierre continued to invest in its assets and delivered the Maremagnum extension (Barcelona, Spain) in July, while the extension work of Odysseum (Montpellier, France) is ongoing. Yield on costs of these projects reach 13.5% and 9%, respectively.

Capitalizing on its investment grade credit ratings – BBB+ with positive outlook at S&P (upgraded on May 27, 2024) and A- with stable outlook at Fitch (confirmed on May 24, 2024) – the Group raised €775 million in long-term financing (including a €600-million bond with a maturity of 9.6 years and a coupon of 3.875%, a 130-basis-point spread over the reference rate). Since January 1, the Group has renewed €625 million of existing revolving credit facilities on a five-year basis (including €125 million in July 2024).

As of June 30, 2024, consolidated net debt stood at €7,479 million.

Outlook revised upwards

Based on the first-half performance and taking into account the positive contribution of acquisitions closed year-to-date, Klépierre is revising its full-year guidance upwards and now expects to generate a 5% increase in EBITDA and net current cash flow to reach €2.50-€2.55 per share in 2024.

(1) Excluding the impact of asset sales and acquisitions and excluding Turkey.
(2) Like-for-like data exclude the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, and disposals completed since January 2023.
(3) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.
(4) Change is on a constant currency basis.
(5) As of June 30, 2024, the appraisers assumed on average a discount rate of 7.9% and exit rate of 6.1%, while the compound annual growth rate stood at 2.8% over the next 10 years.
(6) EPRA Net Initial Yield is calculated as 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).
(7) Total asset value excluding transfer taxes and including the portion attributable to joint owners.

1.2 PORTFOLIO VALUATION

For the first time in close to five years, asset values have increased by 2.0% on a like-for-like basis over six months on the back of solid cash flow growth. As a consequence, EPRA NTA per share was up 4.3% compared to December 31, 2023 at €31.40 (see section 1.8.2 "EPRA Net Asset Value metrics").

1.2.1 Valuation summary

1.2.1.1 Change in appraisers' assumptions

The 2.0% like-for-like increase in property valuations over the last six months was the combination of:

- A 2.5% positive cash flow effect as a consequence of higher estimated rental values (ERV) projected by appraisers. Thus, the NRI CAGR over the next 10 years as estimated remained unchanged at 2.8%; and
- A slightly negative market effect (–0.5%) due to a 10-basis-point increase in discount rates while exit rates were kept stable by appraisers, at an average of 6.1%.

ASSUMPTIONS USED BY APPRAISERS FOR DETERMINING THE PORTFOLIO VALUATION AS OF JUNE 30, 2024[(a)]

Geography	Discount rate[(b)]	Exit rate[(c)]	NRI CAGR[(d)]
France	7.3%	5.8%	2.9%
Italy	8.2%	6.6%	2.1%
Scandinavia	7.7%	5.6%	2.7%
Iberia	8.1%	6.5%	3.0%
Netherlands/Germany/Central Europe	9.1%	6.4%	4.3%
TOTAL	**7.9%**	**6.1%**	**2.8%**

(a) Discount and exit rates weighted by shopping center appraised value (including transfer taxes, on a 100% share basis).
(b) Rate used to calculate the net present value of future cash flows generated by the asset.
(c) Rate used to capitalize net rental income at the end of the discounted cash flow period and calculate the terminal value of the asset.
(d) Compound annual growth rate (CAGR) of net rental income as estimated by the appraiser over a ten-year period.

As of June 30, 2024, the average EPRA NIY[(1)] for the portfolio[(2)] stood at 5.9%, stable over six months.

EPRA NET INITIAL YIELD OF THE PORTFOLIO *(on a Group share basis, including transfer taxes)*

Country	06/30/2023	12/31/2023	06/30/2024
France	5.2%	5.3%	5.4%
Italy	6.4%	6.5%	6.3%
Scandinavia	4.9%	5.1%	5.1%
Iberia	5.8%	5.8%	5.8%
Netherlands/Germany/Central Europe	6.4%	6.5%	6.6%
AVERAGE	**5.7%**	**5.9%**	**5.9%**

1.2.1.2 Property portfolio valuation

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

In millions of euros	
Portfolio at 12/31/2023	**19,331**
Disposals	(69)
Acquisitions/developments	272
Like-for-like change	384
Forex	(44)
PORTFOLIO AT 06/30/2024	**19,874**

(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 total portfolio appraised.

Including transfer taxes, the value of the portfolio stood at €19,874 million on a total share basis as of June 30, 2024, up 2.8% or €543 million compared to December 31, 2023. This increase reflects:

- A €384 million like-for-like increase (up 2.0%) coupled with a €272 million positive impact from acquisitions and developments; more than offsetting;
- A €69 million impact from disposals; and
- A €44 million negative foreign exchange impact.

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	**06/30/2024**	**% of total portfolio**	**12/31/2023**	**Reported**	**LfL**[b]	**06/30/2023**	**Reported**	**LfL**[b]
France	7,718	38.8%	7,631	+1.1%	+0.7%	7,835	−1.5%	−1.3%
Italy	4,584	23.1%	4,241	+8.1%	+3.0%	4,156	+10.3%	+5.7%
Scandinavia	2,400	12.1%	2,474	−3.0%	−0.1%	2,448	−1.9%	−2.7%
Iberia	2,327	11.7%	2,231	+4.3%	+4.0%	2,233	+4.2%	+4.9%
Netherlands/Germany/Central Europe	2,845	14.3%	2,753	+3.3%	+4.2%	2,748	+3.6%	+5.2%
TOTAL PORTFOLIO	**19,874**	**100.0%**	**19,331**	**+2.8%**	**+2.0%**	**19,420**	**+2.3%**	**+1.7%**

(a) *For properties owned through equity-accounted companies, only the fair value of the equity owned by the Group in such companies (€1,344 million) is included in the above chart, taking into account receivables and facilities granted by the Group. The gross property valuation of these assets stood at €1,391 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.*

1.2.1.3 Other information related to June 30, 2024 valuation

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

In millions of euros	
Total portfolio	**19,874**
Right-of-use asset relating to ground leases[a]	282
Investment property at cost	(120)
Fair value of property held for sale	(0)
Leasehold and lease incentives	(31)
Transfer taxes	(934)
Klépierre's equity interest in assets accounted for under the equity method (incl. receivables)	(1,254)
INVESTMENT PROPERTY AT FAIR VALUE AS PER STATEMENT OF FINANCIAL POSITION	**17,818**

(a) *The lease liability on right-of-use as defined by IFRS 16 is not included in the portfolio valuation by external appraisers.*

1.2.2 Valuation methodology

1.2.2.1 Scope of the portfolio as appraised by independent appraisers

As of June 30, 2024, 98% of Klépierre's property portfolio, or €19,540 million (including transfer taxes, on a total share basis) was estimated by independent appraisers in accordance with the methodology described below. The remainder of the portfolio is carried at cost.

BREAKDOWN OF THE PROPERTY PORTFOLIO BY TYPE OF VALUATION *(on a total share basis)*

	Value *(in millions of euros)*
Externally-appraised assets	**19,540**
Acquisitions	215
Investment property at cost	120
TOTAL PORTFOLIO	**19,874**

1.2.2.2 Methodology used by independent appraisers

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

As at June 30, 2024, the appraisers were Jones Lang LaSalle, Cushman & Wakefield, CBRE and BNP Paribas Real Estate; who respectively valued 37%, 35%, 26% and 2% of the portfolio.

BREAKDOWN BY APPRAISER OF THE APPRAISED PROPERTY PORTFOLIO AS JUNE 30, 2024

Appraiser	Countries covered	Share of total portfolio *(in %)*
Jones Lang LaSalle	• France, Italy, Spain, Portugal, Turkey and Greece	37%
Cushman & Wakefield	• France, Norway, Sweden, Denmark, Belgium and Poland	35%
CBRE	• France, Italy, Netherlands and Czech Republic	26%
BNP Paribas Real Estate	• Germany and France (other retail properties)	2%
TOTAL		**100%**

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

To calculate the value of each asset, appraisers use the discounted cash flow (DCF) method over a ten-year period. Klépierre provides the appraisers 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 based on their own leasing assumptions (estimated rental values, vacancy, incentives, etc.). They also make their own estimates of future capital expenditure and non-recoverable operating expenses, including management costs. The terminal value is calculated based on net rental income for the tenth year (plus one year of indexation), capitalized by an exit yield. Lastly, appraisers apply a discount rate to the future cash flows, combining the country risk-free rate, the liquidity premium related to the local investment market and an asset-specific risk premium reflecting the location, quality, size and technical specificities of the asset considered.

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

1.3 TRADING UPDATE

1.3.1 Operating performance

The asset management and development initiatives designed to constantly adapt the offering, have been supported by solid leasing demand for Group properties and resulted in a positive impact on footfall at Klépierre's venues. Additionally, the polarization of the retail market illustrated by the repositioning of the most iconic banners in the most affluent destinations offering the highest consumption potential has been a major catalyst for the increase in retailer sales in our malls.

Consequently, leasing momentum remained robust, with growth of 11% in the volume of leases signed (896) and a 3.0% rental uplift on renewals and relettings. At the same time, the financial occupancy rate was up 50 basis points compared to June 30, 2023, at 96.2%. The occupancy cost ratio for tenants decreased slightly to 12.6% from 12.8% as of June 30, 2023.

1.3.2 Retailer sales and footfall

The leasing and asset management initiatives to broaden the retail offering and meet consumer expectations that make Klépierre malls desirable destinations for shoppers, directly fueled a 3.9% increase in retailer sales in the first-half of 2024 while footfall continued to grow, being up 2.0% year on year.

By geographic area, all countries contributed to the growth performance in tenant sales. Netherlands/Germany/Central Europe (up 5.5%) led the way, while France (up 4.6%) also outperformed the Group average. Iberia and Italy also enjoyed a solid momentum, with retailer sales up 3.4% and 3.2%, respectively.

Segment-wise, all categories were positively oriented or stable, with the upward trajectory driven by double-digit growth in the health & beauty segment (up 12.2%), while food & beverage grew by 5.1%. Movie theaters, fitness centers and other categories also enjoyed strong growth (up 4.8%), and fashion was up 2.1%.

RETAILER SALES BY GEOGRAPHY COMPARED TO THE FIRST HALF OF 2023

Geography	Change[(a)]	Share *(in total reported retailer sales)*
France	+4.6%	41%
Italy	+3.2%	23%
Scandinavia	+1.3%	12%
Iberia	+3.4%	12%
Netherlands/Germany/Central Europe	+5.5%	13%
TOTAL	**+3.9%**	**100%**

(a) Excluding the impact of asset sales and acquisitions and excluding Turkey.

RETAILER SALES BY SEGMENT COMPARED TO THE FIRST HALF OF 2023

Segment	Change[(a)]	Share *(in total reported retailer sales)*
Fashion	+2.1%	37%
Culture, sports & leisure	+2.0%	19%
Health & beauty	+12.2%	16%
Food & beverage	+5.1%	12%
Household equipment	–0.1%	9%
Other	+4.8%	7%
TOTAL	**+3.9%**	**100%**

(a) Excluding the impact of assets sales and acquisitions and excluding Turkey.

1.3.3 Net rental income

In a year of lower indexation, Klépierre has delivered a remarkable 320 basis points net rental income outperformance on top of indexation, resulting in a 6.0% like-for-like increase over the first half of 2024. This strong achievement, evidencing the Group's ability to grow rents significantly above indexation lies on multiple performance drivers:

- Continued operating excellence enabling a substantial improvement in the collection rate (up 120 basis points year on year), a 50-basis-point increase in occupancy and positive rental uplift (positive impact of 4.4% in 2023, and 3.0% in first-half 2024) coupled with a further improvement in operating margin; and
- The activation of incremental sources of revenues (additional revenues on top of minimum guaranteed rents) – including turnover rents, car park revenues and mall income – that grew by 8% on a like-for-like basis, benefiting from an upscaled approach to media and advertising, and benefiting from the upward trend in retailer sales and footfall.

Over the first half of 2024, net rental income amounted to €520.1 million, up 4.9% year on year (on a reported basis).

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

In millions of euros	06/30/2024[(a)]	Like-for-like change
France	185.5	+4.4%
Italy	122.1	+9.0%
Netherlands/Germany/Central Europe	87.1	+10.4%
Iberia	67.3	+4.8%
Scandinavia	58.1	+0.3%
TOTAL	**520.1**	**+6.0%**

(a) Net rental income as per net current cash flow table (see 1.4.1 "Net current cash flow"). IFRS figures are adjusted for the annualization of property tax (IFRIC 21) and for the depreciation charge for right-of-use assets (IFRS 16).

1.4 NET CURRENT CASH FLOW

1.4.1 Net current cash flow

As common practice in the real estate industry, Klépierre sees net current cash flow as a relevant alternative performance measure. It is obtained by deducting from aggregates of the IFRS income statement certain non-cash and/or non-recurring effects.

In the first half of 2023 and 2024, these adjustments mainly concerned the depreciation charge for right-of-use assets, share-based compensation payments, an exceptional profit accounted in general expenses, non-current operating expenses/income and the annualization of property tax under IFRIC 21.

In the first half 2023 release, the adjustments were presented below EBITDA ("Adjustments to calculate net current cash flow").

As of June 30, 2024, these adjustments are reallocated to each relevant line item (H1 2024 format), with no impact on net current cash flow.

NET CURRENT CASH FLOW

Total share *In millions of euros*	**06/30/2023 (as published)**	**06/30/2023 (H1 2024 format)**	**06/30/2024**
Gross rental income	566.5	569.7	597.4
Rental and building expenses	(82.4)	(73.7)	(77.3)
Net rental income	**484.1**	**495.9**	**520.1**
Management, administrative, related income and other income	36.3	36.3	36.8
Payroll expenses and other general expenses	(68.5)	(79.5)	(79.6)
EBITDA[(a)]	**451.9**	**452.7**	**477.3**
Cost of net debt	(59.4)	(59.4)	(77.8)
Cash flow before share in equity investees and taxes	**392.5**	**393.3**	**399.5**
Share in equity investees	27.5	27,5	30.2
Current tax expenses	(23.7)	(23.7)	(19.0)
Adjustments to calculate net current cash flow	(2.3)	-	-
Adjustment from the non-cash impact of Covid-19 rent concessions amortization	3.2	-	-
Net current cash flow *(total share)*	**397.3**	**397.3**	**410.6**
Group share *(in millions of euros)*			
Net current cash flow *(Group share)*	**348.3**	**348.3**	**359.7**
Average number of shares[(b)]	*286,363,431*	*286,363,431*	*286,757,193*
Per share *(in euro)*			
NET CURRENT CASH FLOW	**1.21**	**1.21**	**1.25**

(a) EBITDA stands for "earnings before interest, taxes, depreciation and amortization" and is a measure of the Group's operating performance.
(b) Excluding treasury shares.

- EBITDA amounted to €477.3 million, up 5.4% year on year, outpacing growth in net rental income (up 4.9% on a reported basis) thanks to a tight control of payroll and general and administrative expense (stable year on year) and a slight increase in management and other income;
- The cost of net debt was up to €77.8 million due to the slight increase in gross debt, higher interest rates and higher spreads. Overall, the average cost of debt remained low at 1.6% (see section 1.5.3.2 "Cost of debt");
- The share in equity investees increased by 9.8% year on year, mainly driven by net rental income growth; and
- Current tax expenses amounted to €19.0 million, down €4.7 million year on year.

The combined effect of these elements translated into 3.3% growth in net current cash flow per share to €1.25 in first-half 2024.

1.5 FINANCING POLICY

Klépierre operates with sector leading credit metrics in continental Europe and high investment grade ratings from S&P and Fitch. These key advantages provide the Group with a full access to liquidity at competitive prices and the flexibility to invest in profitable external growth opportunities at appropriate points in the cycle.

1.5.1 Financial resources

1.5.1.1 Main funding operations and available resources

Over the first six months of 2024, Klépierre raised €775 million in long-term financing comprising:

- A new €600 million bond with a maturity of 9.6 years and a coupon of 3.875%, i.e., a 130-basis-point spread over the reference rate. This operation will notably cover the refinancing of the €557 million bond maturing in November 2024; and
- €175 million of indebtedness to refinance the same amount of existing bank loans.

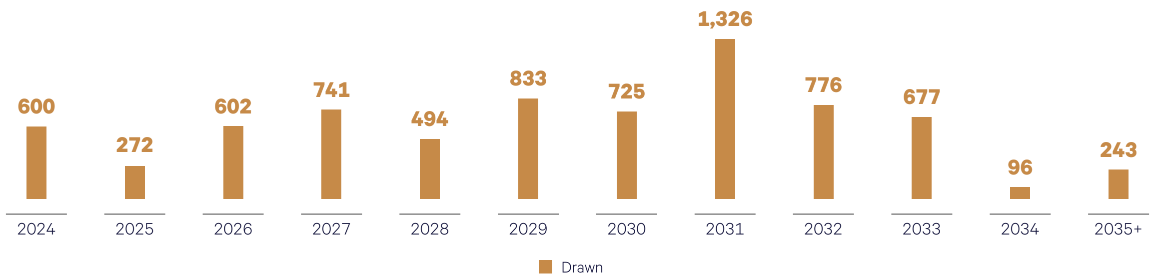
Klépierre also strengthened its liquidity position through the renewal of €500 million of existing revolving credit facilities on a five-year basis. On top of this operation, the Group signed €125 million of new lines in July 2024.

As of June 30, 2024, the liquidity position(1) stood at €3.4 billion, mainly comprising €2.1 billion in unused committed revolving credit facilities (net of commercial paper), €331 million in other credit facilities and €960 million in cash and equivalents.

1.5.1.2 Debt structure

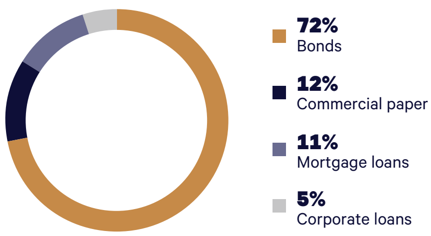
Klépierre has no significant refinancing needs within the next 18 months (€255 million bond maturing in October 2025). Overall, the Group is operating with a well spread debt maturity schedule and an average debt maturity of 6.2 years.

LONG-TERM DEBT MATURITY SCHEDULE AS OF JUNE 30, 2024 *(in millions of euros)*

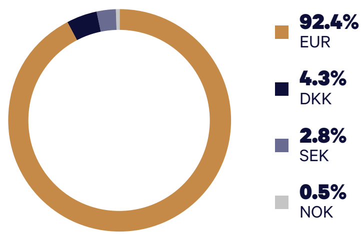


The vast majority of Klépierre's financings are sourced from capital markets, representing 84% of total debt as of June 30, 2024 (with bonds representing 72%). The total outstanding amount of commercial paper issued in euros (€1,050 million, 12% of total debt) is covered by committed back-up facilities with a 4.6-year weighted average maturity. Secured debt accounted for 11% of total debt, the bulk of which concerned borrowings raised in Scandinavia. Lastly, corporate loans make up 5% of total debt.

FINANCING BREAKDOWN BY TYPE OF RESOURCE AS OF JUNE 30, 2024
(outstanding debt, total share)



FINANCING BREAKDOWN BY CURRENCY AS OF JUNE 30, 2024
(outstanding debt, total share)



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

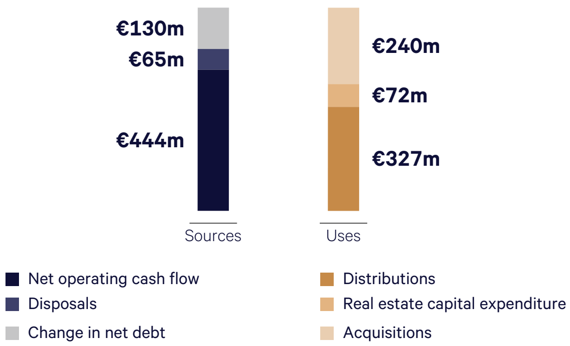
1.5.2 Change in net debt

In the first half of 2024, the Group generated €444 million in net operating cash flow[(1)] and sold non-core assets for net proceeds of €65 million. These sources of €509 million were allocated to:

- Distributions to shareholders (the first installment of the annual dividend was paid on March 30 for €257 million) and to minority shareholders in joint ventures[(2)] (€70 million);
- Capital expenditure for €72 million[(3)] (mainly development and maintenance capex); and
- O'Parinor and RomaEst acquisitions and other investment properties for €240 million.

In this context, consolidated net debt increased slightly by €130 million to €7,479 million as of June 30, 2024.

SOURCES AND USES OF FUNDS OVER THE FIRST HALF OF 2024



1.5.3 Debt and credit metrics

1.5.3.1 Loan-to-Value and net debt to EBITDA ratios

Portfolio valuation growth fueled a further improvement in the Loan-to-Value (LTV) ratio at 37.6%, down 40 basis points compared to December 31, 2023.

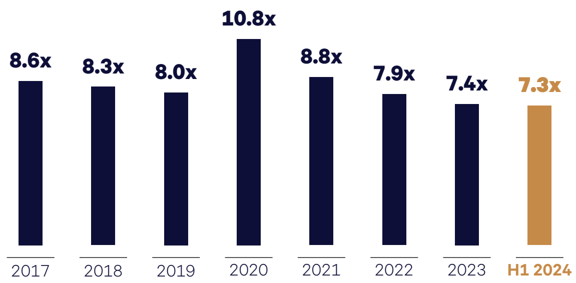
LOAN-TO-VALUE CALCULATION AS OF JUNE 30, 2024 *(as per covenant definitions, on a total share basis)*

In millions of euros	06/30/2023	12/31/2023	06/30/2024
Gross financial liabilities excluding fair value hedge	**7,805**	**7,748**	**8,501**
Cash and cash equivalents[(a)]	(402)	(399)	(1,022)
Net debt	**7,403**	**7,349**	**7,479**
Property portfolio value (incl. transfer taxes)	19,420	19,331	19,874
LOAN-TO-VALUE RATIO	**38.1%**	**38.0%**	**37.6%**

(a) Including cash managed for principals.

Similarly, on the back of the strong operating performance, the net debt to EBITDA ratio reached a historic low of 7.3x, down from 7.4x as of December 31, 2023.

NET DEBT TO EBITDA[(a)]



(a) EBITDA used in interest coverage ratio calculation, as per the banking covenant definition (see section 1.5.4 "Covenants").

(1) Defined as the sum of the following consolidated statements of cash flows items: net cash flow from operating activities, cash received from joint ventures and associates, interest paid, interest paid on lease liabilities, net repayment of lease liabilities and other items (negative €6 million, mainly forex translation effect, transaction fees amortization, treasury share movements and acquisitions of other fixed assets).
(2) Defined as the sum of the following consolidated statements of cash flows items: dividends paid to non-controlling interests, change in capital of subsidiaries with non-controlling interests, loans and advances repayments.
(3) Defined as payments in respect of construction work in progress in the consolidated statements of cash flows.

1.5.3.2 Cost of debt

The average cost of debt stood at 1.6%.

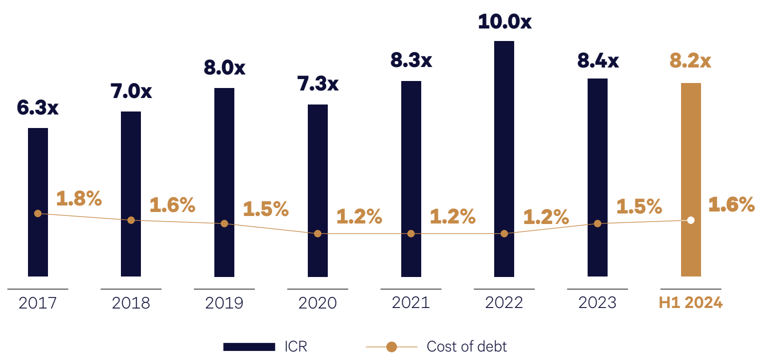
BREAKDOWN OF COST OF DEBT

In millions of euros	06/30/2023	06/30/2024
Cost of net debt (as per IFRS consolidated statement of comprehensive income)	**61.6**	**76.6**
Non-recurring items	(0.7)	(0.6)
Non-cash impact	(2.1)	(4.4)
Interest on advances to associates	2.0	1.7
Liquidity cost	(3.9)	(4.1)
Interest expense on lease liabilities[a]	(4.1)	(4.8)
Other	(0.1)	(0.0)
Cost of debt (used for cost of debt calculations)	**52.7**	**64.4**
Average gross debt	**7,638.4**	**8,121.1**
COST OF DEBT *(in %)*	**1.4%**	**1.6%**

(a) As per IFRS 16.

Meanwhile, the interest coverage ratio (ICR) remained at a high level of 8.2x over the period, largely supported by the strong operating performance. Going forward, Klépierre's cost of debt is expected to increase gradually.

INTEREST COVERAGE RATIO AND COST OF DEBT[a]



(a) The interest coverage ratio (as per the banking covenant definition) represents the ratio of EBITDA (as presented in section 1.4) adjusted for certain non-cash and non-recurring items, the share in earnings of equity-accounted companies and the change in value of investment properties of equity-accounted companies (€524.6 million), to net interest expenses (€64.0 million) calculated as cost of net debt less net deferral of upfront payments on swaps plus amortization of the fair value of debt less other non-recurring financial expenses.

1.5.4 Covenants

At June 30, 2024, Klépierre met all of its financing covenants with significant headroom.

COVENANTS APPLICABLE TO KLÉPIERRE SA FINANCING

Financing	Ratios/covenants	Limit[a]	06/30/2023	12/31/2023	06/30/2024
Syndicated and bilateral loans	Net debt/Portfolio value ("Loan to Value")	≤ 60%	38.1%	38.0%	37.6%
	EBITDA/Net interest expense[b]	≥ 2.0x	8.8x	8.4x	8.2x
	Secured debt/Portfolio value[c]	≤ 20%	0.5%	2.1%	2.0%
	Portfolio value[d]	≥ €10bn	€16.8bn	€16.7bn	€17.2bn
Bond issues	Secured debt/Revalued Net Asset Value[c]	≤ 50%	0.6%	3.7%	3.5%

(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 and including equity accounted investees.

1.5.5 Credit ratings

Standard & Poor's currently assigns Klépierre a long-term BBB+ rating (A2 short-term rating) with a positive outlook (upgraded on May 27, 2024). Since May 2023, Fitch has assigned an A- rating with a stable outlook (confirmed on May 24, 2024) to Klépierre's senior unsecured debt (F1 short-term rating).

1.5.6 Green Financing Framework

In order to further align its financing policy with its long-term CSR objectives (Act4Good® plan), the Group has published a Green Financing Framework aligned with the four pillars of the Green Bond Principles published by the International Capital Market Association (ICMA).

This framework will serve as the foundation for issuing green bonds mostly to finance or refinance the acquisition, ownership and renovation of a portfolio of eligible green assets meeting one or several of the following criteria:

- Alignment with Taxonomy requirements;
- A minimum BREEAM certification of "Excellent"; and
- CRREM Energy intensity targets.

Currently, 88% of the portfolio, representing a market value of approximately €17.6 billion, already meets the stringent criteria for eligible green assets.

The framework has been reviewed and certified by ISS, an independent third party, which validated its alignment with the Green Bond Principles and assessed the consistency of the Group's Green financing strategy.

The Group's Green Financing Framework is available on the Company's website under the Financing section.

1.6 CAPITAL ROTATION

Klépierre pursues a disciplined capital rotation strategy combining moderate leverage, cash proceeds from disposals, and investment in accretive targeted acquisitions and extensions to continuously optimize its portfolio.

In concrete terms, following a sustained disposal drive (more than €1.8 billion since 2020), the Group has drastically reduced the number of assets in its portfolio, which is now highly concentrated with the largest 70 malls equating to 93% of the portfolio value. This approach has enabled the Group to create significant balance sheet capacity to seize external growth opportunities at attractive points in the cycle. Going forward, Klépierre will opportunistically invest in destination malls set to gain market share in their catchment areas and become preferred locations for leading international and national banners.

1.6.1 Acquisitions and disposals

1.6.1.1 Acquisitions

Over the first half of 2024, Klépierre dedicated €238 million to the acquisitions of two leading malls:

- RomaEst: on May 24, 2024, Klépierre finalized the full acquisition of the sixth most visited center (10 million yearly footfall) in Italy for a total gross leasable area of 97,000 sq.m. Thanks to clearly identified asset management initiatives to boost the net rental income by enriching the retail mix, increasing occupancy and leveraging mall income potential, this deal will be highly accretive and is expected to generate a double-digit yearly cash return as from year two. This operation will further reinforce Klépierre's exceptional platform of leading shopping centers in Italy where it already owns and manages the largest number of premium destination malls; and
- O'Parinor: on February 27, 2024, Klépierre also acquired a 25% equity share of a 100,000 sq.m. super-regional shopping mall in the Paris region. This investment, coupled with the associated asset, property and leasing management contracts, is expected to generate a double digit levered annual cash return from year one. This investment is accounted for using the equity method.

1.6.1.2 Disposals

Since January 1, 2024, Klépierre also completed disposals of non-core assets for a total amount of €65 million. This amount includes the sale of retail properties across Europe, mainly in France, Sweden and Germany.

Taking into account €41 million of sales under promissory agreements, total Group disposals amounted to €106 million (total asset value excluding transfer taxes, and including the portion attributable to joint owners).

Overall, assets were sold or signed above appraised values (+16.4%) for a blended EPRA Net Initial Yield of 5.5%.

With a longer-term view, the Group also has optionality to unlock value and has notably identified land banks around its shopping malls that are not suitable for retail real-estate development. In this context, Klépierre is actively leading rezoning processes to allow the development of programs such as offices, residential property and hotels, with the remaining space allocated to logistics and other uses.

Once the necessary authorizations are obtained, these non-core assets could be divested. To date, six projects have been identified, for a total amount exceeding €200 million, which could be divested within a five-year timeframe.

1.6.2 Development

Retail developments are a key driver of long term value creation for Klépierre, which regularly transforms its existing assets to strengthen their leadership in their respective catchment areas.

Accordingly, the Group focuses on extensions, renovations and restructuring operations on assets cristallizing a high leasing tension while maintaining a controlled level of risk.

In that context, Klépierre progressively rolls out its development projects and usually completes one project per year. Before launching any new project, the Group ensures that the expected yield on cost reaches at least a threshold of 8%, guaranteeing high returns taking into account current funding costs.

Recent developments include:

- The 16,700 sq.m. extension of Gran Reno (Bologna, Italy) for a total investment of €142 million and a yield on cost of 8%;
- The 16,200 sq.m. extension of Grand Place (Grenoble, France) for a total investment of €65 million and a yield on cost of 8%; and
- The 5,200 sq.m. extension of Maremagnum (Barcelona, Spain), opened in early July 2024 to welcome some of the most dynamic international retail banners such as JD sports, Bershka, Kiko Milano, Pull&Bear or Stradivarius along with TimeOut market (€15 million, yield on cost: 13.5%). The concept offers breathtaking views over the Mediterranean Sea, featuring 15 different cuisines and four bars, with a wide variety of food as well as two Michelin-starred chefs.

1.6.2.1 Development pipeline

Klépierre's development pipeline breaks down into two categories:

- Committed projects: projects that are in the process of completion or have been fully approved by the relevant Klépierre governance body; and
- Controlled projects: retail projects that are under advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative clearance and permits).

DEVELOPMENT PIPELINE AS OF JUNE 30, 2024 *(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 millions of euros)*	Cost to date *(in millions of euros)*	Net to spend *(in millions of euros)*	Targeted yield on cost[(b)]
Odysseum	France	Montpellier	Ext.-redev.	18,537	2025-2027	100.0%	56	16	40	
Other projects			Ext.-redev.	12,341	2025-2026		37	15	22	
Total retail committed projects				**30,878**			**94**	**31**	**63**	**9%**
France			Extension	33,279			126	3	123	
Italy			Extension	46,566			265	11	254	
Iberia			Extension	49,440			170	4	166	
Netherlands/Germany/ Central Europe			Extension	12,600			69	2	67	
Total retail controlled projects				**141,885**	**2026-2030**		**630**	**20**	**611**	
TOTAL				**172,763**			**724**	**51**	**673**	

(a) Estimated cost as of June 30, 2024 including fitting-out costs and excluding step-up rents, internal development fees and financial costs.
(b) Targeted yield on cost as of June 30, 2024, based on targeted NRI with full occupancy and excluding any lease incentives, divided by the estimated cost price as defined above.

As of June 30, 2024, on a total share basis, the total pipeline represented €724 million. Committed retail projects remained limited, representing €63 million to cash out by delivery date.

1.6.2.2 Main projects

In early 2024, Klépierre engaged a new development project with the extension of Odysseum, the unrivaled mall in Montpellier (France), welcoming more than 12 million visitors per year. This project will mainly consist in the restructuring of a 10,300 sq.m. unit to host a Primark megastore as well as the construction of an 8,200 sq.m. extension to welcome new retail and food & beverage concepts. Delivery is planned for 2025 and yield on cost for this project is 9.0%.

In the medium term, Klépierre has built a pipeline of retail opportunities (retail controlled projects) amounting to €630 million in potential investments. As such, the Group will progress in delivering extensions in its main territories, especially in Italy (41% of investments), Iberia (27% of investments) and France (20% of investments). These projects represent up to 141,885 sq.m. of additional surface area at best-in-class Klépierre malls.

1.7 OUTLOOK

Based on the first-half performance and taking into account the positive contribution of acquisitions closed year-to-date, Klépierre is revising its full-year guidance 2024 upwards and expects to generate a 5% increase in EBITDA and net current cash flow to reach €2.50-€2.55 per share in 2024.

1.8 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 February 2022 (www.epra.com).

EPRA SUMMARY TABLE[(a)]

	06/30/2023	06/30/2024	See section
EPRA Earnings *(in millions of euros)*	347.5	361.9	1.8.1
EPRA Earnings per share *(in euros)*	1.21	1.26	1.8.1
EPRA NRV *(in millions of euros)*	9,702	10,063	1.8.2.2
EPRA NRV per share *(in euros)*	33.90	35.10	1.8.2.2
EPRA NTA *(in millions of euros)*	8,617	8,999	1.8.2.2
EPRA NTA per share *(in euros)*	30.10	31.40	1.8.2.2
EPRA NDV *(in millions of euros)*	8,199	8,284	1.8.2.2
EPRA NDV per share *(in euros)*	28.60	28.90	1.8.2.2
EPRA Net Initial Yield	5.7%	5.9%	1.8.3
EPRA "Topped-up" Net Initial Yield	5.9%	5.9%	1.8.3
EPRA Vacancy Rate	4.3%	3.8%	1.8.4
EPRA Cost Ratio (including direct vacancy costs)	20.5%	18.2%	1.8.5
EPRA Cost Ratio (excluding direct vacancy costs)	18.3%	15.6%	1.8.5
EPRA Loan-to-Value Ratio (excluding real estate transfer taxes)	44.2%	43.5%	1.8.7
EPRA Loan-to-Value Ratio (including real estate transfer taxes)	42.1%	41.4%	1.8.7

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

1.8.1 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*	06/30/2023[(a)]	06/30/2024
Net income as per IFRS consolidated statement of comprehensive income	**32.5**	**535.7**
Adjustments to calculate EPRA Earnings:		
(i) Changes in value of investment properties, development properties held for investment and other interests	331.8	(259.6)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	(0.5)	9.2
(iii) Profits 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	0.1	0.6
(vi) Changes in fair value of financial instruments and associated close-out costs	10.7	21.0
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-	1.6
(viii) Deferred tax in respect of EPRA adjustments[(b)]	36.3	75.9
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	13.4	(36.3)
(x) Non-controlling interests in respect of the above	(76.8)	13.8
EPRA EARNINGS	**347.5**	**361.9**
Average number of shares[(c)]	*286,363,431*	*286,757,193*
Per share *(in euros)*		
EPRA EARNINGS	**1.21**	**1.26**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.
(b) In the first-half of 2024, this item includes a negative €67.6 million in deferred taxes and a negative €8.4 million related to the application of IFRIC 21 (i.e., property tax annualization).
(c) Excluding treasury shares.

1.8.2 EPRA Net Asset Value metrics

Net Asset Value metrics are indicators designed to provide stakeholders with relevant information on the fair value of the assets and liabilities of real estate companies.

1.8.2.1 Application by Klépierre

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

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

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

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

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

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	12,039	70%	100%
Portfolio subject to partial deferred tax and to tax structuring	3,464	20%	46%
Other portfolio	1,736	10%	50%
TOTAL PORTFOLIO	**17,238**		

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.

1.8.2.2 Calculation of EPRA Net Asset Value

EPRA NET ASSET VALUES AS OF JUNE 30, 2024

Group share *In millions of euros*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,044**	**8,044**	**8,044**
Amounts owed to shareholders	*258*	*258*	*258*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,301	8,301	8,301
Include:			
Diluted NAV at fair value	8,301	8,301	8,301
Exclude:			
ii) Deferred tax in relation to fair value gains of IP	1,111	972	0
iii) Fair value of financial instruments	(13)	(13)	0
iv) Goodwill as a result of deferred tax	(237)	(237)	(237)
v) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
vi) Fair value of fixed-rate debt	0	0	437
vii) Revaluation of intangible assets to fair value	293	0	0
viii) Real estate transfer tax	824	194	0
NAV	**10,063**	**8,999**	**8,284**
Fully diluted number of shares	*286,707,472*	*286,707,472*	*286,707,472*
NAV PER SHARE *(in euros)*	**35.10**	**31.40**	**28.90**

EPRA NET ASSET VALUES AS OF DECEMBER 31, 2023

Group share *In millions of euros*	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**8,017**	**8,017**	**8,017**
Amounts owed to shareholders	*0*	*0*	*0*
Include/exclude:			
i) Hybrid instruments	0	0	0
Diluted NAV	8,017	8,017	8,017
Include:			
Diluted NAV at fair value	8,017	8,017	8,017
Exclude:			
v) Deferred tax in relation to fair value gains of IP	1,038	905	0
vi) Fair value of financial instruments	(13)	(13)	0
vii) Goodwill as a result of deferred tax	(258)	(258)	(258)
viii) Goodwill as per IFRS statement of financial position	(218)	(218)	(218)
Include:			
ix) Fair value of fixed-rate debt	0	0	391
x) Revaluation of intangible assets to fair value	293	0	0
xi) Real estate transfer tax	806	188	0
NAV	**9,664**	**8,621**	**7,931**
Fully diluted number of shares	*286,446,308*	*286,446,308*	*286,446,308*
NAV PER SHARE *(in euros)*	**33.70**	**30.10**	**27.70**

1.8.3 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 1.2.1.1 "Change in appraisers' assumptions" for the geographical breakdown of EPRA NIY.

EPRA NET INITIAL YIELDS

In millions of euros	06/30/2024
Investment property – Wholly owned	15,950
Investment property – Share of joint ventures/funds	1,288
Total portfolio	**17,238**
Less: Developments, land and other	(443)
Completed property portfolio valuation (B)	**16,795**
Annualized cash passing rental income	1,130
Property outgoings	(143)
Annualized net rents (A)	**987**
Notional rent expiration of rent free periods or other lease incentives	3
Topped-up net annualized rent (C)	**990**
EPRA NET INITIAL YIELD (A/B)	**5.9%**
EPRA "TOPPED-UP" NET INITIAL YIELD (C/B)	**5.9%**

1.8.4 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)
GROUP	**48,879**	**1,276,964**	**3.8%**

(a) Scope: all shopping centers, including those accounted for under the equity method, which are included based on a 100% share. The estimated rental values of leased and vacant spaces as of June 30, 2024 are based on internal assumptions. Shopping centers (or portions thereof) under restructuring that are excluded from the scope are as follows: Le Millénaire (Aubervilliers, France), Citta Fiera (Torreano Di Martignacco, Italy) and Økern (Oslo, Norway). Strategic vacancies are also excluded.

1.8.5 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, third-party asset management fees) and administrative expenses as a percentage of gross rental income.

EPRA COST RATIO

In millions of euros	06/30/2023[a]	06/30/2024
Administrative and operating expenses[b]	(111.2)	(102.0)
Net service charge costs[b]	(45.7)	(48.2)
Net management fees[b]	34.4	37.2
Other net operating income intended to cover overhead expenses[b]	1.9	2.2
Share of joint venture expenses	(7.3)	(9.5)
Exclude (if part of the above):		
Service charge costs recovered through rents but not separately invoiced	5.0	5.0
EPRA Costs (including vacancy costs) (A)	**(122.9)**	**(115.3)**
Direct vacancy costs	(13.2)	(16.1)
EPRA Costs (excluding vacancy costs) (B)	**(109.7)**	**(99.1)**
Gross rental income less ground rents[b]	562.6	593.4
Less: service fee/cost component of gross rental income	(5.0)	(5.0)
Add: share of joint ventures (gross rental income less ground rents)	41.6	46.2
Gross rental income (C)	**599.2**	**634.6**
EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**20.5%**	**18.2%**
EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**18.3%**	**15.6%**

(a) Excluding the positive non-recurring income statement impact related to the 2020 and 2021 account receivables.
(b) As per the IFRS consolidated statements of comprehensive income.

1.8.6 EPRA Capital Expenditure

Investments in the first-half 2024 are presented in section 1.6 “Capital rotation”. This section presents Klépierre’s capital expenditure based on EPRA financial reporting guidelines.

EPRA CAPITAL EXPENDITURE

	06/30/2023	06/30/2024		
In millions of euros	Total Group	Group (excl. joint ventures)	Joint ventures (proportionate share)	Total Group
Acquisitions	3.9	216.0	24.3	240.3
Development	40.4	24.4	0.5	24.9
Investment properties	39.6	50.2	2.5	52.7
• Incremental lettable space	-	-	-	-
• No incremental lettable space	35.1	38.7	2.3	41.0
• Tenant incentives	4.1	10.4	0.2	10.6
• Other material non-allocated types of expenditure	0.4	1.0	0.0	1.0
Capitalized interest	0.0	0.7	0.2	0.9
Total Capex	**84.0**	**291.3**	**27.4**	**318.7**
Conversion from accrual to cash basis	20.8	(2.9)	–	(2.9)
TOTAL CAPEX ON CASH BASIS	**104.8**	**288.3**	**27.4**	**315.8**

1.8.6.1 Acquisitions

During the first half of 2024, the Group completed the acquisitions of RomaEst and a 25% stake in O’Parinor, two super-regional shopping malls (see section 1.6.1.1 “Acquisitions”). Additionally, the Group acquired space for asset management operations in Romagna center (Rimini, Italy). Overall, the total amount dedicated to acquisitions amounted to €240.3 million.

1.8.6.2 Developments

Development capital expenditure includes investments related to new constructions and extensions of existing assets. In first-half 2024, these investments amounted to €24.9 million, mainly relating to the Maremagnum extension (Barcelona, Spain) and Odysseum extension (Montpellier, France).

1.8.6.3 Investment properties

Capital expenditure on the operating investment property portfolio mainly comprises investments to maintain or enhance standing assets without creating additional leasing space and leasing incentives granted to tenants. In the first-half 2024, these investments totaled €52.7 million, breaking down as follows:

- €41.0 million: technical maintenance and refurbishment of common areas;
- €10.6 million: leasing incentives (fit-out contribution) granted to new tenants when re-leasing or to support store transformation by existing tenants when leases are renewed; and
- €1.0 million: hard and soft construction costs incurred in connection with leasing initiatives designed to split or merge stores or to comply with the Group's technical standards.

1.8.6.4 Capitalized interest

Capitalized interest amounted to €0.9 million in the first-half 2024.

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

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

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

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

EPRA LOAN-TO-VALUE

			Proportionate consolidation				
In millions of euros	LTV IFRS as reported	EPRA adjustments	Group as reported	Share of joint ventures	Share of material associates	Non-controlling interests	Combined
Include:							
Borrowings from financial Institutions	1,299	4	1,304	17	26	(296)	1,051
Commercial paper	1,050		1,050				1,050
Hybrids (including convertibles, preference shares, debt, options, perpetuals)			-				-
Bond & loans	5,999	57	6,056			(19)	6,036
Foreign currency derivatives (futures, swaps, options and forwards)	24		24				24
Net payables		346	346			(85)	262
Owner-occupied property (debt)			-				-
Current accounts (equity characteristic)	128	(128)	-				-
Exclude:			-				-
Cash and cash equivalents	(1,021)	62	(960)	(53)	(8)	31	(990)
Net debt (A)	**7,479**	**341**	**7,820**	**(36)**	**18**	**(369)**	**7,433**
Include:							
Owner-occupied property							
Investment properties at fair value	17,585		17,585	1,103	240	(2,218)	16,709
Properties held for sale	0		0			-	0
Properties under development	73		73			(13)	60
Intangibles		319	319				319
Net receivables			-	14	1		15
Financial assets	1,294	(1,294)	-				-
Total property value (B)	**18,952**	**(975)**	**17,976**	**1,117**	**241**	**(2,231)**	**17,103**
Real Estate Transfer Taxes	922		922	51	14	(152)	835
Total property value (incl. RETTs) (C)	**19,874**		**18,899**				**17,938**
EPRA LOAN-TO-VALUE RATIO (EXCLUDING RETTS) (A/B)							**43.5%**
EPRA LOAN-TO-VALUE RATIO (INCLUDING RETTS) (A/C)	**37.6%**						**41.4%**

1.9 RELATED PARTIES

No material transactions were entered into with related parties during the first half of 2024.

2 RISK FACTORS

During the first half of 2024, there were no material changes in the risk factors identified and disclosed in Klépierre's 2023 Universal Registration Document.

3 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

3.1 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In millions of euros	Notes	06/30/2024	06/30/2023
Gross rental income	4.1	597.4	568.6
Land expenses (real estate)		(4.1)	(3.8)
Service charge income		133.4	133.5
Service charge expenses		(189.9)	(187.9)
Building expenses (owner)		(13.9)	(6.5)
Net rental income		**522.9**	**504.0**
Management, administrative and related income and other operating income		39.4	36.3
Payroll expenses	4.2	(57.6)	(55.1)
Other general expenses		(23.0)	(13.3)
Depreciation, amortization and impairment of intangible assets and property, plant and equipment		(8.0)	(8.2)
Provisions		9.8	1.0
Change in value of investment properties	4.3	258.2	(321.7)
Income (loss) from disposals and legal liquidations		(9.2)	0.5
Goodwill impairment	3.1	(0.6)	(0.1)
Operating income		**731.9**	**143.2**
Financial income		66.7	48.9
Financial expenses		(138.5)	(106.4)
Interest expense on leases liabilities		(4.8)	(4.1)
Cost of net debt	**4.4**	**(76.6)**	**(61.6)**
Net dividends and provisions on non-consolidated investments		0.0	0.2
Change in the fair value of financial instruments		(22.3)	(8.6)
Gain (loss) on net monetary position	4.5	(10.5)	(10.1)
Share in earnings of equity-accounted companies		66.5	14.7
Profit before tax		**689.0**	**77.8**
Income tax expense	5	(86.6)	(51.3)
Consolidated net income		**602.4**	**26.5**
Of which			
• Attributable to owners of the parent		535.7	51.1
• Attributable to non-controlling interests		66.7	(24.6)
Average number of shares – undiluted		**285,582,947**	**285,442,363**
UNDILUTED EARNINGS PER SHARE *(in euros)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**		**1.88**	**0.18**
Average number of shares – diluted		**286,757,193**	**286,363,431**
DILUTED EARNINGS PER SHARE *(in euros)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**		**1.87**	**0.18**

In millions of euros	06/30/2024	06/30/2023
Consolidated net income	**602.4**	**26.5**
Other items of comprehensive income (loss) recognized directly in equity	**(18.0)**	**(128.9)**
• Effective portion of gains and losses on cash flow hedging instruments	(0.7)	(7.3)
• Translation gains and losses	(20.0)	(121.8)
• Tax on other items of comprehensive income	0.6	1.6
Items that will be reclassified subsequently to profit or loss	**(20.1)**	**(127.4)**
• Gains and losses on sales on treasury shares	2.2	(1.3)
• Actuarial gains and losses	(0.1)	(0.1)
Items that will not be reclassified subsequently to profit or loss	**2.1**	**(1.5)**
Share of other items of comprehensive income attributable to equity-accounted companies		
Total comprehensive income (loss)	**584.4**	**(102.4)**
Of which		
• Attributable to owners of the parent	532.8	(46.4)
• Attributable to non-controlling interests	51.5	(56.0)
UNDILUTED COMPREHENSIVE EARNINGS PER SHARE *(in euros)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**	**1.87**	**(0.16)**
DILUTED COMPREHENSIVE EARNINGS PER SHARE *(in euros)* **– ATTRIBUTABLE TO OWNERS OF THE PARENT**	**1.86**	**(0.16)**

3.2 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

In millions of euros	Notes	06/30/2024	12/31/2023
Goodwill	3.1	467.3	467.0
Intangible assets		23.7	23.2
Property, plant and equipment		34.3	37.0
Investment properties at fair value	3.2	17,817.8	17,298.5
Investment properties at cost		72.8	74.5
Investments in equity-accounted companies		1,030.5	971.6
Other non-current assets	3.5	263.5	260.5
Long-term derivative instruments		29.9	29.4
Non-current deferred tax assets		18.0	19.4
Non-current assets		**19,757.8**	**19,181.1**
Investment properties held for sale		0.3	65.4
Trade and other receivables	3.3	104.1	126.7
Other receivables		285.1	266.2
• Tax receivables		57.9	68.3
• Other		227.2	197.9
Short-term derivative instruments		72.0	89.1
Current deferred tax assets		3.3	5.6
Cash and cash equivalents	3.4	960.5	358.7
Current assets		**1,425.3**	**911.7**
TOTAL ASSETS		**21,183.1**	**20,092.8**
Share capital		401.6	401.6
Additional paid-in capital		3,315.9	3,344.9
Legal reserves		44.0	44.0
Consolidated reserves		3,746.1	4,033.5
• Treasury shares		(29.3)	(25.7)
• Hedging reserves		12.8	13.2
• Other consolidated reserves		3,762.6	4,046.0
Consolidated net income		535.7	192.7
Equity attributable to owners of the parent		**8,043.3**	**8,016.7**
Equity attributable to non-controlling interests		1,972.7	2,002.9
Total equity		**10,016.0**	**10,019.6**
Non-current financial liabilities	3.5	6,671.3	6,065.9
Non-current lease liabilities		296.0	299.0
Long-term provisions		15.3	25.4
Pension obligations		8.1	7.9
Long-term derivative instruments		115.1	100.8
Deposits		154.1	151.0
Deferred tax liabilities		1,170.4	1,110.4
Non-current liabilities		**8,430.3**	**7,760.4**
Current financial liabilities	3.5	1,720.2	1,590.1
Current lease liabilities		11.8	12.4
Bank overdrafts		0.7	0.3
Trade payables		146.0	161.6
Due to suppliers of fixed assets		56.3	52.3
Other liabilities		610.6	328.5
Short-term derivative instruments		7.1	0.8
Payroll and tax liabilities		184.1	166.8
Current liabilities		**2,736.8**	**2,312.8**
TOTAL EQUITY AND LIABILITIES		**21,183.1**	**20,092.8**

3.3 CONSOLIDATED STATEMENTS OF CASH FLOWS

In millions of euros	06/30/2024	06/30/2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	602.4	26.5
Elimination of expenditure and income with no cash effect or not related to operating activities		
• Depreciation, amortization and provisions	(4.4)	(11.8)
• Change in value of investment properties	(258.2)	321.7
• Goodwill impairment	0.6	0.1
• Income (loss) from disposals and legal liquidations	9.2	(0.5)
• Current and deferred income taxes	86.6	51.3
• Share in earnings of equity-accounted companies	(66.5)	(14.7)
• Reclassification of interest and other items	130.7	101.1
Gross cash flow from consolidated companies	**500.4**	**473.8**
Income tax (received) paid	(16.5)	(19.6)
Change in operating working capital	17.0	12.6
Net cash flow from operating activities	**500.9**	**466.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investment properties	64.6	31.5
Proceeds from disposals of subsidiaries (net of cash disposed, net of loans and advances repaid)		0.1
Acquisitions of investment properties	(2.6)	(3.9)
Payments in respect of construction work in progress	(72.4)	(98.6)
Acquisitions of other fixed assets	(4.2)	(1.5)
Acquisitions of subsidiaries (net of cash acquired)	(237.7)	(0.7)
Cash received from joint ventures and associates (including dividends received and loan repayment)[a]	30.7	31.1
Loans and advances repayments	(16.8)	(8.9)
Net cash flow from investing activities	**(238.5)**	**(50.9)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the parent	(257.0)	(248.2)
Dividends paid to non-controlling interests	(35.1)	(22.1)
Change in capital of subsidiaries with non-controlling interests	(18.5)	
Acquisitions/disposals of treasury shares	(3.7)	0.1
New loans, borrowings and hedging instruments	1,604.5	1,732.9
Repayment of loans, borrowings and hedging instruments	(870.5)	(1,752.1)
Net repayment of lease liabilities	(6.7)	(7.1)
Interest paid	(69.3)	(57.8)
Interest paid on lease liabilities	(4.8)	(4.1)
Net cash flow from (used in) financing activities	**338.9**	**(358.4)**
Effect of foreign exchange rate changes on cash and cash equivalents	**0.0**	**(1.4)**
CHANGE IN CASH AND CASH EQUIVALENTS	**601.3**	**56.1**
Cash and cash equivalents at beginning of period	**358.5**	**281.5**
Cash and cash equivalents at end of period	**959.8**	**337.6**

(a) From 2024, the new advances and loans is presented in line "Cash received from equity-accounted companies (including dividends received and loans repayment)".

3.4 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 12/31/2022	**401.6**	**3,629.9**	**(28.6)**	**24.9**	**3,921.2**	**415.2**	**8,364.2**	**2,094.8**	**10,459.0**
Share capital transactions									
Share-based payments									
Treasury share transactions			2.3				2.3		2.3
Allocation of net income (loss)					415.2	(415.2)			
Dividends		(499.5)					(499.5)	(35.0)	(534.6)
Net income for the period						**51.1**	**51.1**	**(24.6)**	**26.5**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					(1.3)		(1.3)		(1.3)
Gains and losses from cash flow hedging				(4.1)			(4.1)	(3.2)	(7.3)
Translation gains and losses					(92.8)		(92.8)	(29.0)	(121.8)
Actuarial gains and losses					(0.1)		(0.1)		(0.1)
Tax on other comprehensive income				0.8	0.1		0.9	0.7	1.6
Other comprehensive income				**(3.3)**	**(94.2)**		**(97.5)**	**(31.4)**	**(128.9)**
Changes in the scope of consolidation									
Other movements					10.0		10.0	1.8	11.8
EQUITY AT 06/30/2023	**401.6**	**3,130.3**	**(26.3)**	**21.6**	**4,252.3**	**51.1**	**7,830.5**	**2,005.6**	**9,836.1**
Share capital transactions									
Share-based payments									
Treasury share transactions			0.6				0.6		0.6
Allocation of net income (loss)					0.0		0.0		0.0
Dividends		258.5			(258.5)		0.0	(1.9)	(1.9)
Net income for the period						**141.6**	**141.6**	**6.1**	**147.7**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					1.9		1.9		1.9
Gains and losses from cash flow hedging				(8.8)			(8.8)	(6.6)	(15.4)
Translation gains and losses					30.9		30.9	20.2	51.1
Actuarial gains and losses					0.4		0.4		0.4
Tax on other comprehensive income				0.4	0.9		1.3	1.1	2.4
Other comprehensive income				**(8.4)**	**34.2**		**25.8**	**14.6**	**40.5**
Changes in the scope of consolidation								(24.8)	(24.8)
Other movements					18.0		18.0	3.2	21.2
EQUITY AT 12/31/2023	**401.6**	**3,388.9**	**(25.7)**	**13.2**	**4,046.0**	**192.7**	**8,016.7**	**2,002.9**	**10,019.6**
Share capital transactions								(23.0)	(23.0)
Share-based payments									
Treasury share transactions			(3.6)				(3.6)		(3.6)
Allocation of net income (loss)					192.7	(192.7)			
Dividends		(514.0)					(514.0)	(60.3)	(574.3)
Net income for the period						**535.7**	**535.7**	**66.7**	**602.4**
GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY									
Proceeds from sales of treasury shares					2.2		2.2		2.2
Gains and losses from cash flow hedging				(0.4)			(0.4)	(0.3)	(0.7)
Translation gains and losses[(a)]					(4.9)		(4.9)	(15.1)	(20.0)
Actuarial gains and losses					(0.1)		(0.1)		(0.1)
Tax on other comprehensive income					0.3		0.3	0.2	0.5
Other comprehensive income				**(0.4)**	**(2.5)**		**(2.9)**	**(15.2)**	**(18.1)**
Changes in the scope of consolidation									
Other movements[(b)]					11.4		11.4	1.6	13.0
EQUITY AT 06/30/2024	**401.6**	**2,874.9**	**(29.3)**	**12.8**	**4,247.6**	**535.7**	**8,043.3**	**1,972.7**	**10,016.0**

(a) The €4.9 million negative impact in translation gains and losses mainly concerns Turkey (negative €13.6 million), Poland (positive €9.9 million), Sweden (negative €7.5 million), Denmark (positive €3.5 million), Norway (positive €2.2 million), and the Czech Republic (positive €1.0 million).
(b) The positive amount of €11.4 million in "Other movements" relates to the application of IAS 29 "Financial Reporting in Hyperinflationary Economies" to Turkey.

3.5 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED JUNE 30, 2024

NOTE 1 SIGNIFICANT EVENTS OF THE PERIOD

1.1 DEBT AND FINANCING

As of June 30, 2024, consolidated net debt increased to €7,479.1 million compared to €7,348.8 million at the end of 2023.

The Group raised €700.0 million in new financing, on the bond market. These funds secured the redemption of the €557.6 million bond maturing on November 6, 2024, and the early refinancing of a term loan.

Over the first half, Klépierre successfully renewed €500 million in revolving credit facilities and €75 million in mortgage-backed loans in Scandinavia.

1.2 DISTRIBUTION

On May 3, 2024, the General Meeting of Shareholders approved the payment of a €1.80 per share cash distribution in respect of the 2023 fiscal year. The total distribution amounted to €514.0 million (excluding treasury shares), and was deducted from share premiums, profit of the year and retained earnings:

- On March 26, 2024, Klépierre paid a €0.90 per share interim dividend, for a total amount of €257 million excluding taxes and fees;
- A further €0.90 per share (€257.0 million) distribution was paid on July 11, 2024.

1.3 INVESTMENTS AND DIVESTMENTS

On February 27, 2024, Klépierre in partnership with Sofidy, signed a purchase agreement for the acquisition of O'Parinor, a shopping center located in the north-east of Paris. Klépierre and Sofidy have agreed on a capital partnership (of 25% and 75% respectively) to take over the asset. This acquisition resulted in the consolidation of three new companies, each 25% owned and accounted for under the equity method.

On May 24, 2024, Klépierre acquired RomaEst, one of the largest malls in Rome. With a footfall of 10 million, it is the sixth most visited center in Italy. Strategically located in a catchment area of 2.2 million consumers, this 97,000 sq.m. mall is one of the leading retail and entertainment destinations in Italy with 214 national and international banners. The Group, took the control of RomaEst by purchasing 100% of the Company shares through its subsidiary Klépierre Italia. RomaEst is fully consolidated in the Group's interim condensed consolidated financial statements.

Overall, capital expenditure over the period in investment properties at fair value and at cost held by fully consolidated companies, amounted to €77.8 million (of which €71.1 million on investment property at fair value).

Regarding developments, Klépierre focused on its main committed projects to strengthen the leadership of its shopping centers in their catchment areas, notably the Odysseum extension in Montpellier (France), the refurbishment of the Créteil Soleil shopping center in France, Shopville LeGru in Turin and Campania in Napoli (Italy), as well as the rooftop restructuring at Maremagnum in Barcelona (Spain).

Since January 1, 2024, the Group has completed disposals totaling €65.8 million comprising the Champ de Mars shopping center in Angoulême (France), the Königsgalerie mall in Duisburg (Germany) and the Galleria Boulevard mall in Kristiandstad (Sweden).

1.4 SUBSEQUENT EVENTS

On July 11, 2024, Klépierre paid out the balance of the €0.90 per share distribution, for a total amount of €257 million excluding taxes and fees (excluding treasury shares).

NOTE 2 ACCOUNTING BASIS AND SCOPE OF CONSOLIDATION

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 July 26, 2024, the Executive Board approved the interim condensed consolidated financial statements of Klépierre SA for the six months ended June 30, 2024 and authorized their publication.

Klépierre is listed on Euronext Paris (compartment A).

2.2 APPLICATION OF IFRS

The interim condensed consolidated financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in a complete set of annual consolidated financial statements and should be read in conjunction with the published consolidated financial statements (or the Universal Registration Document) for 2023.

2.2.1 Standards, amendments and interpretations whose application was mandatory as of January 1, 2024

With the exception of the change in segment reporting (see note 2.7), the accounting policies applied by the Group are unchanged from those used in the Group's consolidated financial statements for the year ended December 31, 2023. The standards, amendments, and interpretations which entered into mandatory effect on January 1, 2024 did not have a material impact on the Group financial statements.

2.2.2 Standards, amendments and interpretations whose application was not mandatory as of January 1, 2024

The Group did not early adopt any new standards, amendments or interpretations not yet in effective as of January 1, 2024.

2.2.3 Implementation of the 15% minimum taxation for large groups (Pillar Two)

The Organization for Economic Co-operation and Development (OECD) reform setting a 15% country-by-country minimum taxation for large groups with revenue of at least €750 million (Pillar Two Rules) has been transposed into an EU Directive and French domestic law and is effective as of January 1, 2024.

Klépierre SA and the vast majority of its subsidiaries included in the Group's interim condensed consolidated financial statements are not impacted by this reform. Consequently, no additional tax provision was recognized in the Group's interim condensed consolidated financial statements.

It should be noted that the OECD is expected to issue additional application guidelines in the second half of 2024. Klépierre will review its position in light of this further publication at year-end, if necessary.

2.3 USE OF MATERIAL JUDGMENTS AND ESTIMATES

In preparing these interim condensed 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:

- **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 3.2 of the 2023 Universal Registration Document. The appraisers make assumptions concerning future cash flows and rates that have a direct impact on the value of the properties;
- **deferred taxes:** see note 5;
- **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 3.1). Recoverable values are determined by an independent expert;
- **credit risk assessment:** credit risk is assessed in accordance with IFRS 9;
- **financial instruments:** the Group measures the fair value of the financial instruments it uses in accordance with standard market models and IFRS 13.

2.4 RISK FACTORS RELATING TO CLIMATE CHANGE

To draw up the Group's financial statements, the Executive Board takes into account the challenges of climate change and sustainable development, based on current knowledge and practices.

Expenditure related to measures taken by the Group to meet its climate commitments, in particular to achieve a net-zero carbon footprint for its portfolio of Scope 1 and Scope 2 shopping centers by 2030, are recognized either as investments (maintenance and replacement of energy equipment, installation of solar panels, electric vehicle charging stations, etc.) or as recurring expenses (use of energy management tools, audits, studies on the net-zero strategy, etc.).

For the valuation campaign that led to setting the values of investment properties as of June 30, 2024, the Group provided appraisers with the following information:

- a set of 12 non-financial key performance indicators for each property asset appraised. These indicators included final energy consumption, water consumption, direct greenhouse gas emissions, and gross physical climate risks; and
- the multi-year investment plan required to maintain assets or bring them up to the environmental standards or objectives set by the Group.

In addition, all bank loans renewed or raised in 2024 incorporate environmental performance criteria for the Group's assets.

As of June 30, 2024, €2,972 million of the Group's financing is subject to sustainability criteria, typically whereby the margin on the facility is reduced if Klépierre achieves the targets set out in the loan agreement. Most of the resulting savings are reinvested by Klépierre in programs designed to improve the low-carbon efficiency and overall environmental performance of its assets. In addition, a five-year, €260 million green mortgage loan was signed in 2023.

2.5 CONSOLIDATION METHODS AND CHANGES IN SCOPE OF CONSOLIDATION

As of June 30, 2024, the Group's scope of consolidation included 215 companies, of which 183 fully consolidated companies and 32 companies accounted for using the equity method.

On February 27, 2024, Klépierre acquired 25% of the shares in each of the three legal entities RC1, RC2 and RC3, which owned the O'Parinor shopping mall in France. These three new companies are consolidated using the equity method.

On May 24, 2024, Klépierre proceeded with the 100% acquisition of Gemma S.r.l, the legal entity that owned the RomaEst shopping center in Italy (as described in note 1.3.) and is fully consolidated.

Over the period, three companies were sold, and four companies were liquidated which generated a recycling of their accumulated currency translation reserves in the net income of the period.

The Klépierre Group's interim condensed consolidated financial statements include all companies over which Klépierre has control, joint control or significant influence.

2.6 NET DEBT

Net Financial debt means, on the basis of the interim condensed consolidated financial statements of the borrower, financial liabilities (adjusted of fair value hedge and cross currency swaps) plus bank overdrafts, less cash and cash equivalents (including marketable securities), and the funds managed by the Group on behalf of its principals. Net debt as of June 30, 2024 is presented in note 3.5.2 "Change in debt".

2.7 SEGMENT INFORMATION

IFRS 8 requires segment information to be reported based on the internal management data used by management for the purposes of allocating resources to segments and assessing their performance.

The Group's asset portfolio consists entirely in shopping centers in Europe and the strengthening of the centralization have led to changes in the presentation by segment.

This centralization is consistent with the fact that the Group's main performance indicator was (and remains) the Net Current Cash Flow, which has no geographical specificity, either in its composition or in its management and monitoring methods.

As a consequence, these past months, Klépierre has centralized the methods of monitoring operational and financial performance and indicators without distinction by geographical area, further strengthening the Group's already existing centralization in several areas: leasing, investments, valuation of investment properties, internal control, internal audit and risk management.

As a result, there is only one operating segment in Klépierre: shopping centers in Europe.

Net Rental Income

In accordance with IFRS 8.33, the net rental income by geographical area is presented below:

In millions of euros	Net Rental Income 06/30/2024	Net Rental Income 06/30/2023
France	191.7	197.2
Italy	119.5	104.6
Scandinavia	58.3	59.1
Iberia	67.3	64.1
Other countries	86.1	79.0
TOTAL	**522.9**	**504.0**

Investment property

The value of investment properties by geographic area, 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 06/30/2024[a]	Value of investment properties at 12/31/2023[a]
France	6,845.9	6,803.5
Italy	3,777.0	3,448.0
Scandinavia	2,262.4	2,287.5
Iberia	2,221.3	2,133.9
Other countries	2,784.0	2,700.1
TOTAL	**17,890.6**	**17,373.1**

(a) Including investment properties at fair value, investment properties at cost and excluding investment properties held for sale.

NOTE 3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1 GOODWILL

As of June 30, 2024, goodwill totaled €467.3 million, *versus* €467.0 million as of December 31, 2023, breaking down as follows:

Goodwill of management companies

As of June 30, 2024, goodwill of management companies totaled €218.1 million, stable compared to December 31, 2023. In accordance with IAS 36, an impairment test is performed when there is an indication that goodwill may be impaired and at least once a year. At June 30, 2024, in the absence of such indication, no impairment tests were performed.

Goodwill corresponding to the optimized value of deferred taxes

As of June 30, 2024, goodwill corresponding to the optimized value of deferred taxes totaled €249.2 million, *versus* €249.0 million as of December 31, 2023.

In millions of euros	12/31/2023	Change in scope	Disposals, retirement of assets	Impairment	Currency movements	06/30/2024
Italian Corio assets	172.8			(0.6)		172.2
Spanish Corio assets	23.1					23.1
IGC	18.7					18.7
Oslo City	31.0				(0.4)	30.6
Other	3.3	1.3				4.6
GOODWILL ARISING ON DEFERRED TAX LIABILITIES	**249.0**	**1.3**		**(0.6)**	**(0.4)**	**249.2**

The change in scope for €1.3 million corresponds to the preliminary goodwill calculated on the RomaEst acquisition.

3.2 INVESTMENT PROPERTIES

3.2.1 Investment properties at fair value

In millions of euros	
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 12/31/2023	**17,298.5**
Additions to the scope of consolidation	215.0
Capital expenditure	71.1
Capitalized interest	0.7
New right-of-use assets and indexation	2.1
Disposals and removals from the scope of consolidation	
Other movements, reclassifications	(0.9)
Currency movements	(34.7)
Fair value adjustments	266.0
INVESTMENT PROPERTIES AT FAIR VALUE – NET VALUE AS OF 06/30/2024	**17,817.8**

Investment properties at fair value amounted to €17,817.8 million as of June 30, 2024, *versus* €17,298.5 million as of December 31, 2023.

Additions to the scope of consolidation relates to the May 2024 acquisition of the RomaEst mall in Italy.

Investments for €71.1 million reflect the Group's focus on renovations, extensions and restructuring operations (as described in note 1.3.)

The table below presents the inputs used by external appraisers to determine the fair value of investment properties by geographic area:

	06/30/2024			12/31/2023		
Shopping centers	**Discount rate[(a)]**	**Exit rate[(b)]**	**CAGR of NRI[(c)]**	**Discount rate[(a)]**	**Exit rate[(b)]**	**CAGR of NRI[(c)]**
France	7.3%	5.8%	2.9%	7.3%	5.7%	3.3%
Italy	8.2%	6.6%	2.1%	8.2%	6.6%	1.9%
Scandinavia	7.7%	5.6%	2.7%	7.8%	5.6%	3.0%
Iberia	8.1%	6.5%	3.0%	8.1%	6.4%	2.7%
Other countries	9.1%	6.4%	4.3%	8.8%	6.5%	4.0%
TOTAL GROUP	**7.9%**	**6.1%**	**2.8%**	**7.8%**	**6.0%**	**2.8%**

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 June 30, 2024, the average EPRA Net Initial Yield (NIY) of the portfolio stood at 5.9% (including transfer taxes).

The breakdown by geographic area is disclosed below:

	06/30/2024	12/31/2023
Shopping centers	**EPRA NIY**	**EPRA NIY**
France	5.4%	5.3%
Italy	6.3%	6.5%
Scandinavia	5.1%	5.1%
Iberia	5.8%	5.8%
Other countries	6.7%	6.5%
TOTAL GROUP	**5.9%**	**5.9%**

A 10-basis-point increase in yields would result in a €281 million decrease in the portfolio valuation (attributable to owners of the parent company).

3.2.2 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:

	06/30/2024				
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	17,513.3	1,253.8	933.6		19,700.7
Right-of-use asset relating to ground leases	304.5			(281.6)	22.9
Incl. upfront payments on ground leases	*22.9*				*22.9*
Investment properties at fair value	**17,817.8**	**1,253.8**	**933.6**	**(281.6)**	**19,723.6**
Investment properties at cost	72.8	46.8			119.6
Investment properties held for sale	0.3				0.3
Operating lease incentives	30.7				30.7
TOTAL	**17,921.6**	**1,300.7**	**933.6**	**(281.6)**	**19,874.2**

(a) Investments in equity-accounted assets are included based on the fair value of the shares held and taking into account shareholder financing granted by the Group.
(b) The lease liability as defined by IFRS 16 is deducted from the investment property value in the portfolio valuation.

	12/31/2023				
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	16,993.2	1,182.6	916.0		19,091.9
Right-of-use asset relating to ground leases	305.3			(282.1)	23.2
Incl. upfront payments on ground leases	*23.2*				*23.2*
Investment properties at fair value	**17,298.5**	**1,182.6**	**916.0**	**(282.1)**	**19,115.0**
Investment properties at cost	74.5	47.3			121.9
Investment properties held for sale	65.4				65.4
Operating lease incentives	28.2				28.2
TOTAL	**17,466.7**	**1,230.0**	**916.0**	**(282.1)**	**19,330.6**

(a) Investments in equity-accounted assets are included based on the fair value of the shares held and taking into account shareholder financing granted by the Group.
(b) The lease liability as defined by IFRS 16 is deducted from the investment property value in the portfolio valuation.

3.3 TRADE RECEIVABLES

In millions of euros	**06/30/2024**	**12/31/2023**
Trade receivables	202.2	222.2
Allowances for bad debts	(143.3)	(137.8)
Net value of trade receivables	**58.9**	**84.3**
Step-up rents and rent-free periods	45.2	42.4
TRADE AND OTHER RECEIVABLES	**104.1**	**126.7**

3.4 CASH AND CASH EQUIVALENTS

In millions of euros	**06/30/2024**	**12/31/2023**
Cash equivalents	598.9	85.5
• *Deposit account*	*590.0*	*75.0*
• *Money-market investments*	*8.9*	*10.5*
Cash	361.6	273.2
Gross cash and cash equivalents	**960.5**	**358.7**
Bank overdrafts	**(0.7)**	**(0.3)**
NET CASH AND CASH EQUIVALENTS	**959.8**	**358.5**

3.5 CURRENT AND NON-CURRENT FINANCIAL ASSETS AND LIABILITIES

3.5.1 Non-current assets

Movements in other non-current assets during 2024 are as follows:

In millions of euros	12/31/2023	Change in scope	Increases	Decreases	Other (including currency movements)	06/30/2024
Advances to equity-accounted companies and other	242.3		15.2	(6.5)	(5.1)	245.9
Loans						
Deposits	16.8	0.1	1.5	(2.2)	(0.0)	16.2
Other long-term financial investments	1.4					1.4
TOTAL	**260.5**	**0.1**	**16.7**	**(8.7)**	**(5.1)**	**263.5**

3.5.2 Change in debt

Changes in debt presented below do not include lease liabilities under IFRS 16.

Current and non-current financial liabilities amounted to €8,391.5 million as of June 30, 2024, *versus* €7,656.0 million as of December 31, 2023.

In millions of euros	06/30/2024	12/31/2023
NON-CURRENT		
Bonds net of costs/premiums	**5,272.5**	**4,602.7**
• Of which fair value hedge adjustments	(85.2)	(77.9)
Bank loans and borrowings – long term	**1,279.9**	**1,358.6**
• Of which fair value hedge adjustments	0.7	2.3
Other loans and borrowings	**118.9**	**104.6**
• Advance payments to associates	118.9	104.6
• Other		
Total non-current financial liabilities	**6,671.3**	**6,065.9**
CURRENT		
Bonds net of costs/premiums	**591.8**	**592.3**
• Of which fair value hedge adjustments		
Bank loans and borrowings – short term	**18.3**	**66.3**
• Of which other borrowing issue costs	3.2	3.2
Accrued interest	**51.0**	**47.2**
• On bonds	45.9	37.4
• On bank loans	1.8	3.4
• On advance payments to associates	3.2	6.3
Commercial paper	**1,050.0**	**880.5**
Other loans and borrowings	**9.1**	**3.8**
• Advance payments to associates	9.1	3.8
Total current financial liabilities	**1,720.2**	**1,590.1**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**8,391.5**	**7,656.0**

Net debt totaled €7,479.1 million as of June 30, 2024, *versus* €7,348.8 million as of December 31, 2023 *i.e.*, an increase of €130.3 million. Net debt is the difference between financial liabilities (adjusted of fair value hedge and cross currency swaps) plus bank overdrafts less available cash and marketable securities.

In millions of euros	06/30/2024	12/31/2023
Non-current and current financial liabilities	8,391.5	7,656.0
Bank overdrafts	0.7	0.3
Revaluation due to fair value hedge and cross-currency swaps	108.9	91.8
Cash and cash equivalents[(a)]	(1,022.1)	(399.3)
NET DEBT	**7,479.1**	**7,348.8**

(a) Includes cash managed for principals for €61.5 million as of June 30, 2024 and for €40.6 million as of December 31, 2023.

3.6 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 or the Group.

The construction permit for an area of Field's shopping center in Copenhagen, formally classified as a department store (25,000 sq.m. out of a total of 65,000 sq.m.), was declared invalid by the administrative authorities due to non-compliance with the local development plan. Field's Copenhagen AS brought an action in the Copenhagen City Court but, during the first half of 2024, the Court rejected the claim. Klépierre therefore filed an appeal that has suspensive effect and is exploring other options to work towards administrative legalization. The appeal is likely to last several years.

As a result, no provisions related to this case have been recognized in the Group's interim condensed consolidated financial statements as of June 30, 2024.

NOTE 4 NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

4.1 GROSS RENTAL INCOME

Gross rental income breaks down as follows:

In millions of euros	06/30/2024	06/30/2023
Minimum guaranteed rents	536.6	523.9
Other rents[(a)]	48.0	31.4
Gross rents	**584.6**	**555.3**
Other rental income[(b)]	**12.8**	**13.3**
GROSS RENTAL INCOME	**597.4**	**568.6**

(a) Other rents mainly include variable rents paid by our tenants, parking rents, specialty leasing and the impact on the income statement of rent abatements and concessions granted.
(b) Other rental income mainly includes entrance fees, termination indemnities, and other penalties charged to tenants.

4.2 PAYROLL EXPENSES AND HEADCOUNT

4.2.1 Payroll expenses

Total payroll expenses amounted to €57.6 million as of June 30, 2024, and included fixed and variable salaries plus mandatory and discretionary profit sharing for €41.0 million, pension-related expenses, retirement expenses and payroll costs for €15.1 million, and taxes and similar compensation-related payments for €1.5 million.

4.2.2 Headcount

As of June 30, 2024, the Group had an average of 1,036 employees, breaking down as 436 employees in France and 600 employees in the other geographic areas, including 106 employees at the Scandinavian real estate company Steen & Strøm.

4.3 CHANGE IN VALUE OF INVESTMENT PROPERTIES

As of June 30, 2024, changes in the value of investment properties amounted to a positive €258.2 million, *versus* a negative €321.7 million as of June 30, 2023.

In millions of euros	06/30/2024	06/30/2023
Change in value of investment properties at fair value[(a)]	266.0	(321.7)
Change in value of investment properties at cost	(7.8)	
TOTAL	**258.2**	**(321.7)**

(a) The change in value of right-of-use relating to ground leases amounts to a negative €2.9 million.

4.4 COST OF NET DEBT

The cost of net debt totaled €76.6 million as of June 30, 2024, *versus* €61.6 million in first-half 2023. Excluding IFRS 16 interest expense on lease liabilities, the cost of net debt increased by €14.3 million compared to first-half 2023. Against a backdrop of rising interest rates, this increase was mainly attributable to the rollover of hedging instruments at higher rates as well as the full impact in 2024 of higher spreads on refinancing closed in 2023.

In millions of euros	06/30/2024	06/30/2023
Financial income	**66.7**	**48.9**
Interest income on swaps	58.3	37.2
Interest on advances to associates	5.0	5.1
Other revenue and financial income	0.8	6.1
Currency translation gains	2.7	0.6
Financial expenses	**(138.5)**	**(106.4)**
Interest on bonds	(37.1)	(42.8)
Interest on bank loans	(46.9)	(33.5)
Interest expense on swaps	(32.1)	(15.8)
Other financial expenses[a]	(14.9)	(12.9)
Currency translation losses	(7.5)	(1.3)
Cost of net debt	**(71.8)**	**(57.5)**
Interest expense on lease liabilities	(4.8)	(4.1)
COST OF NET DEBT AFTER IFRS 16	**(76.6)**	**(61.6)**

(a) *Including non-utilization fees and expenses on loans (–€4.7 million), other amortization (–€3.6 million), provisions (–€4.8 million), and non-recurring financial expenses (€1.9 million).*

4.5 GAIN (LOSS) ON NET MONETARY POSITION

In March 2022, Turkey met the criteria of a hyperinflationary economy within the meaning of IAS 29 “Financial Reporting in Hyperinflationary Economies”.

As of June 30, 2024, Turkey continued to meet the criteria of a hyperinflationary economy.

The criteria set out in IAS 29 are therefore met Turkey is qualified as a hyperinflationary economy within the meaning of IAS 29 as from January 1, 2022.

Consequently, IAS 29 is applicable to the Group’s operations in Turkey since 2022 and as if it had always been a hyperinflationary economy.

The loss on the net monetary position amounts to €10.5 million as of June 30, 2024, attributable to Turkey whose economy has been hyperinflationary since March, 2022.

NOTE 5 TAXES

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.

To calculate the deferred taxes, the Group uses the rate expected to apply when the asset is realized, or the liability settled, on the basis of the tax laws enacted or substantively enacted by the reporting date.

In millions of euros	06/30/2024	06/30/2023
Current tax	(19.0)	(26.0)
Deferred tax	(67.6)	(25.3)
TOTAL	**(86.6)**	**(51.3)**

Deferred tax recognized during the period mainly comprised a negative amount of €67.5 million in deferred tax expense resulting from temporary differences arising on changes in the fair market value and tax value of investment properties.

5.1 SIIC DISTRIBUTION OBLIGATIONS CARRIED FORWARD

Klépierre SA, within the framework of the tax regime of *Sociétés d’investissement immobilier cotées* (SIIC), must satisfy tax distribution obligations by distributing 95% of its rental income, 70% of its real estate capital gains and 100% of its dividends stemming from subsidiaries having elected for the SIIC regime or an equivalent regime. However, this tax distribution obligation is capped at the amount of statutory distributable income, with the surplus to be distributed in the first subsequent profitable year and in subsequent years if necessary.

5.2 IMPLEMENTATION OF THE 15% MINIMUM TAXATION FOR LARGE GROUPS (PILLAR TWO)

As disclosed in note 2.2.3, no additional tax provision is recorded in the Group’s consolidated statement of comprehensive income.

NOTE 6 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.

6.1 INTEREST-RATE RISK

6.1.1 Hedging strategy

The hedging rate is calculated as the ratio of fixed-rate debt (after hedging) to net debt, expressed as a percentage. Most of the fixed-rate position consists of fixed-rate debt and derivative instruments that convert variable-rate debt into fixed-rate debt. Klépierre's fixed-rate borrowings comprise bonds (denominated in euros and Norwegian kronor) and loans (denominated in euros and Danish kronor).

To achieve its target hedging rate, Klépierre may use:

- payer swaps in order to convert debt from floating rate to fixed rate;
- receiver swaps in order to convert fixed-rate debt to floating rate;
- caps in order to limit possible fluctuations in short-term rates.

As Klépierre aims to achieve a high level of hedge effectiveness as defined by IFRS 9, the maturities of the hedging instruments never exceed the maturity of the underlying debt.

At June 30, 2024, the hedging rate was 96% (79% of which was fixed-rate debt or payer swaps and 17% caps).

An increase in the interest rates to which unhedged floating rate borrowings are indexed (Euribor, Nibor, Stibor and Cibor) could result in an increase in future interest expense.

At the end of June 2024, the Group's remaining floating exposure consists of outstanding commercial papers maturing in 2024 (€563 million) and bank loans (€81 million). This combined position is partly offset by €350 million of cash, whose remuneration is positively exposed to short-term interest rate fluctuations. As a result, floating interest rates changes will have no material impact on the Group's financial expenses over the next six months.

In addition, a 0.5% increase in interest rates would moderately increase the fair value of the derivatives portfolio and therefore have a positive impact on equity of €4.3 million.

6.1.2 Derivatives portfolio

Interest rate derivatives are recognized in the statement of financial position at fair value :

In millions of euros	Fair value net of accrued interest as of 06/30/2024[a]	Change in fair value during 2024	Matching entry
Cash flow hedge	24.3	(0.8)	Shareholders' equity
Fair value hedge	(84.5)	(8.9)	Financial liabilities/Net income
Trading	56.0	(21.4)	Net income
TOTAL	**(4.2)**	**(31.1)**	

(a) The fair value of the interest rate hedging portfolio is categorized as level 2.

6.1.3 Fair value of financial liabilities

The Group recognizes borrowings in the statement of financial position at amortized cost.

The following table compares the fair values of borrowings with their corresponding nominal values. Fair values are established on the basis of the following principles:

- fair value of floating-rate loans is equal to the nominal value (assuming stable credit spreads);
- fair value of fixed-rate bank debt: fair value is calculated solely on the basis of rate fluctuations; and
- bonds: use of prices quoted on an active market where these are available.

	06/30/2024			12/31/2023		
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	6,033.6	5,440.7	(243.8)	5,333.9	4,801.7	(219.8)
Fixed-rate bank loans	150.0	163.3	(3.2)	125.7	126.9	(3.0)
Other floating-rate loans	2,250.4	2,250.4		2,221.3	2,221.3	
TOTAL	**8,434.0**	**7,854.4**	**(247.0)**	**7,681.0**	**7,149.9**	**(222.8)**

(a) Change in the fair value of the debt as a result of a parallel shift in the rate curve.

As of June 30, 2024, a 100-basis-point increase in interest would have resulted in a €247.0 million decrease in the fair value of the Group's fixed rate debt.

6.2 LIQUIDITY RISK

Klépierre's long-term financing policy is to diversify maturities and funding sources to facilitate renewals.

As of June 30, 2024, the average maturity of debt outstanding was 6.2 years. Funding sources are spread across different markets: corporate bonds, commercial paper and bank loans. In the bank market, Klépierre uses a range of different type of loans (bilateral, syndicated, secured and unsecured loans) and counterparties. Outstanding commercial papers, which represent the bulk of short-term financing, are generally rolled-over and never exceed the amount of backup credit lines. This means that the Group can refinance its maturing commercial papers immediately if it encounters difficulties in renewing them.

As of June 30, 2024, the maturity schedule of contractual flows was as follows:

Repayment year *In millions of euros*	2024	2025	2026	2027	2028	2029	2030	2031	2032 and beyond	Total
Principal	1,162	759	602	741	494	833	725	1,326	1,792	8,434
Interest (loans and derivatives)	112	153	110	95	88	64	61	58	133	873
GROUP TOTAL (PRINCIPAL + INTEREST)	**1,274**	**913**	**712**	**836**	**581**	**897**	**786**	**1,383**	**1,925**	**9,307**

In the next six months, €1,162 million of financing matures including €563 million of commercial papers and one €557 million bond on November 6, 2024. The refinancing of this transaction has already been secured by the issuance of a new €600 million long-term bond, maturing in September 2033. In addition, Klépierre had undrawn credit lines totaling €2,458 million (including bank overdraft and excluding outstanding commercial papers back-up lines).

Some of Klépierre's sources of fundings (bank loans, revolving credit facilities and bonds) contain financial covenants, which are based on the standard ratios applicable to real estate companies. Failure to comply with these covenants may trigger early repayment. As of June 30, 2024, Klépierre complies with all applicable financial covenants.

Certain bonds issued by Klépierre SA include a bearer put option, entitling the holder to demand early redemption in the event of a change of control resulting in a downgrade of Klépierre's credit rating below investment grade.

6.3 CURRENCY RISK

Klépierre generally operates in countries that use the euro, except for Norway, Sweden, Denmark, Poland, the Czech Republic and Turkey. The Group does not hedge its currency exposure in these countries.

Klépierre contracted two bank loans in JPY for JPY 28.4 billion and JPY 10.0 billion. Accordingly, the Group entered into two JPY/EUR cross currency swaps (JPY 28.4 billion and JPY 10.0 billion or €192.0 million and €69.9 million respectively).

Following the partial early repayment of its JPY debt, Klépierre has reduced the amount of one of its cross-currency swaps from JPY 28.4 billion to JPY 13.4 billion.

FAIR VALUE OF THE FOREIGN EXCHANGE DERIVATIVES PORTFOLIO

In millions of euros	Fair value net of accrued interest as of 06/30/2024[(a)]	Fair value net of accrued interest as of 12/31/2023[(a)]	Change in fair value during 2024[(b)]	Matching entry
Trading cross-currency swap	(26.2)	(17.1)	(9.0)	Net income
TOTAL	**(26.2)**	**(17.1)**	**(9.0)**	

(a) *The fair value of the interest rate hedging portfolio is categorized as level 2.*
(b) *Of which a negative €8.1 million offsetting the FX impact on the related debt over the period.*

6.4 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.

6.5 EQUITY RISK

As of June 30, 2024, Klépierre held 1,327,946 treasury shares, which are recognized at their acquisition cost as a deduction from equity.

NOTE 7 FINANCE AND GUARANTEE COMMITMENTS

7.1 COMMITMENTS GIVEN

7.1.1 Commitments related to the Group's leasing activities

Main clauses contained in the lessor's lease agreement are described below:

- Indexation specific to each country;
- Minimum guaranteed rent and variable rent;
- Total amount of conditional rents recognized in income.

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.

7.1.2 Other main commitments given

- Commitments related to development activities: these amounted to €25 million at June 30, 2024 and were mainly related to projects in France.
- Rental guarantees and deposits: these mainly comprise deposits related to local headquarters.
- Saint-Lazare temporary occupation license: 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, SNCF has several options at predetermined intervals and in return for compensation. SNCF owns a call option on the SOAVAL shares, and SNCF owns an option to terminate the temporary occupation license.

7.2 COMMITMENTS RECEIVED

In millions of euros	06/30/2024	12/31/2023
Commitments related to the Group's financing activities	**2,126.7**	**2,298.5**
Undrawn committed credit facilities, net of commercial paper	2,126.7	2,298.5
Commitments related to the Group's operating activities	**430.3**	**501.4**
Sale commitments[(a)]	40.3	106.8
Financial guarantees received in connection with management activities *(loi Hoguet)*[(b)]	180.0	190.0
Financial guarantees received from tenants[(c)]	209.9	204.6
TOTAL	**2,557.0**	**2,799.9**

(a) As of June 30, 2024, disposals commitments relate mainly to certain assets in Denmark and France.
(b) As part of its real-estate, leasing and property management activities, banking guarantees have been delivered to Klépierre Management for an amount capped at €180.0 million as of June 30, 2024.
(c) The Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed by tenants.

4 STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users.

This report includes information relating to the specific verification of information given in the Group's half-yearly management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the period from January 1 to June 30, 2024

To the Shareholders,

In compliance with the assignment entrusted to us by the Annual General Meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- The review of the accompanying condensed half-yearly consolidated financial statements of Klépierre, for the period from January 1 to June 30, 2024,
- The verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Executive Board. Our role is to express a conclusion on these financial statements based on our review.

4.1 CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

4.2 SPECIFIC VERIFICATION

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 31, 2024

The Statutory Auditors

French original signed by

ERNST & YOUNG Audit	**Deloitte & Associés**
Gilles COHEN	Jean-Vincent COUSTEL

5 STATEMENT OF THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I certify that, to the best of my knowledge, the interim condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards, and give a true and fair view of the assets and liabilities, and of the financial position and results of the Company and all its consolidated subsidiaries, and that the attached interim management report provides a true and fair view of the significant events that occurred during the first six months of the fiscal year, their impact on the interim condensed consolidated financial statements, the significant transactions with related parties, as well as a description of the mains risks and uncertainties for the remaining six months of the fiscal year.

Paris, August 6, 2024
Jean-Marc JESTIN

Chairman of the Executive Board

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