



ANNUAL GENERAL MEETING

13 June 2023

EUROCOMMERCIAL



Strategy and results review

Evert Jan van Garderen

EUROCOMMERCIAL

Strategy

INVESTMENT STRATEGY

- A shopping centre specialist
- A diversified shopping centre portfolio
- Selective growth and asset rotation



FINANCIAL STRATEGY

- Mortgage loans financing
- Long-standing relationship with lenders
- Green Finance Framework



OPERATIONAL STRATEGY

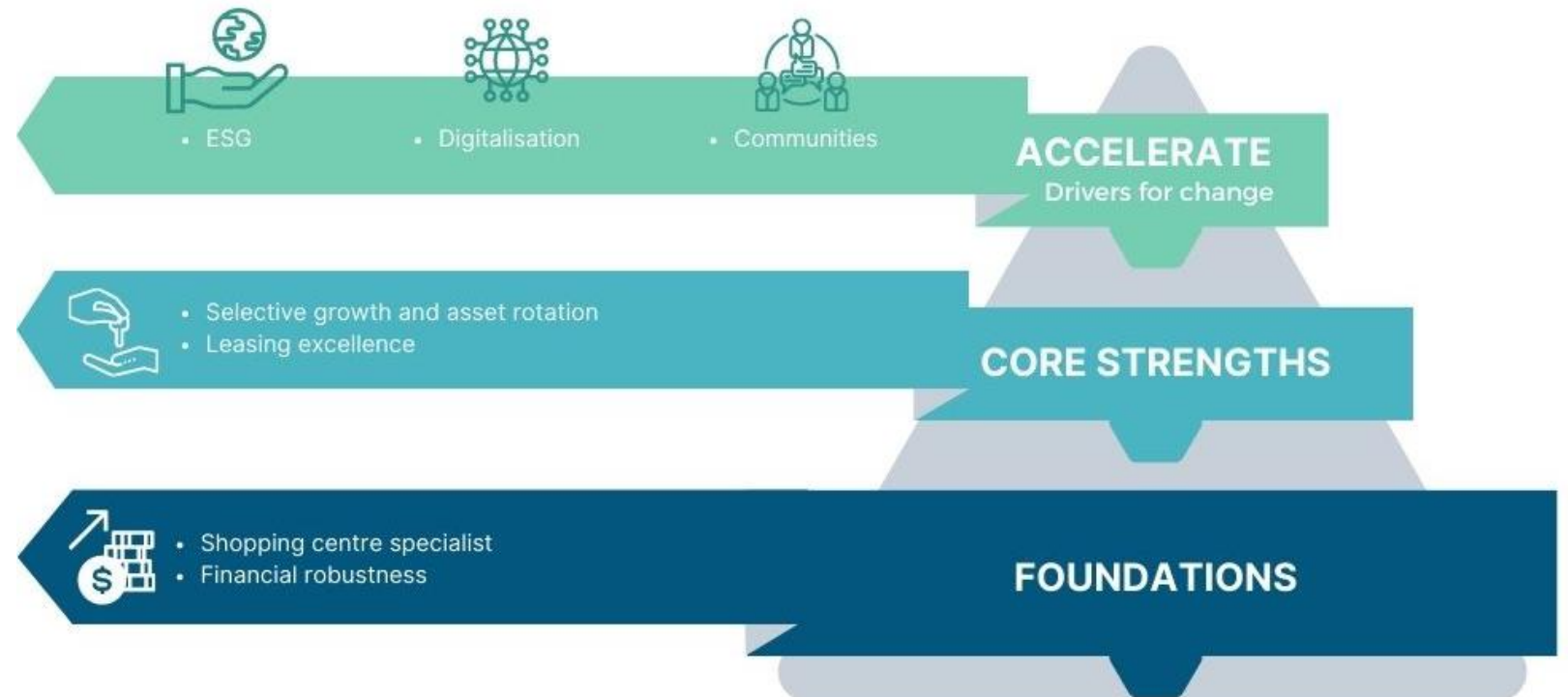
- Leasing excellence
- Portfolio management



Three drivers for change: ESG, digitalisation and communities

Corporate values:
professionalism, team spirit,
transparency, focus and the
creation of long-term value
in a sustainable manner

Strategic pathway



Environmental, social and governance



ESG Strategy framework



ESG Governance

Supervisory Board

ESG committee

Includes CEO, CFO, CIO and Group Director Legal

ESG working group

Chaired by Group Director Legal

Committee members

Country representatives from
Belgium, France, Italy and
Sweden

External support

Strategic advisory firm, property
management companies and
building certification bodies

Recognitions



BREEAM®



Digital strategy

Digital Vision:

- Our shopping centres are pivotal for retailers to satisfy consumer needs
- Retailers need physical stores to deliver a frictionless, integrated and digital experience

Digital Mission:

- To partner with retailers to deliver a seamless experience to clients through strong locations, attractive spaces, well-known and loyal customer bases and established digital infrastructure

1



**Be the partner retailers
want to be with**

2



**Be connected to
our visitors**

3



**Be the place where
people want to be**

Digitalisation

Be the partners retailers want to be with

From supporting (new) retail formats to **integrated retail**

From regular tenant survey to **continuous communication and data partnership**

Customer journey is central to digital transformation



From desk research to **visitor analysis**
From surveys to **building a consumer relationship**

Centres as cornerstone for their local communities

From shopping centre to **community hub**

From providing services to a **tailor-made experience**

MORE SHOPPERS, MORE LOYALTY, MORE SPENDING

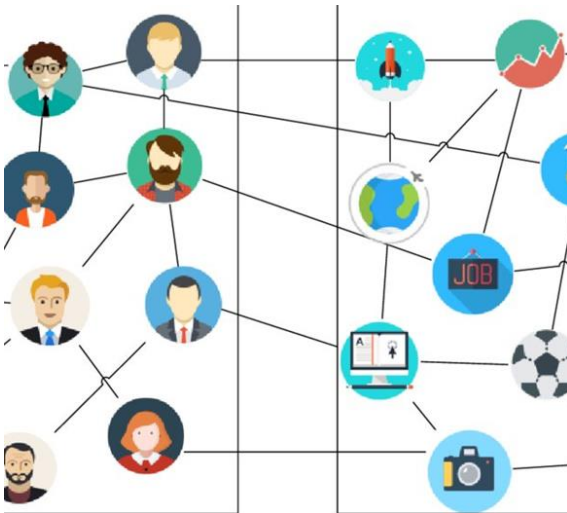


Communities



People want/need a **physical place** where they can come together as a **community**.

A **community hub** fulfils the **needs of local communities** that goes beyond the classical function of a mall.



Eurocommercial's engagement with our communities

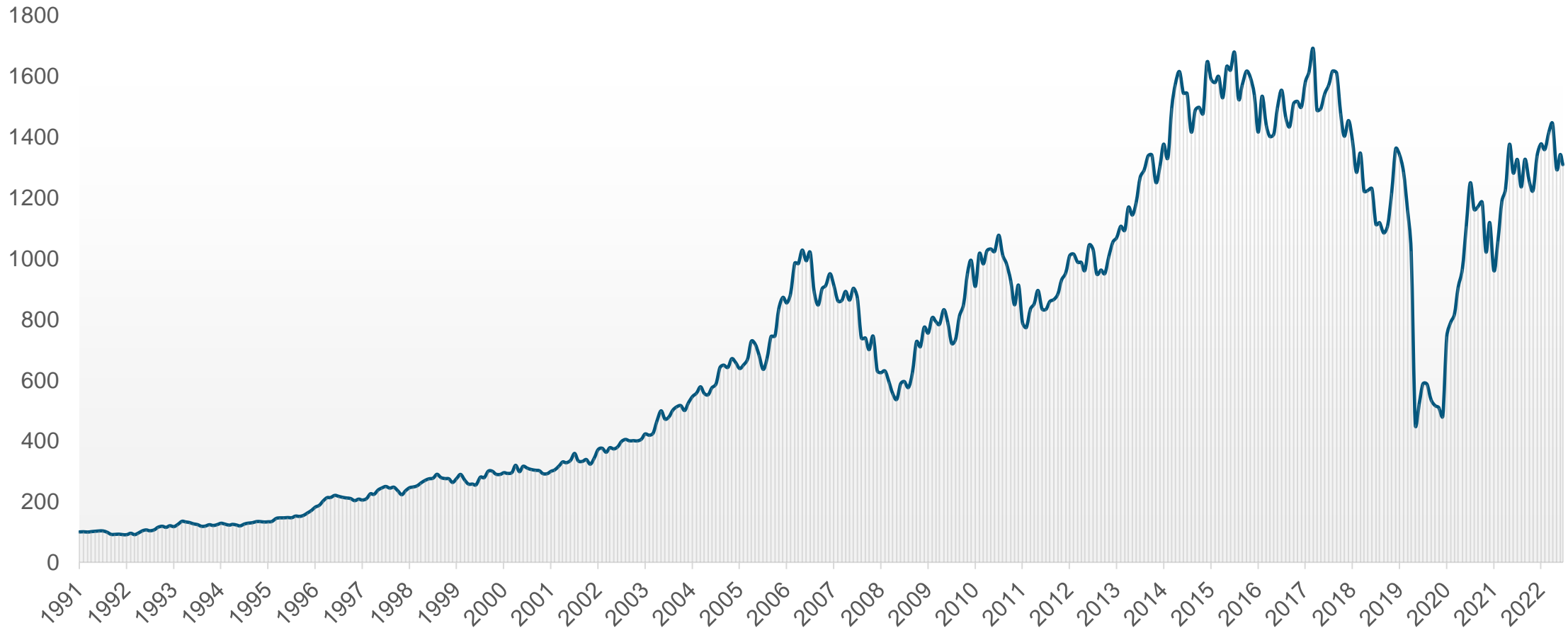
- Build on participation through social media in a continuous two-way communication
- Respond to communities' needs by providing the best levels of retail, services, amenities and experiences
- Create community spaces (online and offline)

Ready for the future after 32 years of history in the retail property sector

- Strategy update not only identified Drivers for change
- But also the following points
 - ❑ Continue in current four countries
 - ❑ Shopping centre specialist
 - ❑ Leasing excellence



Total Shareholder Return development from IPO in 1991



* Rebased to 100 at IPO and prices before 1 January 1999 are converted from NLG to EUR. All calculations are based on nominal total returns with reinvestment of dividends.

Source: Global Property Research

Solid operational performance in 2022

Retail sales

+15.9% vs 2021
+5.0% vs 2019

Rental growth

4.7%
(compared to 2.9% in the 12 months to June 2022)

Renewals and relettings

5.4%
Rental uplift on renewals and relettings
255 lease transactions

Vacancy

1.5%
(same level as at 30 June 2022)

OCR

9.2%
(same level as at 30 June 2022)

Rent collection

98%
(collected in 2022 compared to 93% in 2021)

Continued solid operational performance in Q1 2023

Retail sales

+13.1% vs 2022

+9.6% vs 2019

Rental growth

8.7%

(compared to 4.7% in the 12 months to December 2022)

Renewals and relettings

7.7%

Rental uplift on renewals and relettings
246 lease transactions

Vacancy

1.8%

(compared to 1.5% at 31 December 2022)

OCR

9.5%

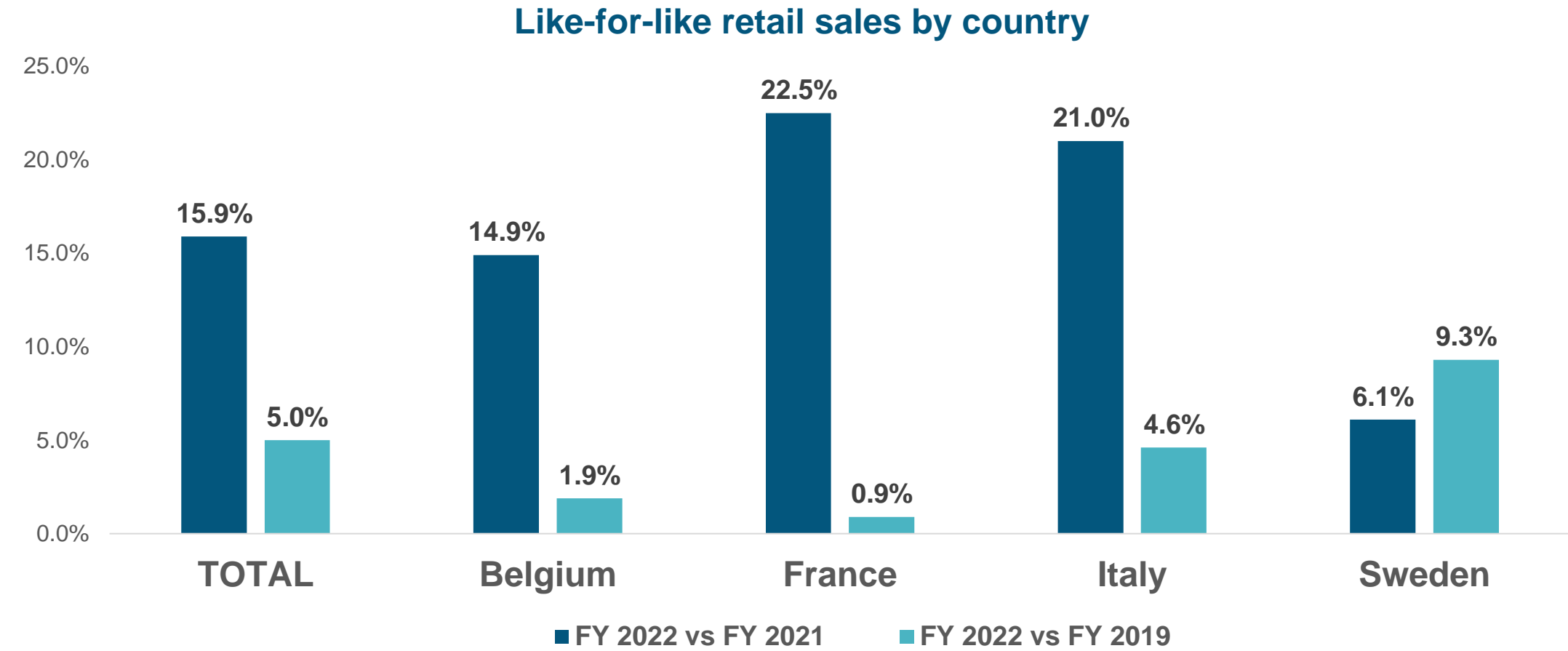
(compared to 9.2% at 31 December 2022)

Rent collection

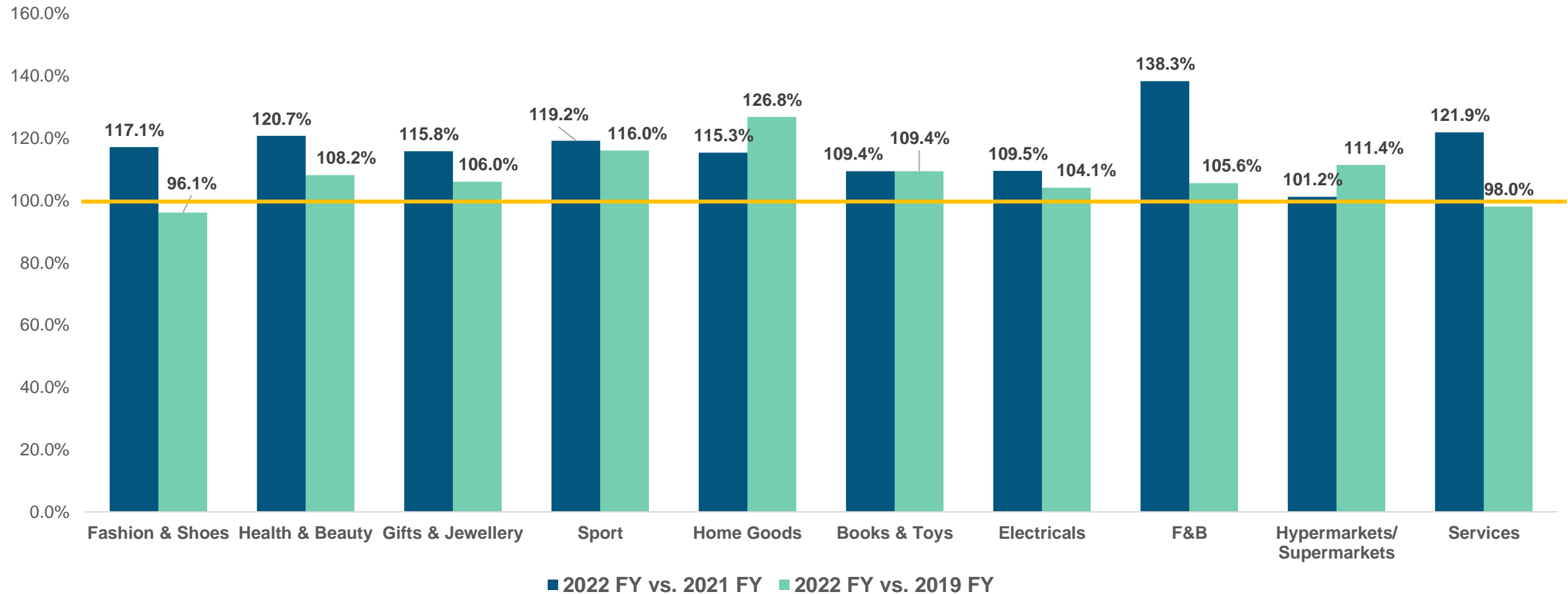
97%

(collected in Q1 2023)

Retail sales comparison FY 2022 vs FY 2021 and FY 2019



Retail sector sales comparison FY 2022 vs FY 2021 and FY 2019



Rental growth

12 months to December 2022

	Like-for-like rental growth
Overall	4.7%
Belgium	5.0%
France	2.6%
Italy	6.5%
Sweden	3.0%

12 months to March 2023

	Like-for-like rental growth
Overall	8.7%
Belgium	8.1%
France	4.2%
Italy	11.0%
Sweden	9.2%

Like-for-like rental growth is calculated based on 12-month data and excludes the impact of acquisitions, disposals and development projects to provide an accurate figure for comparison. It includes the impact of indexation, turnover rent, vacancies and leasing activity and excludes COVID-19 rent concessions.



Renewals and relettings

(12 months to 31 December 2022)

	Number of renewals and relettings	Average rental uplift on renewals and relettings	% of leases renewed and relet (MGR)
Belgium	10	-2.7%	16%
France	46	4.1%	8%
Italy	114	8.8%	12%
Sweden	85	5.7%	16%
Overall	255	5.4%	13%

(12 months to 31 March 2023)

	Number of renewals and relettings	Average rental uplift on renewals and relettings	% of leases renewed and relet (MGR)
Belgium	14	7.7%	14%
France	40	2.7%	7%
Italy	98	9.1%	10%
Sweden	94	8.6%	19%
Overall	246	7.7%	11%

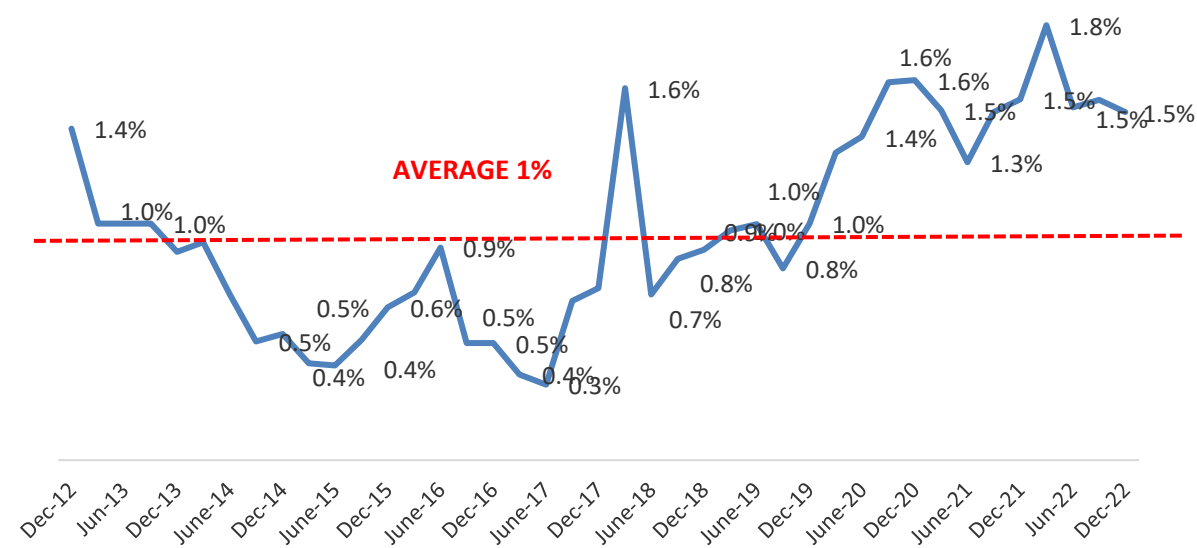
- Positive growth on renewals and relettings still being achieved
- 246 lease transactions achieving a rental uplift of 7.7% at 31 March 2023
- 71 lettings to new retailers achieving an uplift of 11.5%



EPRA vacancies

EPRA vacancy rate for the portfolio remained low at 1.8% at 31 March 2023, ranging between 1.0% and 3.3%.

Long term EPRA vacancy rate



	EPRA vacancy at 30 Jun 2022	EPRA vacancy at 31 Dec 2022	EPRA vacancy at 31 Mar 2023
Overall	1.5%	1.5%	1.8%
Belgium	0.3%	1.7%	1.7%
France	2.4%	2.9%	3.3%
Italy	1.0%	0.6%	1.0%
Sweden	2.2%	1.7%	2.0%

Occupancy cost ratio (OCR)

As per 31 December 2022

	Occupancy cost ratio
Overall	9.2%
Belgium	15.5%
France	10.3%
Italy	9.0%
Sweden	7.3%

12 months to March 2023

	Occupancy cost ratio
Overall	9.5%
Belgium	14.8%
France	10.2%
Italy	9.5%
Sweden	7.7%

- The total occupancy cost ratio is defined as rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT.



Rent collection in 2022

	% of 2022 invoiced rent collected	% of Q1 2023 invoiced rent collected
Belgium	100%	99%
France	95%	96%
Italy	99%	97%
Sweden	98%	100%
Total	98%	98%





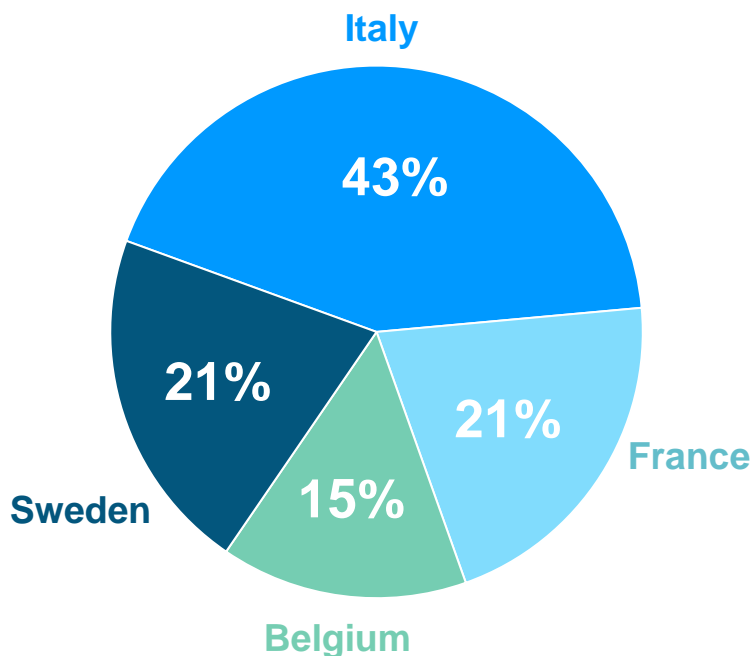
Portfolio and ESG

Peter Mills, CIO

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A well diversified portfolio (as at 31 December 2022)

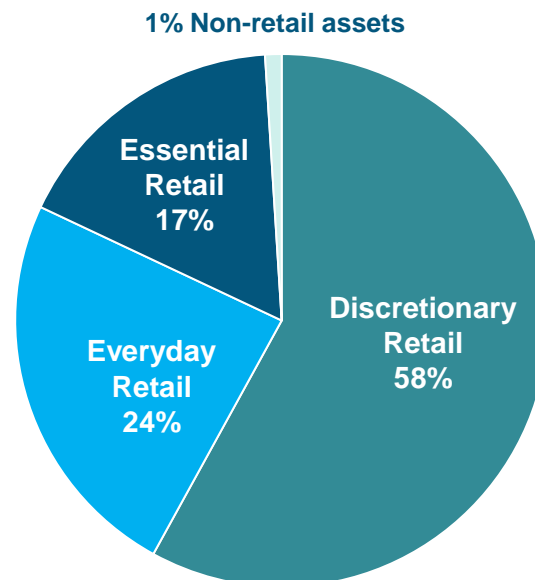
Geographical (by value)



5 Flagship centres*

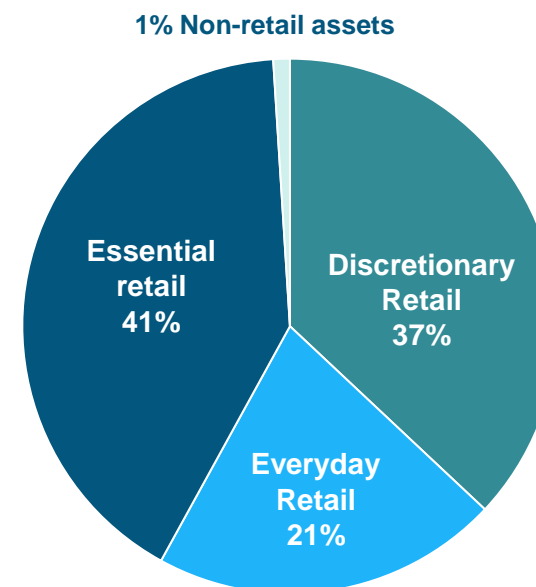
IGigli/Carosello/Fiordaliso/Woluwe Shopping/ Passage du Havre

Fashion & Shoes = 36%
Essential and Everyday Retail = 41%



19 suburban hypermarket anchored shopping centres*

Fashion & Shoes = 24%
Essential and Everyday Retail = 62%



N.B.: Essential retail includes hypermarkets and Systembolaget, everyday retail includes books and toys, health and beauty, services, home goods and telecom and electronics.

* Total GLA including parts of shopping centres not owned by Eurocommercial.

Valuations (at 31 December 2022)

	Net value	Valuation change	EPRA yields	
	31 Dec 2022 € million	From 31 Dec 2021	NIY	Topped-up
Belgium	578	-0.4%	4.6%	4.9%
France	810	-0.5%	5.3%	5.4%
Italy	1,630	0.6%	6.0%	6.1%
Sweden	815	-1.7%	5.6%	5.8%
Overall	3,833	-0.3%	5.5%	5.7%

Valuation split

5 Flagships	Net value (€M) 31 December 2022	EPRA net initial yield (%)	EPRA topped up yield (%)
Woluwe Shopping (Belgium) Passage du Havre (France) I Gigli, Carosello, Fiordaliso (Italy)	1,729 (45% of the portfolio)	5.2	5.4

19 suburban hypermarket anchored shopping centres	Net value (€M) 31 December 2022	EPRA net initial yield (%)	EPRA topped up yield (%)
7 in France 5 in Italy 7 in Sweden	2,104 (55% of the portfolio)	5.8	6.0

Investment strategy

A shopping centre specialist

- A rigorous, research-led approach to acquisitions (accessibility, location, catchment)
- Economic and research teams conduct detailed catchment studies (current and prospective demographic and economic profiles)
- Analysis of current and future provision of retail space and competition to ensure that the retail density is appropriate
- Rental levels and retail sales carefully reviewed
- Check OCR levels are appropriate to underwrite long-term sustainable rental income and to maintain low vacancy.

A diversified shopping centre portfolio

- Five flagships representing 45% of the portfolio by value:
 - Woluwe Shopping, Brussels
 - Passage du Havre, Paris
 - I Gigli, Florence
 - Carosello, Milan
 - Fiordaliso, Milan
- 19 suburban hypermarket anchored shopping centres representing 55% of the portfolio by value and with more than 60% of floor space dedicated to everyday and essential retail.

Selective growth and asset rotation

- Further growth and diversification of the property portfolio could be achieved through joint ventures with financial partners.
- Extensions of shopping centres have to provide a minimum return reflecting the risks and strategic value of the projects.
- Asset rotation where value has been maximised compared to growth potential of alternative investment opportunities

€200 million disposals completed

France



Les Trois Dauphins, Grenoble,
completed in March 2021 for €34.4 M



Chasse Sud, Chasse-sur-Rhône,
completed in December 2021 for €80 M



Les Grands Hommes,
Bordeaux completed in March 2022 for €22.5 M



Passage du Havre, Paris, 50% office &
residential completed in March 2022 for €57 M

Sweden



Moraberg retail park sold in
October 2020 for €41.1 M



Bronsen retail park sold in
December 2020 for €20.9 M

Acquisition of minority interest in Woluwe Shopping

- Put option exercised by minority shareholder AG Insurance for its 25.6% stake in Woluwe Shopping
- Exercise price €69.6 million equal to net asset value
- Closed on 18 April 2023
- Funded by available cash and credit lines
- Woluwe Shopping in 100% ownership



Leasing highlight - Lifestyle

The pandemic was a catalyst for the rapid growth in lifestyle fashion and strong sales in sporting goods and equipment during lockdowns.

- I Gigli's lifestyle destination, anchored by Adidas, Nike Store and JD Sports.
- North mall extension in Fiordaliso with national brand Mascheroni and international brands Adidas, JD Sports and Game7
- Expansion of several brands into our shopping centres: Footlocker, JD Sports, Courir and Snipes
- Gyms and fitness centres taking units inside shopping centres: KA Fitness at Les Atlantes in France and Nordic Wellness in Elins Esplanad and Bergvik in Sweden.
- Ongoing negotiations with gym operators to establish in three of our Italian shopping centres



LIFESTYLE



Leasing highlight – F&B sector

The F&B sector has now fully recovered and is expanding with a range of new brands, concepts and formats. Traditionally the sector is different in Italy and France where food is perhaps more of a cultural and social experience integrating particularly well with late shopping and other leisure activities while in Sweden, the focus is generally on buffet-style lunch trade.

Developments/projects

- Fiordaliso – Fiordafood, a 2,500m² food hall, 12 new restaurants including Wagamama, Calavera, GiustoSpirito, Kebhouse, KFC, Signorvino
- Carosello – restyle of Corte del Gusto with increased seating
- Shopping Etrembières – opening of two restaurants, Les Trois Brasseurs and Il Ristorante, in a purpose built property adjoining the shopping centre
- Valbo – 1,000m² project to be completed during autumn 2023 with 700m² let to Chili & Wok and Baked & Grilled, two national food operators



F & B

All'antico Vinaio

il Ristorante
LA CUCINA ITALIANA

BAKED & GRILLED

wagamama

Giustospirito
BIRRA ARTIGIANALE ITALIANA

KEBHOUSE

CALAVERA
RESTAURANT

3 BRASSEURS

ESPRESSO
HOUSE



CHILI & WOK

Leasing highlight – Value retail sector

With household budgets under pressure from rising inflation and increasing energy costs, one developing retail trend has been the expansion of the low price/value retail sector.

- Increasing market share across all our markets
- An important part of the tenant mix inside shopping centres
- Home goods in our centres: Clas Ohlson, Rusta, Flying Tiger, TEDI and Miniso
- Health and Beauty: Danish retailer Normal is now established in six of our Swedish shopping centres and in Passage du Havre city centre gallery in Paris.
- Fashion: Primark is now well established in I Gigli and Fiordaliso; German retailer New Yorker have recently opened in Fiordaliso and trading well in Valbo, C4, Hallarna and Grand Samarkand while Pepco is a recent addition at CremonaPo



VALUE RETAIL



PRIMARK®



NEWYORKER



flyng tiger
copenhagen

Project

Valbo, Gävle



- ☐ Phase 1 – Improved masterplan and circulation (completed)
- ☐ Phase 2 – Refurbishment of malls and common areas (completed)
- ☐ Phase 3 – 1,000m² extension, 7 prelet shops, renovation of car park and external façade – completion autumn 2023

Project

Woluwe Shopping, Brussels



- ❑ Planning decision during summer 2023
- ❑ 7,800m² retail and 70 apartments
- ❑ Major leasing improvements under negotiation
- ❑ Joint venture possibility



Environmental, social and governance



Recognitions



G R E S B[®]



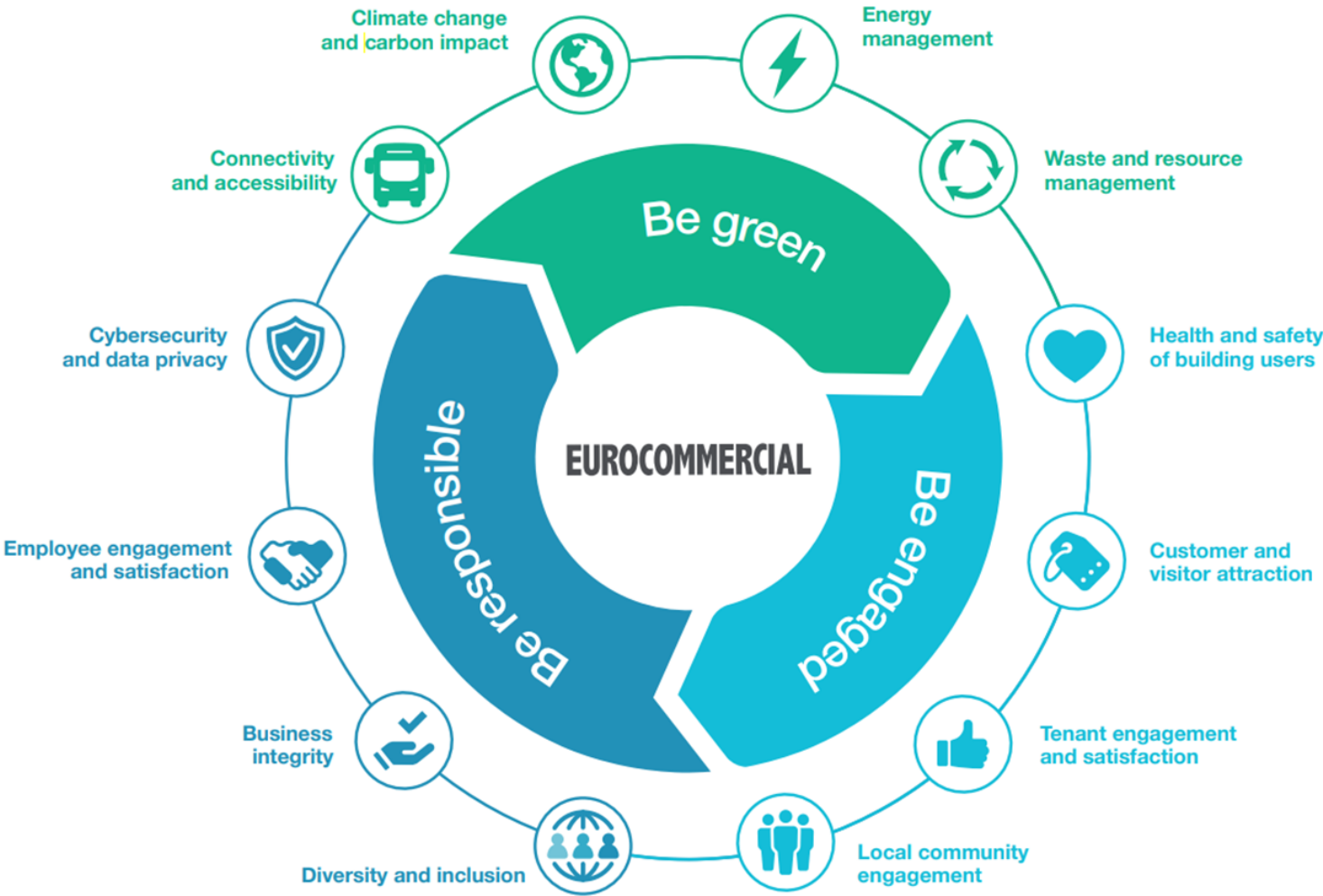
EPRA
sBPR
GOLD



BREEAM[®]



EURONEXT
AEX[®] ESG Index



Be green

Key facts

- 100% BREEAM in Use certifications in place in the portfolio (March 2023)
- Climate change risks and opportunities assessment performed for each asset
- 9% reduction in carbon intensities and removal of gas from our properties underway
- Investments identified to reduce operational costs (solar panels; EV chargers, Building Management System upgrades, LED relamping)
- Energy saving measures

Energy facts

- 15% reduction in carbon emissions (market base vs. 2021)
- 83% of total electricity in 2022 was procured from renewable energy sources
- Increased installation of solar panels = 3,506MWh energy produced on site by 10 assets
- Additional 58 EV chargers for 2023

Objectives and targets

Objective	Status	Key facts
Operate carbon neutral by 2030	On target	15% carbon emissions reduced (market bases vs. 2021)
Zero waste to landfill by 2030	On target	53% of assets with zero waste to landfill
BREEAM certifications in place for all shopping centres by 2025	On target	100% of assets BREEAM certified



Be engaged

Key facts

- Shopping centres increasingly form an integral part of their local communities
- Dedicated spaces for community meeting, health and wellbeing, charity, education and employment
- Customer satisfaction surveys: In 2022, over 8,000 in-person interviews carried out
- Green lease coverage: 40% in Belgium, 34% in Italy, 45% in Sweden and 50% in France
- Retail Academy® will establish at a further eight shopping centres by year-end 2023

Objectives and targets

Objective	Status	Key facts
Maintain all customer satisfaction score above 7.5 by 2025	On target	8,000 customers participated in engagement surveys in 2022 8.3 average score
Improve the average retailer satisfaction scores towards 7.0 by 2025	On target	1,092 tenants participated in engagement surveys in 2022 7.0 average score
Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023	On target	In 2022, over 1,200 participants in the Retail Academy® across seven centres



Be responsible

Key facts

- Green Finance Framework developed to issue Green Finance Instruments - Second party opinion issued by ISS Corporate Solutions
- €216.5 million sustainability linked loans over 5 loans, 3 of which are also green loans (€117 million)
- Four green loans for a total €386 million
- 35 hours of training on average per employee

Objectives and targets

Objective	Status	Key facts
Zero breaches against the Code of Conduct annually	On target	Zero breaches in 2022
Create an attractive and professional workplace	On target	2.1% sickness ratio 16% turnover rate
Introduced Green Finance framework	On target	€216.5 million sustainability linked loans



Financial strategy

Roberto Fraticelli, CFO

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Financial Performance 2022

(at 31 December 2022)

Income statement

(€ million)	FY 2022	FY 2021
Rental income	€199.3	€198.3
Net property income	€163.9	€155.1
Net interest expenses	€ 39.6	€ 40.0
Direct investment result	€119.5	€110.6

Financial position

(€ million)	FY 2022	FY 2021
Property investments	€3,643	€3,757
Net borrowings	€1,454	€1,590
EPRA NTA	€2,043	€2,092
EPRA Net initial yield	5.5%	5.1%

Per share

	FY 2022	FY 2021
Net asset value (IFRS)	€38.68	€37.54
Adjusted net asset value	€39.62	€40.63
EPRA NTA	€38.64	€40.11
Indirect investment result	€ 1.54	(€0.12)
Direct investment result	€2.28	€2.18
Total investment results	€3.82	€2.06
Number of shares*	52,842,238	52,146,993

* At the end of the period after deduction of shares bought back

Financial Performance Q1 2023

(at 31 March 2023)

Income statement		
(€ million)	Q1 2023	Q1 2022
Rental income	€53.3	€49.3
Net property income	€44.3	€40.1
Net interest expenses	€10.5	€8.8
Direct investment result	€32.6	€28.8

Financial position		
(€ million)	31/3/2023	31/3/2022
Property investments	€3,636	€3,701
Net borrowings	€1,453	€1,468
EPRA NTA	€2,030	€2,127

Per share		
	Q1 2023	Q1 2022
Net asset value (IFRS)	€38.25	€38.75
Adjusted net asset value	€39.39	€41.07
EPRA NTA	€38.39	€40.78
Indirect investment result	(€0.33)	€0.72
Direct investment result	€0.61	€0.55
Total investment results	€0.28	€1.27
Number of shares*	52,842,238	52,146,993

* At the end of the period after deduction of shares bought back

Financial summary at 31 December 2022

Proportionally consolidated

Total net borrowings

€1.548 billion

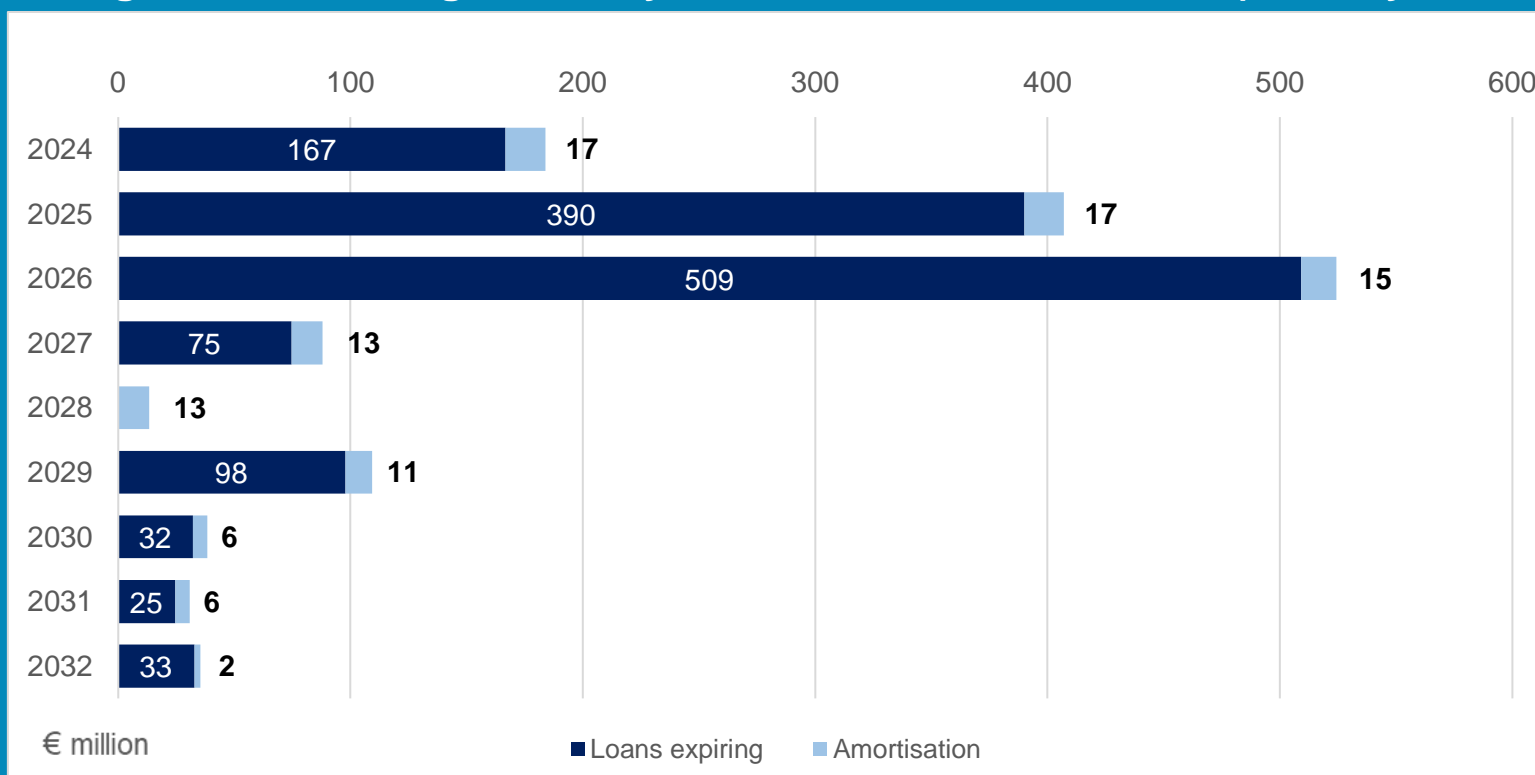
Average term of hedges

5.3 years

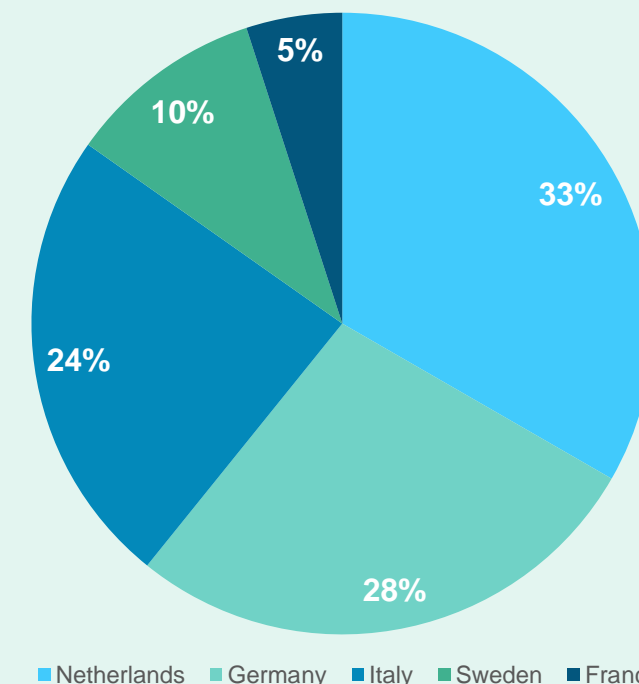
Average overall interest rate
(incl. margin)

2.4%

Long term borrowings maturity and amortisation schedule (January 2024 – December 2032)



Lenders' Share



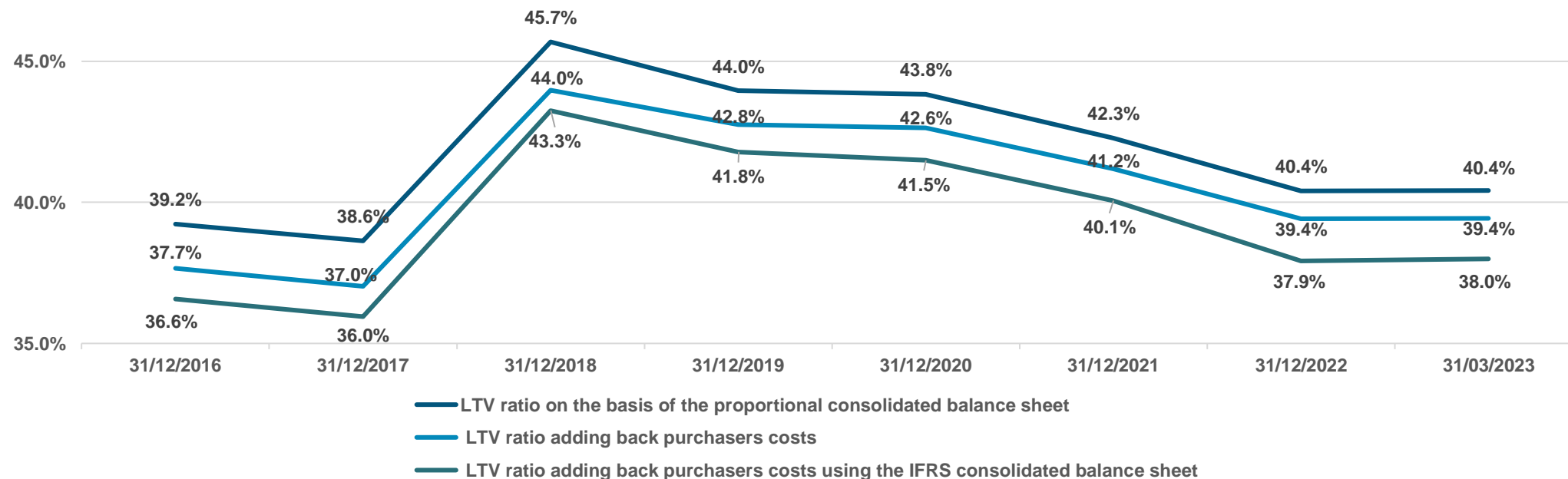
Flexible bank financing structure

A flexible financing structure based on mostly bilateral bank loans that allows:

- Lower impact of exogenous events (i.e. movements in capital markets)
- Lower size of single loans and relative lower refinancing risk
- Diversification among over 15 banks to reduce risk concentration and to optimise the economic conditions
- More flexibility in the management of interest rate risk through a dedicated, proactive and opportunistic hedging activity
- More flexibility in adapting the structure of the loans to the operating activity, also thanks to the long-term relationship with financing banks
- No credit rating also implies no liquidity collateral and no margin step-up in case of a worsening of the credit profile

Loan to Value ratio evolution

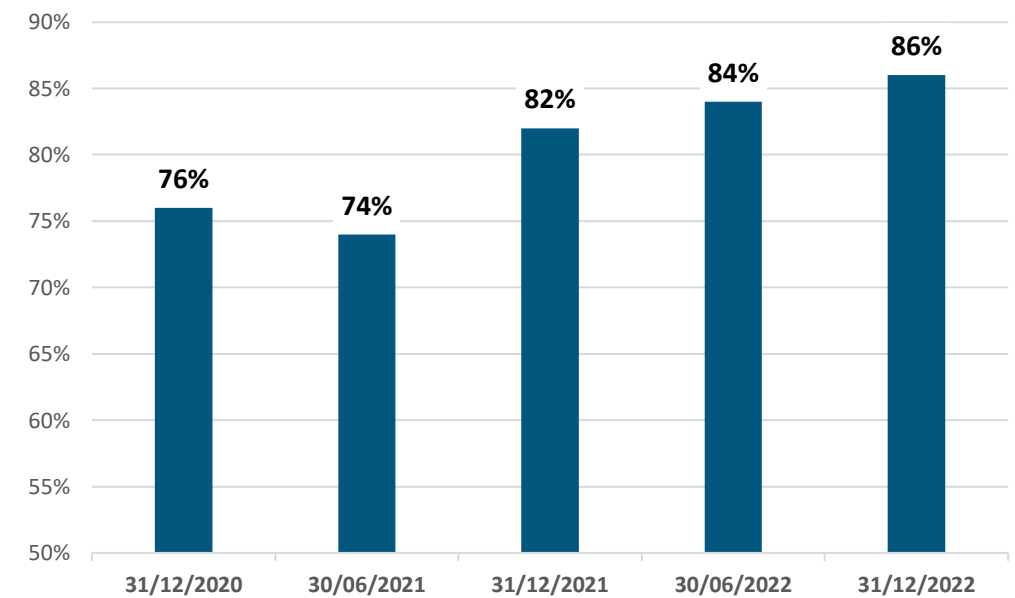
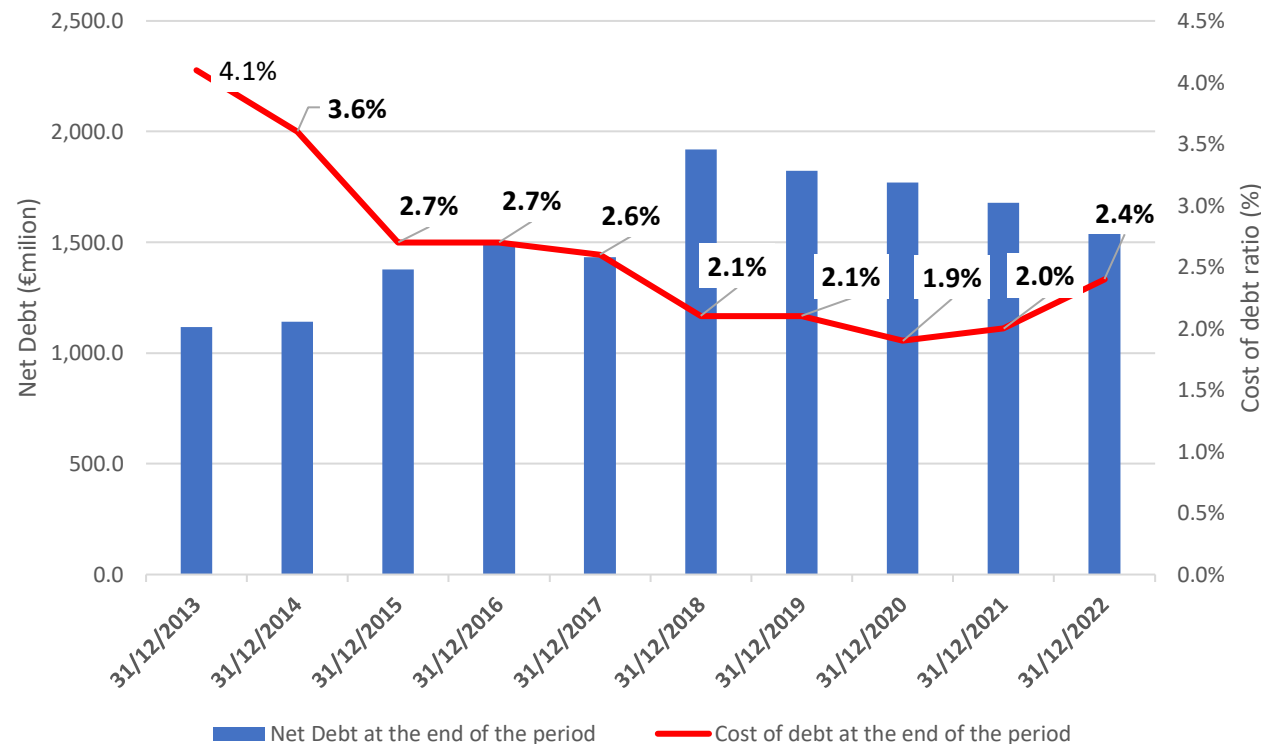
- LTV ratio back to historical levels thanks to the implementation of the sale programme, after the increase in 2018 related to the Woluwe acquisition
- LTV ratio 40% target confirmed
- LTV ratio bank covenant threshold at 60%



Cost of debt

Cost of debt under control thanks to:

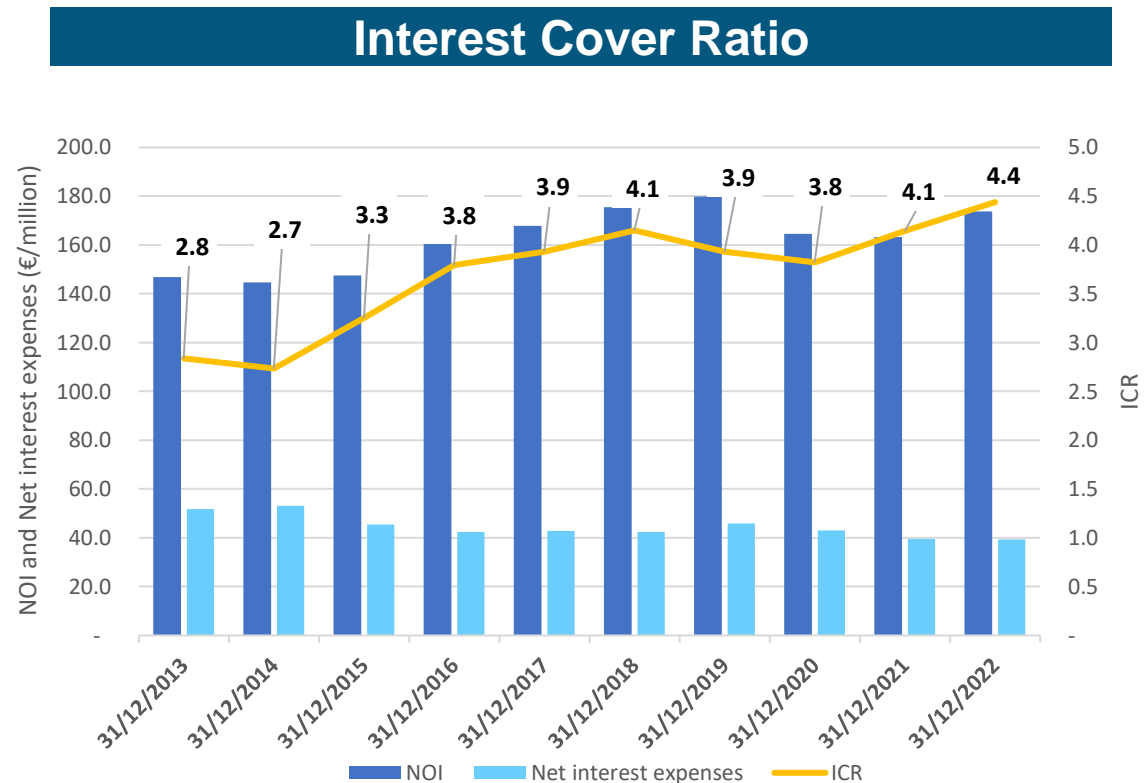
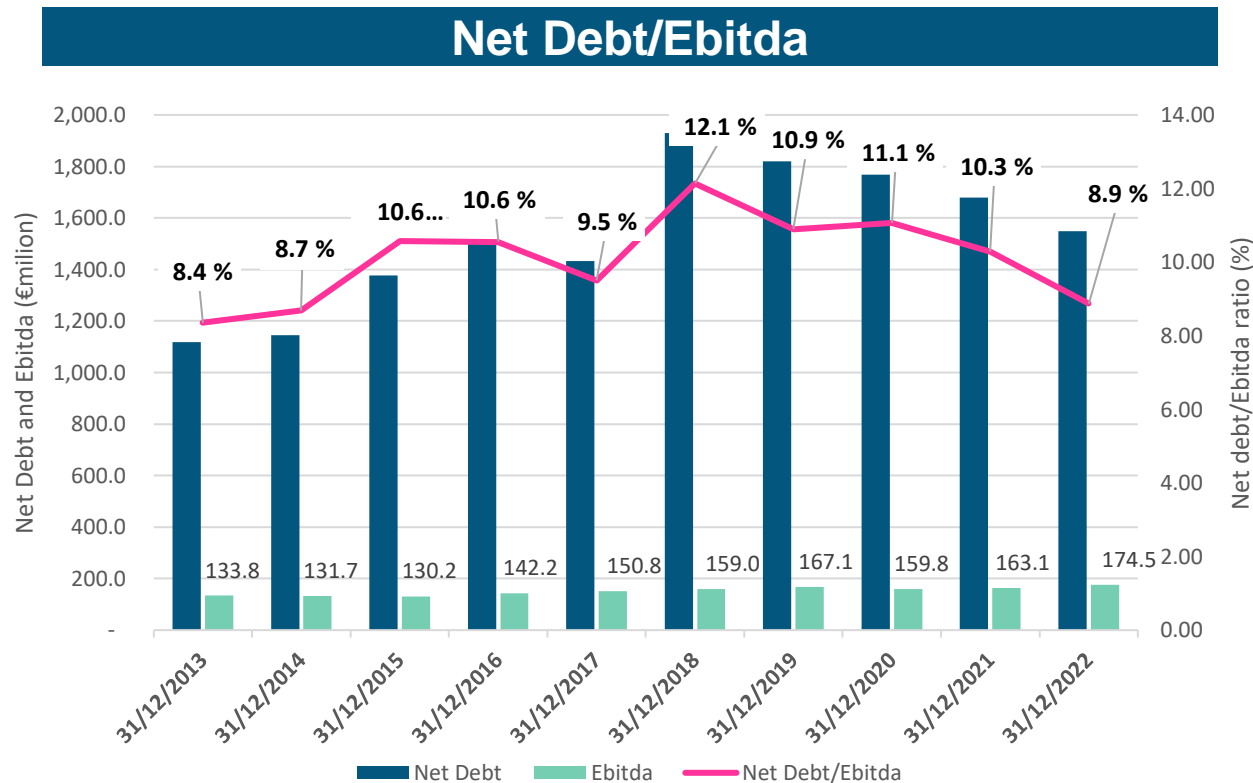
- low bank loans margins
- an effective interest rate risk management through long-term hedging policy



Latest hedging levels

Financial leverage parameters

- Debt service guaranteed by a steady operating cash-flow
- Constant Ebitda growth and debt reduction set the Net Debt/Ebitda ratio back to its historical lows
- ICR stable thanks to a stable NOI and to a strict control of net interest expenses

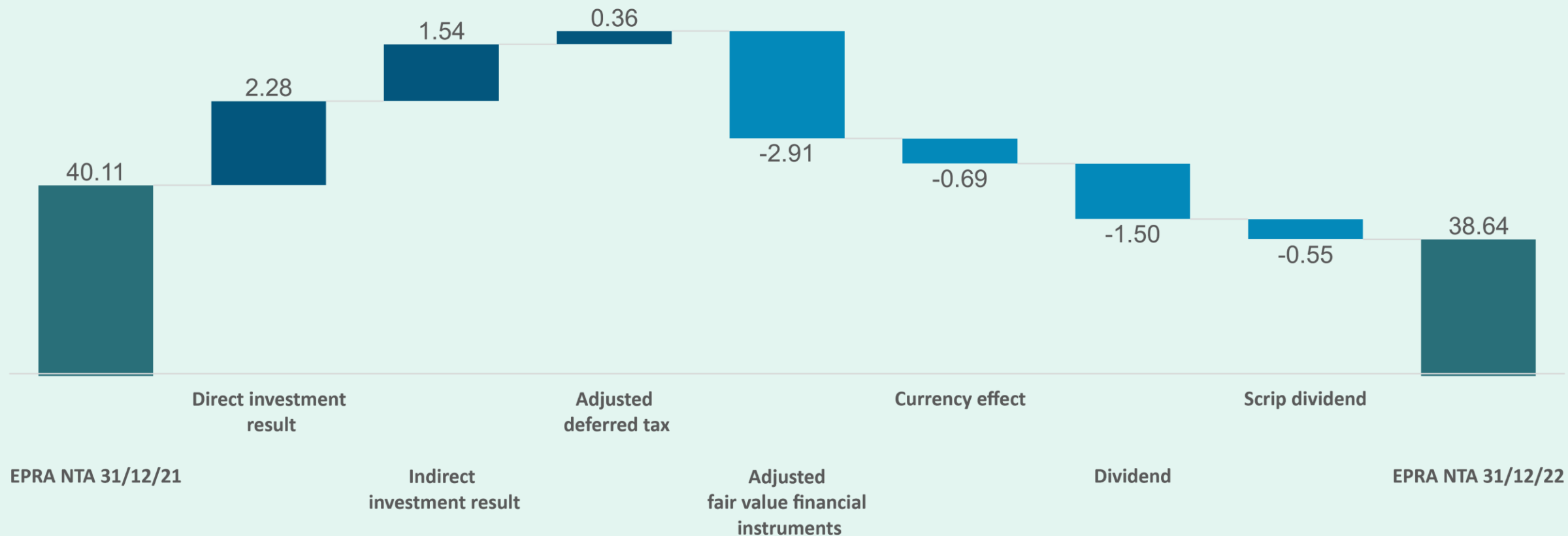


Green Finance

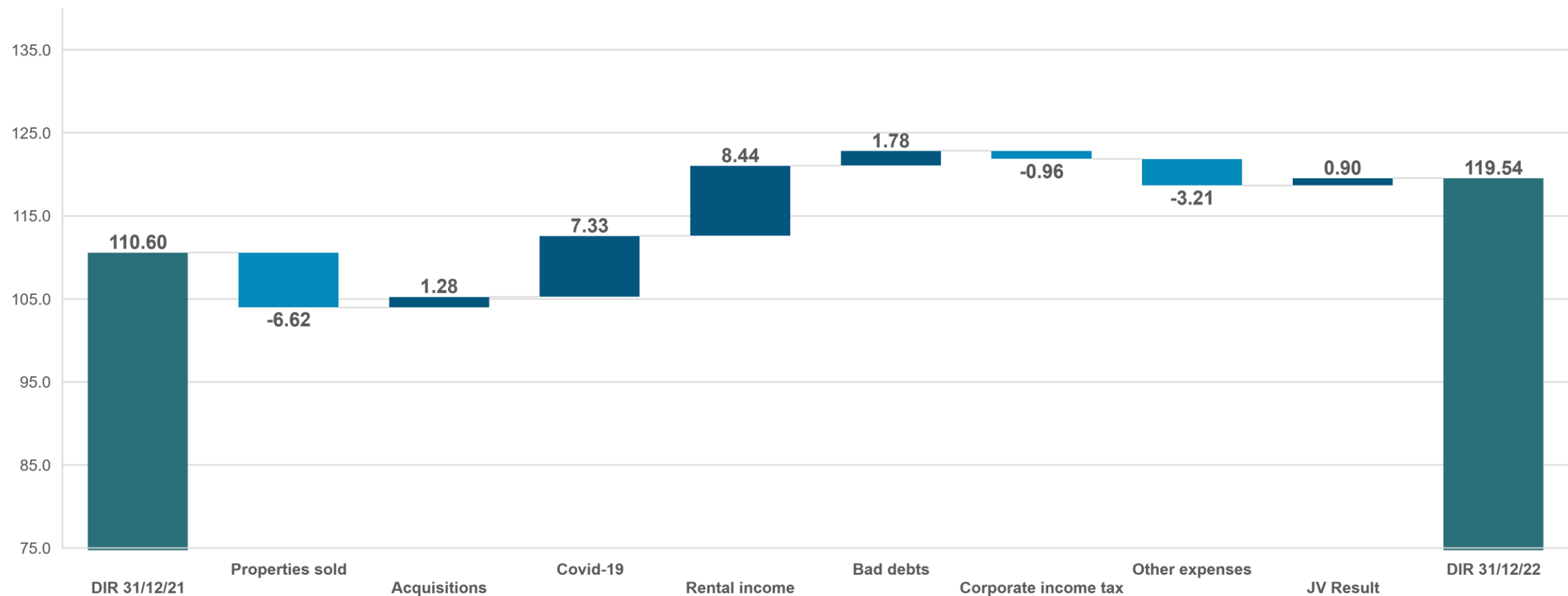
- **Green Finance Framework** developed to issue Green Finance Instruments; second party opinion issued by ISS Corporate Solutions
- **4 green loans** for a total amount of **€386** million (€302.5 group share)
- **5 sustainability linked loans** for a total amount of **€216.5** million (3 of which (€117 million) are also green loans)
- Margins on sustainability linked loans set on the achievement of **KPIs** at corporate and asset levels
- **100% BREEAM in Use** certifications in place for the whole portfolio
- **Green financing strategy**: convert existing loans in green finance instruments as soon as practicable or at the next available refinancing date.
- Special purpose green finance instruments will be used when and where available to support green investments (solar panels, EV chargers, LED relamping etc)

EPRA Net Tangible Asset

EPRA NTA Bridge



Direct Investment Result (DIR) comparison of 2022 with 2021





CAMMIN de' GIGLI

DISPENSA EMILIA
TIGELLE TAGLIATELLE INSALATE

ai Banchi
del Mercato Centrale

fratelli la bufala

fratelli

ABETONE
MULTIPASS

ABETONE
MULTIPASS

ABETONE
MULTIPASS

ABETONE
MULTIPASS

ABETONE
MULTIPASS

SWAROVSKI

A+ MEN

7 ATHLETICS

GAME

ATHLETICS

ATHLETICS

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AGM Presentation

13 June 2023



Our audit

01. Our report



Financial statements

- Auditor's report on consolidated and company financial statements
- Our opinion: unqualified
- Report of the Board of Management and other information

05. Key audit matters



- Valuation of investment property
- Real estate transactions



04. Scope and approach



- Group audit
- Involvement of specialists
- Communication with the Supervisory Board

02. Materiality



Materiality of EUR 20 million

- 0.5% of total assets as at 31 December 2022
- Misstatements in excess of EUR 0.8 million are reported to the Audit Committee

03. Risk Assessment



Audit response to:

- Fraud and non-compliance with laws and regulations
- Going concern
- Internal controls
- Climate-related risks



CCO

clas ohlson

LYKO

LAUREN

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Cash dividend

- A cash dividend pay-out ratio ranging between 65% and 85% of the direct investment result but with target at 75%
- Interim cash dividend of €0.60 per share (40% of total cash dividend of previous year) paid on 27 January 2023
- Final cash dividend of €1.00 payable on 7 July 2023



Stock dividend

- Option to elect for a stock dividend instead of cash: 1 new share for each 24 shares owned, so issue price of €24 per share
- Election period ends 30 June 2023
- Issue date Friday 7 July 2023





Financial Calendar

15 June 2023 - Ex-dividend date

30 June 2023 - End of the stock dividend election period

7 July 2023 - Final dividend distribution date

25 August 2023 - Half year results 2023

3 November 2023 - Q3 results 2023

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Disclaimer/forward-looking statements

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