EUROCOMMERCIAL

Annual Report
31 December 2023

Contents

This document is the PDF version of the 2023 Annual Report of Eurocommercial Properties N.V. in the European single electronic reporting format (ESEF) and has been prepared for ease of use. The ESEF reporting package is available on our website. Please note that, in case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

The front cover:
Valbo Shopping, Gävle, Sweden

2023
Key events and performance overview

Retail sales growth
5.8%

Rent uplift on renewals and relettings
2.8%

Rent collection
99% of invoiced rent

Rental growth
9.7%

Property valuations over calendar 2023
-2.2% (12 months)

Proposed total dividend per share
€1.70

IFRS loss
€26.9 million

Alternative performance measures

EPRA vacancies at year end
1.5%

EPRA Net Tangible Asset (EPRA NTA)
€39.59 per share

Loan to value (LTV) ratio
42.5%

Green Star status
four GRESB stars

Direct investment result
€123.1 million

EPRA sBPR Gold Award for the tenth year in a row
Gold Award

Direct investment result per share
€2.32

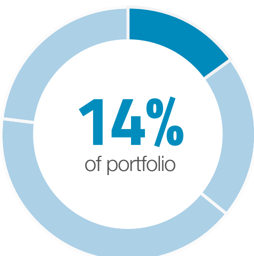
Eurocommercial Properties

We own and manage shopping centres in Belgium, France, Italy and Sweden with a total value of almost €3.8 billion.

Belgium

€522.4m
Property value

1
Property

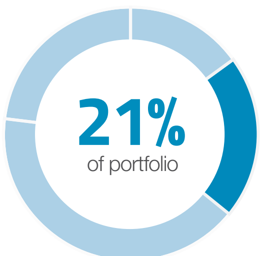


Read more in country report Belgium p88

France

€802.3m
Property value

8
Properties



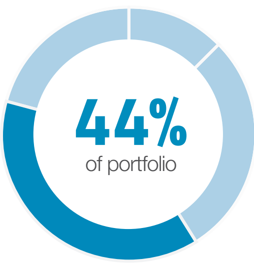
Read more in country report France p96

We create, own and actively manage enjoyable spaces which serve as a focal point for their communities.

Italy

€1,655.7m
Property value

8
Properties

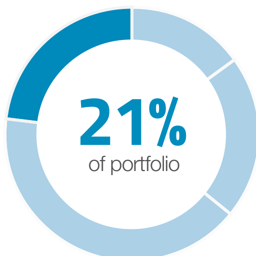


Read more in country report Italy p118

Sweden

€791.3m
Property value

7
Properties



Read more in country report Sweden p140

Board of Management review

"2023 was a record year for rental growth.

Evert Jan van Garderen
Chief Executive Officer

Consumer spending across our four markets continued to be very robust during 2023 despite increased living costs, particularly energy and food. Our retail operations saw a continuation of the growth reported last year, with retail sales and footfall in our 24 shopping centres increasing by 5.8% and by 3.4% respectively during 2023. All our markets and retail sectors reported positive sales growth, with the outstanding performers being services (15.4%), F&B (14.7%), sport (9.7%), health & beauty (9.4%) and home goods (7.1%). The important fashion and shoe sector also saw positive sales growth of 2.2%.

Rental growth for the 12 months to 31 December 2023 was 9.7%, due mainly to significantly higher rental indexation. 99% of rents have been collected for the full year 2023, indicating that there has been a full pass through of indexation to our tenants who are generally trading well from an affordable rental base and a low OCR, which still averages only 9.5%. Our leasing teams continued to report steady leasing momentum, negotiating 240 lease renewals and relettings during the 12-month period ended 31 December 2023. These lease transactions achieved an overall positive rental uplift of 2.8% on top of the high levels of rental indexation that was applied across the portfolio. Strong tenant demand and letting activity have also kept our overall vacancy level down at only 1.5%.

Our valuations decreased by 2.2% over the year and by 2% since June 2023 when the properties were last valued. Over six months, the largest decrease in value was Belgium (-7.6%), followed by Sweden (-1.6%), France (-1.5%) and Italy (-0.6%). Despite significantly higher net operating income, this decrease in value resulted from higher initial or exit yields and higher discount rates, with the overall EPRA net initial yield increasing from 5.5% to 5.8%. Higher yields were a reflection of an investment market with relatively low transaction volumes and characterised by cautious investors, pricing uncertainty, increasing interest rates and rising borrowing costs.

During 2023, we completed the negotiations on several anchor stores at Woluwe Shopping, and during the spring Zara will open an enlarged unit of around 3,300m², which will be shortly followed by C&A, who are relocating to a unit of 1,455m². INNO have also started the refurbishment on their 12,000m² flagship store, while Carrefour are taking over Woluwe's supermarket historically operated by Match. In Sweden, the final phase of the project at Valbo outside Gävle opened on 28 October 2023, providing a new entrance, external façades and an extension comprising seven new stores let to important Swedish retailers mainly in the F&B, fashion and consumer electronic sectors.

In 2023, the Company continued the implementation of its ESG strategy. During this year, we completed three solar panel installation projects at I Gigli, Carosello and Etrembières which are already contributing towards the electricity requirements of their common areas. Collectively, our shopping centres increased their energy production by 14% last year, while energy consumption decreased by 15%. Continuing with our decarbonisation targets, we achieved a reduction of 24% in our Scope 1 and 2 emissions, and after decommissioning several gas plants we reduced our gas consumption by 31%. Waste to landfill also decreased by 38%. All our properties have been assessed and are currently certified with BREEAM In-Use. In 2023, the Company increased the number of its green and sustainability loans. The Company completed a detailed climate change risk assessment for each property, providing the necessary data and information to prepare climate change risk mitigations plans. Eurocommercial is taking proactive steps having regard to European regulations, particularly the Corporate Sustainability Reporting Directive. As part of the preparations, the Company is undertaking a double materiality assessment which will be completed in the first half of 2024.

The Company has already secured the refinancing of all its long-term loans maturing in 2024. In February 2024, a new loan of €17.5 million (€8.8

million group share) was signed with Banco BPM to refinance the previous loan on the retail park of Fiordaliso in Italy. In March 2024, the Company closed three five-year sustainability linked loans for a total amount of €100 million with ABN AMRO Bank on the centres of I Portali and Il Castello in Italy. In April 2024, the Company also entrered into a five-year green loan with Skandinaviska Enskilda Banken AB for a total amount of SEK 700 million (circa €62.5 million) on the Hallarna shopping centre.

The average interest rate as per 31 December 2023 increased to 3.2% from 2.9% at 30 June 2023 and from 2.4% at 31 December 2022, as a result of the progressive increase in both the Stibor and Euribor rates, which impacted on the 19% unhedged part of the Company's loan portfolio.

Since its incorporation in 1991, the Company qualifies as a fiscal investment institution (fiscale beleggingsinstelling or FBI) under Dutch tax law. This implies that the Company is subject to corporate income tax at the rate of zero percent, provided it distributes its taxable profit to its shareholders. These distributions are subject to a 15% Dutch dividend withholding tax. On 27 December 2023, the act to amend the FBI regime was published, which no longer allows an FBI to invest in Dutch real estate, unless through a subsidiary/subsidiaries that is/are subject to the regular Dutch corporate income tax rate. There is no limitation for the FBI to invest in foreign properties. The amendment will take effect as from 1 January 2025. Eurocommercial will not be affected by this change, as it has no Dutch real estate. The Company will continue to maintain its FBI status as there are no adverse tax consequences following this amendment of the FBI regime.

Having regard to the results of the Company for the financial year 2023, the Board of Management and the Supervisory Board propose to pay a total dividend of €1.70 per share, an increase of 6.25% compared to last year's dividend of €1.60 per share, subject to shareholders' approval at the 2024 Annual General Meeting. An interim dividend of €0.64 per share was already paid on 30 January 2024, representing 40% of the total dividend paid out the previous year (2022). The distribution date of the final dividend of €1.06 per share will be 5 July 2024. As was the case with the 2024 January interim dividend, holders of shares will also be offered the option of taking new shares from the Company's share premium reserve, instead of the cash dividend payable. The price of these new shares will be announced on 7 June 2024.

The outlook for 2024 is linked to the evolution of the macro-economic environment. Increasing geopolitical tensions and a number of upcoming elections in several parts of the world may impact this evolution. The Company's rental growth will be slowed down by lower levels of indexation particularly in Italy, where the index applicable for 2024 is only 0.6% (down from 11.3% last year). However, this slow down should be partially compensated by the effects of our renewal and reletting programme and the expected reduction of market interest rates which will lower today's levels of interest expenses for the un-hedged part of the loan book. Assuming no major deterioration of the macro-economic environment, we expect the direct investment result for 2024 to range between €2.30 and €2.40 per share.

Evert Jan van Garderen
Peter Mills
Roberto Fraticelli

Board of Management

From left to right:

Peter Mills, Chief Investment Officer
Evert Jan van Garderen, Chief Executive Officer
Roberto Fraticelli, Chief Financial Officer

"During 2023 we announced and commenced the implementation of our updated strategy founded on three drivers to accelerate change: ESG, digitalisation and communities.

Evert Jan van Garderen
Chief Executive Officer

During 2023, the Board of Management began the implementation of its updated strategy founded on three drivers to accelerate change: ESG, digitalisation and communities. The strategy and the Company's Vision and Mission statements were presented to its stakeholders during the year.

Vision

Shopping centres are constantly evolving but remain essential for their retailers' brand building while delivering frictionless and omnichannel experiences for their local communities in a safe and inspiring meeting place, providing a wide range of retail products, services and leisure.

Mission

To create, own and actively manage enjoyable spaces which serve as a focal point for their communities. To protect and enhance long-term stakeholders' value through professional management, engagement, training, digitalisation and shared experiences provided responsibly within an increasingly sustainable framework.

Investment strategy

Eurocommercial has more than 30 years' experience in investing and managing shopping centres in Europe with a portfolio of around €3.8 billion comprising 24 prime assets in Italy, France, Sweden and Belgium. These countries have substantial depth to their markets providing portfolio diversity, while the reasons they were initially selected still stand: sound economic fundamentals, an established institutional property market, a broad retail tenant base, transparency, including tenant sales data and a reliable planning and legal framework. These countries also continue to provide opportunities for future expansion and growth so that our experienced country teams can leverage on the Company's historic market position, knowledge, contacts and professional reputation among retailers, service providers and other tenants, financing institutions and market operators.

A shopping centre specialist

Eurocommercial employs a rigorous, research-led approach to its acquisitions which are focused on easily accessible, well-located retail properties that dominate their catchment areas. Our economic and research teams conduct detailed catchment studies concentrating on their current and prospective demographic and economic profiles. At the same time, care is taken to analyse and assess the current and future provision of retail space and competition in the catchment to ensure that the retail density is appropriate.

Each asset has been carefully and individually selected and purchased following rigorous investigations and research. Rental levels are carefully reviewed to check they match tenant sales turnover which is declared monthly in all our centres. This allows the acquisition team to verify that the occupancy cost ratio (OCR) is at a level that will enable tenants to be profitable thereby not only underwriting a centre's long-term, sustainable rental income, but also important in maintaining Eurocommercial's historically low vacancy levels.

Following the completion of its €200 million disposal programme during 2022, the Company has a very homogenous portfolio comprising 24 shopping centres in its four markets. The existing portfolio provides sufficient geographical and asset diversification with its five flagships (approximately 45% of the portfolio), and with the remainder being suburban, hypermarket anchored shopping centres, with more than 60% of their floor space devoted to everyday and essential retail and providing an increasing range of services and amenities for their local communities.

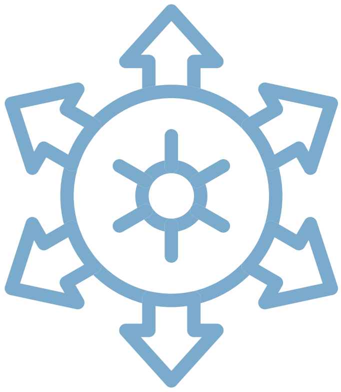
Shopping centres should be enjoyable places and should deliver sufficient footfall to stay attractive to current and future tenants. In order to serve its community, a shopping centre should not only offer a complete retail experience but also a range of food & beverage facilities, leisure activities, services and health care, all provided in a safe and pleasant environment. The shopping centres should also support their tenants' integrated and omnichannel retail approach in order to provide a seamless customer journey. The collection and sharing of visitor data and the design of the retail space including storage, delivery and return points, supports the physical store which forms an increasingly important part of a retailer's brand building. Anchor stores are carefully identified and strategically located to drive footfall levels to support the whole shopping centre and its broad retail mix.

A diversified shopping centre portfolio

Our existing property portfolio of 24 shopping centres reflects our approach to investment diversification. Our five "flagship" assets representing around 45% of the portfolio by value are located in three of our four countries:

- Woluwe Shopping, Brussels
- Passage du Havre, Paris
- Carosello, Milan
- Fiordaliso, Milan
- I Gigli, Florence

These five "flagships" are all well-known both nationally and internationally and are very well established regional shopping centres in their city catchments. They are also important destinations for an expanding international tenant base (e.g. Primark, Inditex, H&M, Apple, Nike) as well as the most important national brands (e.g. Fnac, OVS, Inno). Fiordaliso and Carosello are two of the three regional centres that ring Milan, while I Gigli has been for many years one of Italy's largest shopping centres by footfall. Woluwe Shopping has been regarded as the benchmark for shopping centres in Belgium for over 50 years and remains the first calling point for new international brands establishing in that market. The flagships are all sufficiently large assets to accommodate joint venture partners providing capital diversification. Current examples are Passage du Havre (AXA) and Fiordaliso (Finiper).



The remainder of the portfolio (approximately 55%) are predominantly suburban hypermarket anchored shopping centres with more than 60% of their floor space devoted to everyday and essential retail providing consistent and regular footfall during the whole week. These centres are mainly located in important provincial cities in their countries and are characterised by their dense primary catchments and strategic road locations providing easy access, free parking and integrated public transport. They are sufficiently large to be well represented by national and regional tenants in most retail sectors. They also provide their more local communities with a safe and pleasant environment in which to enjoy an increasing range of services including restaurants, cafés, health care, dentistry, fitness, family recreation, co-working, hair and beauty salons etc.

Many of these centres were carefully sited and originally developed by the hypermarkets themselves, who then sold on the galleries to professional investors more experienced in shopping centre asset management. The hypermarkets still perform an important function, selling affordable daily goods, particularly groceries, to a socially diverse customer base. Their non-food function has now partly been replaced in our retail locations by an increasing range of destination, value retailers selling lower cost goods in most sectors.

Strategy (continued)

Selective growth and asset rotation

Further growth and diversification of the property portfolio could be achieved through joint ventures with financial partners, which could be envisaged for specific assets. Extensions of shopping centres have to provide a minimum return reflecting the risks and strategic value of the projects.

Asset rotation could be triggered by the disposals of mature assets, where value has been maximised for our purposes and further growth potential maybe limited compared to alternative investment opportunities. Other asset rotation situations could arise where competition in the catchment of a shopping centre has, or is expected to, increase significantly or where local economic and demographic conditions are forecast to become less favourable.

Financial strategy

Real estate is a highly capital-intensive industry and having a stable and balanced financial structure in place is fundamental to the success of the Company. Our tailor made, asset backed financing structure has enabled us to remain largely unaffected by the volatility of the credit markets, helping us to keep a healthy balance sheet. We aim at maintaining this rigorous financial discipline and approach each investment decision accordingly. This includes disposing of more mature assets to reinvest the proceeds in projects with higher expected returns. Overall, we aim to maintain a loan to value ratio (LTV) of around 40%.

Eurocommercial is financed exclusively through mortgage loans. This financing structure provides the right flexibility to raise finance secured against individual or groups of assets. The Company has no financing from the fixed income markets and therefore is not exposed to conditions therein such as market volatility or a potential rating downgrade. We have strong and long-standing lending relationships with a group of over 15 Belgian, Dutch, French, German, Italian and Swedish specialist real estate financing banks, ensuring diversity of access to finance between lenders and across different geographies, which support the financial robustness of the Company. Our long-term financing contracts are generally full recourse and are secured by mortgages in favour of the respective financing bank. These mortgage agreements are entered into by the Company's local subsidiaries which own the properties in the various countries, under contracts governed by local law. Bank covenants for all long-term financing arrangements have been agreed also at the local asset level, which can be a loan to value ratio, interest cover ratio or a debt service ratio or a combination thereof, all related to the performance of the local property.

The average committed unexpired term of our bank loans is almost three years and the LTV ratio on the basis of the proportionally consolidated balance sheet of the Company as per 31 December 2023 was 42.5%, significantly below the bank covenant at group level agreed with banks, which is a LTV ratio for the group of 60%. The Company aims at maintaining its rigorous financial discipline and introduced in 2021 a new dividend policy whereby a target of 75% of distributable profits has been set. The dividend policy also provides for an interim dividend payable in January and a final dividend payable in July, requiring cash flow discipline to be able to offer shareholders a stable income stream every six months.

Green Finance Framework

Eurocommercial has published a Green Finance Framework to support the Company's strategy and the transition to a low carbon economy. The Green Finance Framework has been reviewed by ISS Corporate Solutions to assess the alignment of the project categories financed with Eurocommercial's sustainability key objectives, the clarity of the description provided of those objectives and the rationale for issuing Green Finance Instruments. As a result of its review, ISS Corporate solutions issued a Second Party Opinion, which has been published on our corporate website together with the Green Finance Framework.

Operational strategy

Leasing excellence

Shopping centres are the most management intensive asset class in the retail property sector requiring skilled and experienced teams in property management, marketing, research and most importantly, leasing excellence. The quality of the portfolio continues to produce outstanding operating metrics measured in terms of rental growth, retail sales, occupancy, OCR levels, footfall, lease spreads on renewals and relettings and rent collection.

Leasing excellence is not just about letting vacant space but involves a detailed evaluation of what future tenant mix is required to make the shopping centre even more relevant for its communities. Our **leasing teams** are therefore in constant dialogue with the most important international, national and local retail and non-retail (i.e. health care, fitness and other services) groups, monitoring emerging trends and innovations and often assisting and providing advice to new market entrants, including providing space or hosting events for them to test new formats or products. The leasing teams support our retailers' integrated, omnichannel approach that customer preferences increasingly demand, providing them with the right size unit for their latest concepts. Where possible, we also provide support for their storage, pick-up and delivery operations in order to improve their logistical operations and therefore profitability.

Getting the right tenant mix remains pivotal to the performance and success of each shopping centre, and careful analysis of monthly sales and footfall data prepared by our **rent collection teams** provides information on which the teams are able to judge when and how to adjust tenant mix. It also assists the identification of potential tenants in difficulty at a moment when remedies can still be applied to help prevent foreclosures or to replace a tenant before bankruptcy.

Portfolio management

Our **asset management teams** work to ensure that our centres remain fresh, modern and relevant through regular refurbishments, extensions and active tenant rotation designed to increase footfall, thereby strengthening the shopping centre's market position while upgrading the retail offer, services and experience for its customers. Experienced **project and technical teams** enable us to initiate, analyse and manage these projects in-house. They also ensure high standards of maintenance, curation and presentation, and support the preparation of sustainable capital expenditure plans and the identification of ESG improvement targets.

Key information comes from our **research and marketing teams** who measure and analyse customer and tenant experience from regular surveys and data management. Our **centre management teams** use this data and their local expertise as a reliable tool to constantly improve the shopping centres in terms of their outlook, environment, services, marketing and tenant mix. Our **treasury and finance teams** provide efficient management of the cash flow and financial needs of the properties, while our **accounting teams** are providers of timely and ad hoc information to improve returns and the supervision of the financial management of the service charges.

Drivers for change

The Company has identified three drivers for change: ESG, digitalisation and communities.

ESG

Eurocommercial believes that building a sustainable and resilient business is the foundation for long-term success. Our ESG and business strategies are carefully aligned and each business decision is approached with a long-term view supported by detailed research in order to evaluate its environmental and socio-economic impact.

Each of our shopping centres offers its individual set of challenges and opportunities, yet we have developed a broad ESG vision and strategy to ensure that we can meet global challenges and the future demands of our customers, tenants and employees, while creating sustainable centres. Our ESG approach is articulated around three strategic pillars: Be green, Be engaged, Be responsible.

Strategy (continued)

Be green

Being green is the basis of our operations as we work to synchronise the mindset of all stakeholders in our communities, providing us with the opportunity to make changes to significantly reduce both our imprint and operational costs as we focus on the transition to a low carbon economy.

Eurocommercial aims to improve the environmental quality of its shopping centres by implementing standards and technologies to increase energy and water efficiency and waste recycling. We focus on gathering robust baseline energy data, ensuring we are compliant with regulations concerning building environmental management, while we aim to further reduce the service charge costs for our tenants through energy-efficient measures. Through our green lease documentation, we exchange ESG ambitions and responsibilities with our tenants. Our Supplier Code of Conduct ensures procurement quality, innovation and creativity, prioritising the use of construction materials that are locally sourced, recycled and have a low environmental impact.

Eurocommercial has taken proactive measures to assess the physical risks associated with climate change, and during 2023 conducted an extensive analysis of the impact of climate-related risks and opportunities on our assets, business and operations with the assistance of external technical advisors. Our analysis included a comprehensive evaluation of both physical and transition risks, and the findings have been incorporated into our business plans in order to mitigate these risks.

Be engaged

At Eurocommercial, we design shopping centres as social spaces not merely retail destinations, providing a cornerstone for their local communities. Our centres serve the everyday shopping, leisure and services needs of our customers and those of their local communities, providing them with a safe, service-oriented and enjoyable experience.

We are constantly engaging with our tenants, customers and communities, carrying out regular surveys with our customers and tenants. We listen and respond to their feedback to ensure that our centres evolve with the changing retail landscape and the needs of our communities. Our shopping centres are an integral part of, and have a positive impact on their communities, bringing enhanced social and environmental values, be that through the promotion of local employment, procurement, the improvement of local transport infrastructure, education, the introduction of new services, or the provision of green spaces and amenities.

Be responsible

Our aim is to be an attractive and responsible employer, creating an enjoyable workplace where our employees can thrive and develop professionally by providing them with a broad corporate and property experience and education, supported by carefully targeted training programmes. We pride ourselves on our diversity and collegiate culture with our country teams working together and sharing best practices to feel engaged and motivated towards achieving our common goals. At the end of 2023, Eurocommercial carried out an independent and anonymous employee survey with almost full participation. The results have been analysed during Q1 2024, following which feedback will be provided.

A successful strategy recognised by many external awards

Eurocommercial is committed to report on its ESG performance every year and was recently awarded the EPRA Gold Award for sustainability reporting for the tenth consecutive year. Eurocommercial has maintained its Global Real Estate Sustainability Benchmark (GRESB) 4 Star Rating, improving its GRESB score compared to 2022 and moving up to fifth place in its peer group (compared to sixth place in 2022). Eurocommercial maintained its “A” GRESB public disclosure score.

A transparent and modern governance

The Company's ESG governance was structured in January 2021 and set up as an ESG Committee and an ESG Workgroup. The ESG Committee is responsible for the Company's ESG strategy and includes all members of the Board of Management and the Group Director Legal. The ESG Workgroup is responsible for implementing the ESG strategy and directing initiatives in the local countries and sharing information and best practices. The ESG Working Group is composed of the Group Director Legal (chairman), a diverse group of employees responsible in their respective countries for implementing the ESG strategy steering initiatives, and collecting ESG data. The Chair of the ESG Committee informs the Supervisory Board (at least) twice a year regarding ESG issues on key ESG topics (vision, strategy, initiatives taken, etc.) and ESG performance (measured against targets, benchmarking scores etc.).

Digitalisation

With most of our tenants operating omnichannel, we work with our retailers to customise their stores and our centres to improve the overall integrated physical and digital experience for customers. As retailers rationalise their online administration, logistics and returns, efficient use of the store has become an integral part of the process. We focus on our relationship with retailers and support them in their overall omnichannel strategy and their approach towards digitalisation. We have improved storage and drive-through stations for our hypermarkets which generally do not offer home delivery in our markets. Inside the centres, we have installed click & collect facilities such as Amazon Lockers, InPost and Instabox delivery points.

Leveraging data analytics and business intelligence tools will enable the Company to make more informed decisions, optimise operations, and identify cost-saving opportunities. Through the digitalisation process and the increased cooperation with our retailers, we will be able to communicate better with our customers, acquiring new ones and thereby increasing spending propensity. Offering digital services and new retail formats will attract more customers and build on their loyalty, while increasing footfall in our shopping centres.

During 2023, Eurocommercial initiated its Digitalisation Transformation project. The progamme started with the launch of a Customer Relationship Management platform (CRM) in order to strengthen customer relationships and data collection and analysis. Data segmentation will improve marketing efficiency, allowing targeted email communications and promotions based on customer behaviour and preferences. The CRM was first introduced in France and Italy, to be followed by Sweden and Belgium in 2024. At a shopping centre level, we also launched ECP Connect, a tenant app to improve communication between the centre managers, the local staff and tenants and which will improve the efficiency of how we communicate with our retailers, allowing the centre managers to act more effectively and quickly.

Communities

With the changing customer journey, our communities are also changing in terms of their composition, geography, values, interests and lifestyle choices. This has also changed the way we engage with our communities which with social media can be built on participation through continuous, two-way communication. As we focus on our relationship with our communities, we respond to their needs, providing them with the best possible level of relevant retail, services, amenities and experiences. By creating community spaces (online and offline), we can provide opportunities for different groups with common interests to meet, socialise, share and discuss their experiences around the shopping centre brands.

During 2023, Eurocommercial initiated an internal communities programme to assist the country marketing teams and shopping centre managers with the identification process and engagement of their communities, providing broad guidelines but allowing for country and asset differentiation. During the second half of the year, specific research projects and surveys were performed to assist community grouping by behaviour, interests, needs etc. This will be developed further as the CRM project is rolled out across all our countries, facilitating the identification and aggregation of data.

Financial review

> ***"2023 was characterised by high inflation figures which led to a strong growth in rental income, but also pushed central banks to rapidly increase interest rates. A slowdown of inflation could lead to a progressive reduction of interest rates in 2024. All long-term loans expiring in 2024 have already been extended for a period of 5 years.***
>
> **Roberto Fraticelli**
> Chief Financial Officer

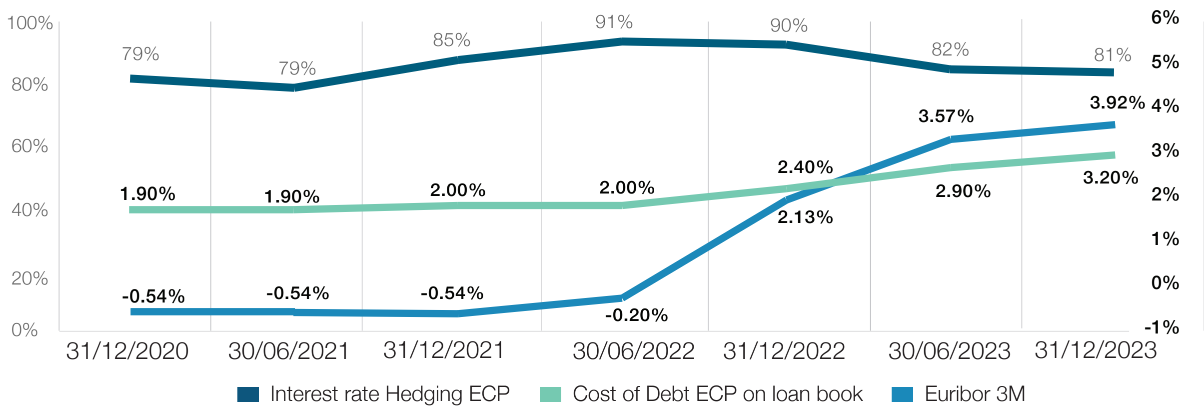
Financial – Results Summary 2023

IFRS Results	2023	2022
IFRS result after taxation (€m)	(26.9)	200.7
IFRS net asset value per share (€)	37.68	38.68
Alternative Performance Measures *		
Gross rental income (€m)**	227.1	209.6
Net property income (€m)**	188.8	175.2
Direct investment result (€m)	123.1	119.5
Direct investment result per share (€)	2.32	2.28
Adjusted net asset value per share (€)	39.55	39.62
Net loan to property value ratio**	42.5%	40.4%
Average interest cost, including margins	3.2%	2.4%
Dividend per share (€)	1.70	1.60

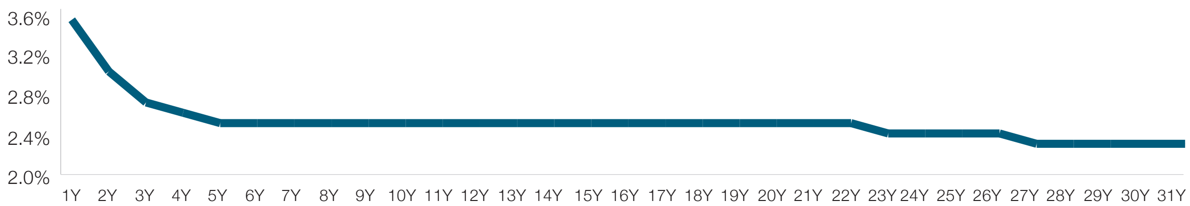
* The Company presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. More information is presented in the following pages of this document.

** Including the share in joint ventures on a proportional consolidated basis.

Interest rate hedging (as per 22 March 2024)



Euribor 3M Swap Rates Curve (as per 22 March 2024)



Financial review (continued)

IFRS Consolidated statement of profit or loss

€'000	2023	2022
Rental income	215,279	199,307
Service charge income*	41,578	44,201
Total revenue	**256,857**	243,508
Service charge expenses	(43,700)	(46,152)
Property expenses	(35,588)	(31,958)
Total expenses	**(79,288)**	(78,110)
Net property income	**177,569**	165,398
Share of result of joint ventures	4,837	18,170
Investment revaluation and disposal of investment properties	(95,044)	(13,211)
Investment expenses	(2,717)	(2,459)
Company expenses	(12,922)	(12,124)
Other income*	1,562	1,424
Operating result	**73,285**	157,198
Interest income*	1,576	931
Interest expenses	(48,617)	(39,725)
Adjustment amortisation put option	(4,789)	0
(Loss)/gain (derivative) financial instruments	(38,652)	133,989
Net financing result	**(90,482)**	95,195
Result before taxation	**(17,197)**	252,393
Current tax	(3,544)	(2,247)
Deferred tax	(5,355)	(43,632)
Total tax	**(8,899)**	(45,879)
Result after taxation	**(26,096)**	206,514
Result after taxation attributable to:		
Owners of the Company	(26,872)	200,737
Non-controlling interest	776	5,777
	(26,096)	206,514
Per share (€)**		
Result after taxation	(0.51)	3.80
Diluted result after taxation	(0.51)	3.80

The 2023 financial results show how the Company was able to propose an increase of the dividend notwtihstanding the significant rise in interest rates. This result was achieved mainly through a strong increase in the rental income of its properties and through the containment of the interest expenses, as a result of its cautios hedging policy.

The **IFRS result after taxation** attributable to owners of the Company for the year 2023 was a loss of €26.9 million (negative €0.51 per share) compared to a profit of €200.7 million (positive €3.80 per share) for the year 2022, mainly due to the change in market value of the derivative financial instruments portfolio and the property portfolio.

* The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of part of 'Other income' into 'Service charge income' and 'Interest income'.

** The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,060,280. The diluted average number of outstanding shares was 53,191,780.

IFRS Consolidated statement of financial position

Assets	31-12-23 €'000	31-12-22 €'000
Property investments	3,575,898	3,642,946
Investments in joint ventures	101,142	95,965
Tangible fixed assets	4,849	3,848
Receivables	1,084	137
Derivative financial instruments	33,275	62,006
Total non-current assets	3,716,248	3,804,902
Trade and other receivables	68,855	65,085
Prepaid tax	560	2,133
Cash and deposits	40,518	65,307
Total current assets	109,933	132,525
Total assets	3,826,181	3,937,427
Equity		
Issued share capital	537,817	533,492
Share premium reserve	260,117	263,774
Currency translation reserve	(84,124)	(83,812)
Other reserves	1,320,242	1,129,675
Undistributed income	(26,872)	200,737
Equity attributable to the owners of the Company	2,007,180	2,043,866
Non-controlling interest	0	67,305
Total equity	2,007,180	2,111,171
Liabilities		
Trade and other payables	13,984	14,070
Borrowings	1,319,526	1,322,723
Derivative financial instruments	22,560	13,345
Deferred tax liabilities	116,852	111,482
Put option liability non-controlling interest	0	63,448
Provisions for pensions	0	569
Total non-current liabilities	1,472,922	1,525,637
Trade and other payables	110,597	93,832
Tax payable	1,860	10,448
Borrowings	233,622	196,339
Total current liabilities	346,079	300,619
Total liabilities	1,819,001	1,826,256
Total equity and liabilities	3,826,181	3,937,427
Net asset value -€ per share	37.68	38.68

The **IFRS equity attributable to the owners** of the Company decreased by €36.7 million compared to last year, from €2,044 million to €2,007 million. Changes in equity over the year primarily included the total investment result (a negative amount of €26.9 million), a total cash dividend payment of €74 million, and the addition of €68.1 million to the Company's equity following the cancellation of the non-controlling interest due to the exercise of the put option on the minority interest in ECP Belgium in April 2023.

The **total liabilities** of the Company decreased by €7.3 million compared to last year, from €1,826 million to €1,819 million. Changes in liabilities were mainly related to the €63.4 million exercise of the put option liability and a €37.3 million increase in short-term borrowings.

The **IFRS net consolidated borrowings** at 31 December 2023 stood at €1,512.6 million (€1,453.8 million at 31 December 2022).

The **IFRS net asset value per share** at 31 December 2023 was €37.68 per share compared to €38.53 at 30 June 2023 and €38.68 at 31 December 2022.

Financial review (continued)

Alternative performance measures

The Company also presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. These alternative performance measures, such as direct and indirect investment results, loan to value ratio, adjusted net asset value and EPRA performance measures, are used to present the underlying business performance and to enhance comparability between financial periods and among peers. Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS. The definitions of the alternative performance measures are provided in the Glossary at page 255.

Statement of consolidated direct investment results*

(€'000)	2023	2022
Rental income	215,279	199,307
Service charge income **	41,578	44,201
Service charge expenses	(43,700)	(46,152)
Property expenses	(35,588)	(31,958)
Interest income **	1,576	931
Interest expenses *** ****	(48,127)	(37,323)
Company expenses	(12,922)	(12,124)
Other income **** **	1,562	1,424
Current tax *****	(3,411)	(2,247)
Direct investment result including non-controlling interest	116,247	116,059
Direct investment result joint ventures	6,866	6,232
Direct investment result non-controlling interest	0	(2,747)
Total direct investment result attributable to owners of the Company	123,113	119,544

* These statements contain additional information which is not part of the IFRS financial statements.

** The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of 'Other income' into 'Service charge income' and 'Interest income'.

*** The interest expenses and investment expenses in this statement differ slightly from the amounts in the consolidated profit or loss account due to a different accounting method for pension costs.

**** The difference between the interest expenses and the (loss)/gain derivative financial instruments in this statement and the consolidated profit or loss account is related to a different accounting policy for the interest on the put option non-controlling interest.

***** The difference between the Current Tax and the Deferred Tax in this statement and the consolidated profit or loss account is related to a different accounting policy for the Current Tax on Derivative Financial Instruments.

The **direct investment result** for the year increased by 3.0% to €123.1 million, compared to €119.5 million for the same period in 2022. The substantial increase in rental income (€16 million) more than compensated the higher interest expenses (€10.8 million) due to the increase in interest rates and property expenses (€3.6 million), mainly related to a positive correction of Covid-19 rent concessions in 2022 and a higher provision for bad debts.

The direct investment result is defined as net property income plus other income less net interest expenses, company expenses after taxation and less the share of the result related to the minority interest. In the view of the Board, this more accurately represents the underlying profitability of the Company than IFRS "profit after tax", which must include unrealised capital gains and losses.

The **direct investment result per share** increased to €2.32 for the year 2023, from €2.28 for the year 2022, notwithstanding the 1.07% increase in the average number of shares outstanding from 52,497,473 to 53,060,280.

The **indirect investment result** for the year was €150.0 million negative, compared to €81.2 million positive for the same period in 2022. The main reasons are related to the lower market value of the derivatives due to the change in the Euribor and Stibor curves (€44.0 million negative in 2023 versus €131.6 million positive in 2022) and the lower market value of the properties (€95.0 million negative in 2023 compared to €13.2 million negative in 2022), partially compensated by a decrease in the deferred tax (€5.5 million negative in 2023 compared to €43.6 million negative in 2022).

Gross rental income for the year 2023, including the shares of revenues of the joint ventures on a proportional basis, was at €227.1 million, 8.4% higher than the same period last year (€209.6 million), mainly due to the high indexation for the year and the absence of Covid-19 provisions.

Net property income, including the share of net property income of the joint ventures on a proportional basis, for the 12 months to 31 December 2023, after deducting net service charges and direct and indirect property expenses (branch overheads), increased by 7.8% to €188.8 million compared to €175.2 million for the 12 months to 31 December 2022.

Statement of adjusted net equity*

(€'000)	31-12-23	31-12-22
IFRS net equity per consolidated statement of financial position	**2,007,180**	2,043,866
Net derivative financial instruments	**(10,715)**	(48,661)
Net deferred tax	**116,852**	111,482
Net derivative financial instruments and net deferred tax joint ventures and	**(6,211)**	(13,092)
Adjusted net equity	**2,107,106**	2,093,595
Number of shares in issue after deduction of shares bought back	**53,274,767**	52,842,238
Net asset value – € per share (IFRS)	**37.68**	38.68
Adjusted net asset value – € per share	**39.55**	39.62

* This statement contains additional information which is not part of the IFRS financial statements

The **EPRA earnings** result for the 12-month reporting period to 31 December 2023 was €119.8 million, or €2.26 per share, compared to €114.7 million or €2.17 per share for the same period last year.

The **adjusted net asset value** at 31 December 2023 was €39.55 per share compared with €39.70 at 30 June 2023 and €39.62 at 31 December 2022. Adjusted net asset values do not consider contingent capital gains tax liabilities nor do they consider the fair value of financial derivatives (interest rate swaps).

The **EPRA Net Tangible Assets (EPRA NTA)** at 31 December 2023 was €39.59 per share compared with €39.88 at 30 June 2023 and €39.82 at 31 December 2022. EPRA NTA does not consider the contingent capital gains tax liabilities and the fair value of financial derivatives (interest rate swaps).

Financial review (continued)

Funding

The Company's mortgage-based loan financing structure provides it with the flexibility to raise finance secured against single or groups of assets. The Company has strong and long-standing business relationships with a group of over 15 Belgian, Dutch, French, German, Italian and Swedish specialist real estate financing banks, ensuring diversity of access to finance among lenders and across different geographies.

In March 2023, the existing €159 million loan (€79.5 million group share) financing the shopping centre of Fiordaliso in Italy, has been qualified as a green loan, as the relevant proceeds are used to finance this green asset.

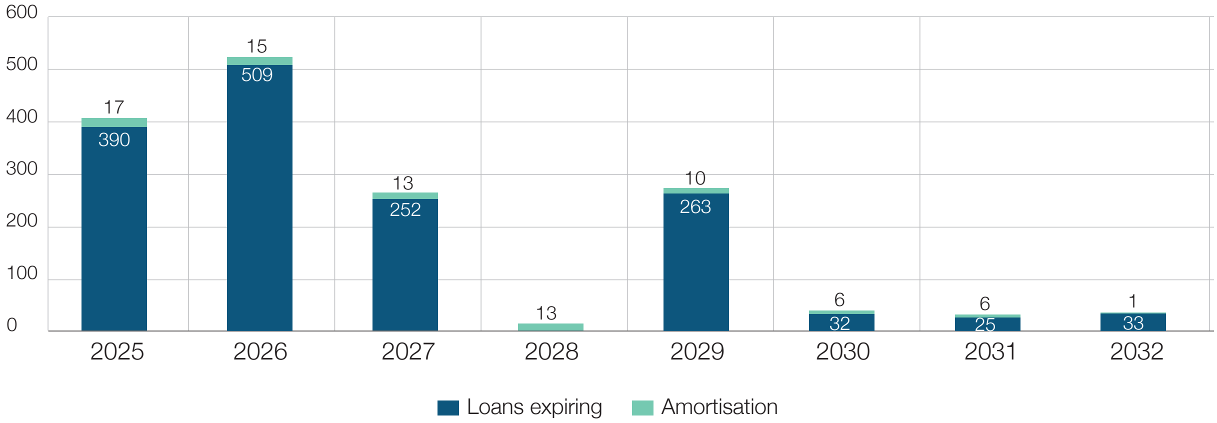
In March 2023, the Company extended the three-year green loan for an amount of SEK 1.2 billion (circa €101 million) with Nordea Bank Abp, filial i Sverige on three properties in Sweden for another three years.

In September 2023, the Company refinanced with Nordea Bank Abp, filial i Sverige, the loan on the Bergvik shopping centre, Sweden for an amount of SEK 675 million (circa €57 million). The new facility is structured as an additional line to the existing loan signed in March 2023 and it also qualifies as a green loan. The Company also agreed with Nordea to extend the SEK 1.2 billion loan signed in March 2023 by another year to end in July 2027, thereby extending the average maturity of its loan portfolio. The loans, for a total amount of SEK 1,875 million (circa €169 million), are 70% hedged and the remaining part will be floating based on the three-month Stibor.

The Company has already secured the refinancing of all its long-term loans maturing in 2024. In February 2024, a new three-year loan of €17.5 million (€8.8 million group share) was signed with Banco BPM to refinance the previous loan on the retail park of Fiordaliso that expired in January 2024 and was already repaid. In March 2024, the Company closed three five-year sustainability linked loans for a total amount of €100 million with ABN AMRO Bank on the centres of I Portali and Il Castello in Italy. In April 2024, the Company also entered into a five-year green loan for a total amount of SEK 700 million (circa €62.5 million) with Skandinaviska Enskilda Banken AB on the Hallarna shopping centre. Discussions have already started for the refinancing of the long-term loans maturing in 2025. The largest part of the loans maturing in 2025 and 2026 are related to the financings of 4 of our 5 flagships. In 2025, a €286 million loan on Woluwe will mature, negotiations for its renewal have already started. In 2026, loans for a total of €450 million (including the share of joint ventures) will mature on the three Italian flagship properties of Carosello, Fiordaliso and I Gigli.

At the balance sheet date, the Company has entered into green and sustainability linked loans for a total amount of €602.0 million (€522.8 million

Non-current borrowings maturity and amortisation schedule at year end (€m) (including the loan renewals as of 22 March 2024)



group share), of which €385.5 million green loans (€306.3 million group share), €116.5 million green and sustainability linked loans and €100 million sustainability linked loans. The Company at 31 December 2023 has also entered in sustainability linked swaps for a total notional amount of €165 million (of which €155 million already effective at the balance sheet date). Eurocommercial aims to further increase the number of its green and sustainability linked loans and swaps by upgrading them when expiring at maturity.

The net proportionally consolidated debt, i.e. including the share of borrowings and cash and deposits of the joint ventures, stood at €1,602 million at 31 December 2023 (€1,583 million at 30 June 2023 and €1,548 million at 31 December 2022). The net loan to value ratio as per 31 December 2023, calculated as provided by the loan contracts in place with the banks after deducting purchaser's costs and on the basis of the proportionally consolidated net debt of the Company, was 42.5% compared to 41.8% at 30 June 2023 and 40.4% at 31 December 2022. The increase is mainly related to the lower market value of the properties due to higher net initial yields and to the price paid for the purchase of the minority stake of Woluwe, partially compensated by the cash generated in the period. The Group covenant loan to value ratio agreed with the banks is 60%, the usual market practice ratio.

As at 31 December 2023, 81% of the Company's net borrowings are fixed for an average period of over five years and the average interest rate as at 31 December 2023 is 3.2%. As a result, the average interest rate is expected to remain stable or increase only slightly for the coming period, following the developments of the interest rate policy as set by the ECB. The average committed unexpired term of its bank loans, taking into consideration the loan extensions agreed in the first quarter of 2024, is over three years.

The Company has an overall hedging ratio target of around 80% which is achieved through the use of various interest hedging instruments, from standard fixed interest rate loans, to the use of plain vanilla swaps or collars or forward starting interest rate swaps. This strategy provides the Company with the flexibility to select when, and for how long to lock in the variable rate of the loans with a more favourable fixed interest rate.

As at 31 December 2023, the net debt to EBITDA ratio, including the share of the joint ventures consolidated on a proportional basis, stood at 8.9x (8.9x at 31 December 2022), while the interest cover ratio was 3.7x (4.1x at December 2022).

Dividend proposal

The Company's new dividend policy is effective from the financial year 2022 and provides for a cash dividend pay-out ratio ranging between 65% and 85%, but with a target of 75% of the direct investment result per share. Starting from the financial year 2022, an interim dividend is payable in January and a final dividend is payable in July. The interim dividend is expected to be 40% of the total cash dividend paid in the previous financial year. The Company also intends to offer shareholders the possibility of opting for a stock dividend instead of the cash dividends.

Having regard to the results of the Company for the financial year 2023, the Board of Management and the Supervisory Board propose to pay a total dividend of €1.70 per share, an increase of 6.25% compared to last year's dividend of €1.60 per share, subject to shareholders' approval at the 2024 Annual General Meeting. An interim dividend of €0.64 per share was already paid on 30 January 2024, representing 40% of the total dividend paid out the previous year (2022). The distribution date of the final dividend of €1.06 per share will be 5 July 2024. As was the case with the 2024 January interim dividend, holders of shares will also be offered the option of taking new shares from the Company's share premium reserve, instead of the cash dividend payable. The price of these new shares will be announced on 7 June 2024.

Guidance

Assuming no major deterioration of the macro-economic environment, we set our guidance regarding the direct investment result for the year 2024 to be between €2.30 and €2.40 per share.

Property performance

> *"Indexation and positive lease spreads from renewals and relettings resulted in strong rental growth. However, valuations declined over the year due to higher yields in a low transactional environment.*
>
> **Peter Mills**
> Chief Investment Officer

Retail sales

Consumer spending across our four markets continued to be very robust during 2023 despite increased living costs, particularly energy and food. Our retail operations saw a continuation of the growth reported last year with retail sales 5.8% higher than in 2022, and 10.7% above the pre-pandemic 2019. All our 24 shopping centres contributed to the sales growth which was positive across all retail sectors, with particularly strong performances from services (15.4%), F&B (14.7%), sport (9.7%), health & beauty (9.4%) and home goods (7.1%). The important fashion and shoe sector also saw positive sales growth of 2.2%. Footfall also continued its upward trend and was 3.4% higher in 2023 compared to 2022.

Like-for-like retail sales by country*

	FY 2023/FY 2022
Overall	**5.8%**
Belgium	9.6%
France	5.0%
Italy	5.9%
Sweden	5.2%

* Excluding extensions/developments.

Like-for-like retail sales by sector*

	FY 2023/FY 2022
Fashion/Shoes	2.2%
Health & Beauty	9.4%
Gifts & Jewellery	3.0%
Sport	9.7%
Home Goods	7.1%
Books & Toys	4.0%
Electricals	2.0%
F&B (Restaurants & Bars)	14.7%
Hyper/Supermarkets	6.0%
Services	15.4%

* Excluding extensions/developments.

Rental growth

Like-for-like (same floor area) rental growth for the twelve months ended 31 December 2023 was 9.7%, mainly resulting from rental indexation and with a contribution from turnover rent and the lease renewal and reletting programme. The highest rental growth was achieved in Italy and Sweden where inflation has been higher than in Belgium and France.

Like-for-like rental growth

	12 months
Overall	**9.7%**
Belgium	3.4%
France	5.7%
Italy	13.5%
Sweden	9.9%

The 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.

Rental indexation

Estimated rental indexation for 2024 across the portfolio based on published indices for 2023 is expected to be around 3.3%. Figures remain an estimate for Belgium where indexation is calculated monthly on the health index. In France, the index allows for the cap (3.5%) for small (PME) companies affecting around 10% of our French rental income.

Inflation in Italy and Sweden reduced significantly in the last quarter of 2023 compared to the year before and therefore the indexation for 2024 is much lower than for 2023 in those two countries.

Rental indexation

	Index applied in 2023	Index applicable in 2024
Belgium	4.3%	3.1%*
France	4.7%	6.1%
Italy	11.3%	0.6%
Sweden	10.9%	6.5%

* Indexation estimate

Renewals and relettings

Strong leasing activity has continued over the last 12 months with 240 leases renewed or relet, achieving a positive overall uplift of 2.8% on top of the high levels of rental indexation applied. 166 of these transactions were lease renewals signed with existing tenants, achieving a 1.7% rental uplift. The remaining 74 lease contracts were signed with new retailers establishing in our shopping centres, improving the tenant mix, and producing a rental uplift of 6.2%. The sectors that produced the highest rental uplifts were books & toys (15.1%), gifts & jewellery (10.2%), shoes (9.9%), sport (8.8%), health & beauty (4.8%), services (4.1%) and electricals (3%).

Renewals and relettings for the 12 months to 31 December 2023

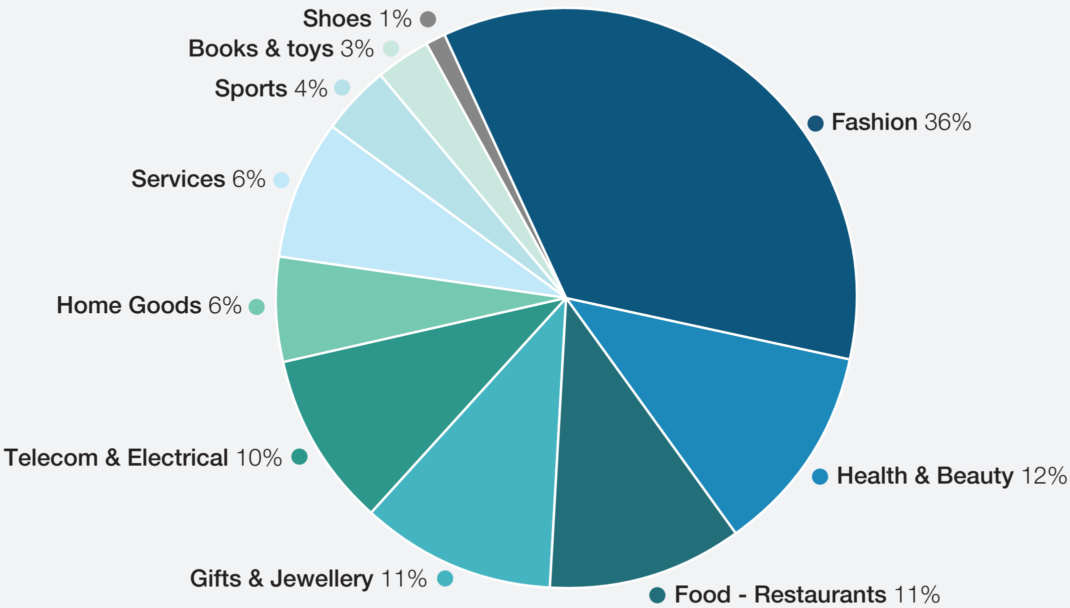
	Number of renewals and relettings	Average rental uplift on renewals and relettings	% of leases renewed and relet (MGR)
Overall	**240**	**2.8%**	**14%**
Belgium	22	-1.6%	18%
France	40	-0.9%	14%
Italy	91	3.8%	9%
Sweden	87	7.8%	21%

Brands who have recently established in our shopping centres include Sephora, Rituals, Normal, Kjell & Co., Clas Ohlson, Hemtex, The North Face, JD Sports, Nike, Snipes, Courir, Pandora, Dr Martens, Levi's, New Yorker, Mango, La Casa de las Carcasas, Miniso, Pepco, Tedi, Bestseller Group (Jack & Jones, Only, Name It and Vila), Pull&Bear and IKEA.

Occupancy cost ratio

The total occupancy cost ratio (rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT) for Eurocommercial's shopping centres at the end of December 2023 was 9.5% overall (9.2% at 31 December 2022), one of the lowest OCRs in the industry and providing a solid foundation for long term, sustainable rental income and low vacancy.

% of lease transactions by sector in 2023



Property performance (continued)

Occupancy cost ratio

	31 December 2023
Overall	**9.5%**
Belgium	14.3%
France	10.0%
Italy	9.8%
Sweden	7.5%

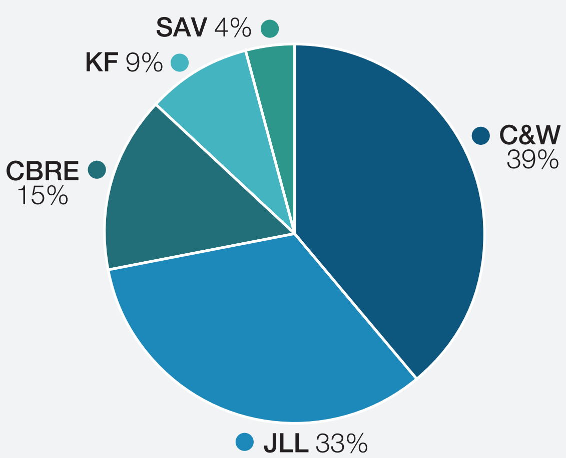
Rent collection

Rent collection improved during 2023 and reached 99%, above the 2022 collection rate of 98%.

	% of 2022 invoice rent collected	% of 2023 invoiced rent collected
Overall	**98%**	**99%**
Belgium	100%	99%
France	95%	95%
Italy	98%	100%
Sweden	100%	100%

Property valuations

All the Company's properties were independently valued as usual at 31 December 2023 in accordance with the rules set out in the "Red Book" of the Royal Institution of Chartered Surveyors (RICS), the International Valuation Standards and IAS 40. The firms appointed this year were CBRE, Cushman & Wakefield, JLL, Savills and Knight Frank.



Overall, the fair value of the property portfolio decreased by 2% compared to June 2023 when the properties were last independently valued, and by 2.2% compared to December 2022. Despite the significantly higher net operating income (NOI), the overall decrease in valuation was due to the adoption by the valuers of higher initial or exit yields (depending on methodology) and higher discount rates. The increase in yields was a reflection of an uncertain economic outlook, higher inflation and higher interest rates, which together resulted in a quiet investment market, although there were a few significant shopping centre transactions early in the year, particularly in France and Germany. The overall EPRA net initial yield has increased from 5.5% to 5.8% over 12 months. The most significant decrease in value was Woluwe Shopping (Belgium) which declined by 7.6% over six months and by 10.2% over 12 months. This decrease was due to the combination of the higher capitalisation rate used by the valuers which increased by almost 40 bps over the year, together with the exclusion of the additional value previously applied to the extension project following our decision to withdraw the permit application at the end of 2023.

In their reporting, the valuers identified the portfolio's sound property fundamentals and the solid outlook for income security and growth supported by rent affordability and steady tenant demand. The valuers also recognised the importance of having the appropriate tenant mix for each type of centre, and that while the five flagships have benefitted from their strong discretionary and international retail offer, the 19 suburban, hypermarket anchored centres have enjoyed the consistent footfall and more defensive characteristics resulting from their 61% exposure to a broad range of essential and everyday retail including groceries.

Valuations at 31 December 2023

	Net value 31 December 2023 € million	Valuation change from June 2023	Valuation change from December 2022	EPRA net initial yield	EPRA topped-up yield
Overall	**3,772**	**-2.0%**	**-2.2%**	**5.8%**	**6.0%**
Belgium	523	-7.6%	-10.2%	4.9%	5.2%
France	802	-1.5%	-1.1%	5.7%	5.8%
Italy	1,656	-0.6%	1.0%	6.2%	6.3%
Sweden	791	-1.6%	-4.2%	5.9%	6.0%

Valuation split

5 Flagships	Net value (€M) 31 December 2023	EPRA net initial yield	EPRA topped up yield
Woluwe Shopping (Belgium) Passage du Havre (France) I Gigli, Carosello, Fiordaliso (Italy)	**1,696 (45% of the portfolio)**	**5.4%**	**5.5%**

19 suburban hypermarket anchored shopping centres	Net value (€M) 31 December 2023	EPRA net initial yield	EPRA topped up yield
7 in France 5 in Italy 7 in Sweden	**2,076 (55% of the portfolio)**	**6.2%**	**6.3%**

Vacancy levels

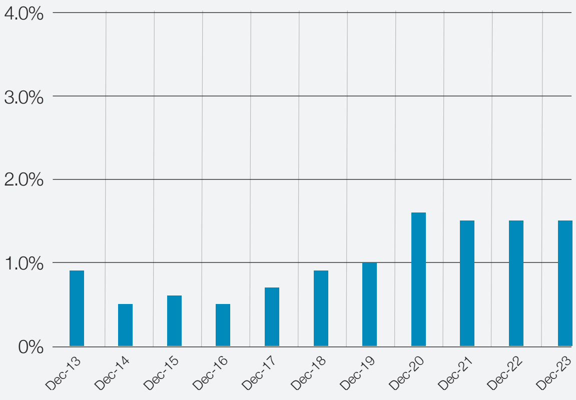
EPRA vacancies

EPRA vacancy for the portfolio at 31 December 2023 remained very low at 1.5%, ranging from 0.2% to 2.9% in our four markets. Out of almost 1,800 shops, there were only 19 tenants in administration occupying 35 units, representing 1.4% of total GLA and 1.8% of total MGR.

For the majority of these units (69%), rent continued to be paid.

	31/03/2023	30/06/2023	30/09/2023	31/12/2023
Overall	**1.8%**	**1.5%**	**1.5%**	**1.5%**
Belgium	1.7%	1.8%	1.9%	2.1%
France	3.3%	2.4%	2.2%	2.3%
Italy	1.0%	0.8%	0.9%	0.2%
Sweden	2.0%	1.8%	2.1%	2.9%

Long term vacancy levels



Be partners with our retailers

"Our retailers continue to demand space in our shopping centres, resulting in very low vacancy levels. Last year we saw particularly strong activity in the lifestyle, F&B and health & wellbeing sectors.

Valeria Di Nisio
Group Leasing Director

Building and developing long-term, professional relationships with our tenants has always been at the core of Eurocommercial's business model. This partnership approach allows us to adapt our retail mix to changing consumer behaviours and preferences. Retailers are also adapting and responding to these changes by rationalising their estate, resizing and reorganising stores and innovating to provide an integrated, omnichannel experience.

Our leasing teams are in constant dialogue with the major international, national and local retail groups, monitoring emerging trends and often providing advice to new market entrants. Our strong relationships with retailers has allowed us to work with and implement their latest concepts in our portfolio, creating successful shopping centres and better experiences for our customers.

We support and listen to our retailers and regularly conduct tenant surveys to measure their level of satisfaction and expectations on various aspects of our shopping centres and management, including marketing and leasing. The surveys provide us with valuable feedback and suggestions on how we can improve our performance and enhance our relationships with our tenants.

Evolving merchandising mix and retail trends

The merchandising mix in our shopping centres is constantly evolving and regularly reviewed in order to adapt to the changing preferences, needs, and expectations of our customers, as well as to the competitive environment and market trends. By constantly monitoring and evaluating the performance of our tenants, we can make appropriate adjustments to the merchandising mix, responding quickly to changing trends by introducing new and innovative concepts or services to create differentiation and value for our customers.

While the fashion sector remains the most important and largest retail sector across our shopping centre portfolio, the identity and format of the retailers is constantly changing with most developing an omnichannel merchandising strategy around the physical store. This has provided greater synergy between the online and offline channels, with the use of integrated technology, thereby strengthening brand loyalty and value. This has led to a rationalisation, with retailers focusing on fewer and often larger profitable stores in prime shopping centres releasing stores in secondary locations.

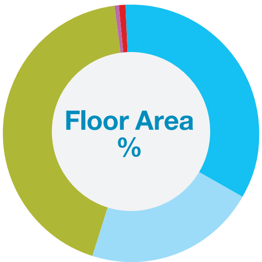
Several sectors have continued to show an upward growth trend in terms of retail sales, market share and expansion of physical stores:

- The **F&B** sector continues to expand driven by consumers demanding more variety and convenience and experiences in their dining options.
- The **sport and lifestyle** sector that developed very fast during the pandemic has continued to develop since providing more variety of concepts including fashion and sneakers.
- The **beauty and wellbeing** sector has increased its presence in all our markets and shopping centres due to the expansion of several international brands including Rituals, Sephora, Kiko, Normal. Wycon and Adopt.
- The **services** sector has seen the introduction of a variety of community-orientated tenants including dental and medical practices, beauty salons, healthcare, fitness, family recreation and leisure and repair kiosks.
- Sectors that have reduced in space include hypermarkets who are increasingly concentrating on food and reducing their non-food function which has now partly been replaced by an increasing range of destination, value retailers selling lower cost goods in most sectors. Likewise, it is increasingly rare to see large electrical stores in our shopping centres with many downsizing with increasing focus on smaller consumer electronics.

Be partners with our retailers (continued)

Retail trends first identified during the pandemic have continued to gather strength with growth in various retail segments including F&B, lifestyle, beauty and wellbeing and value retail. We have responded by working with these retailers to provide them with the right retail space for their formats.

Merchandising mix per sector



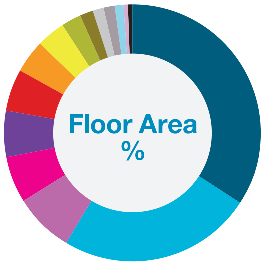
Essential Retail* + Everyday Retail	56%
Hypermarket*	
Systembolaget*	
Health & Beauty	
Books & Toys	
Services	
Home Goods	
Telecom & Electrical	

Non-essential Retail	43%
Department store	
Fashion	
Shoes	
Gifts & Jewellery	
Food – Restaurants	
Cinema	

Non-retail assets:	1%
Non-retail Assets (Office/Residential/Hotel)	

Figures may not add up due to rounding.
NB: Includes parts of shopping centres not owned by Eurocommercial.

Broad range of retailers



	%
Hypermarket	34.1
Fashion	24.4
Home Goods	7.5
Sport	5.7
Food – Restaurants	5.7
Telecom & Electrical	5.3
Health & Beauty	4.1
Services	3,6
Shoes	2.7
Cinema	1.7
Department store	1.3
Gifts & Jewellery	1.3
Books & Toys	1.1
Non-retail Assets (Office/ Residential/Hotel)	0.5
Systembolaget	0.5

Food and beverage

The food and beverage sector is becoming more prominent in our shopping centres as consumers demand greater variety and convenience in their dining options. The growth of the food and beverage sector can be attributed to several factors such as changing consumer preferences, increased competition and technological innovation. Consumers are increasingly looking for more experiential and social dining experiences, as well as more convenience and delivery options. Our shopping centres have responded by offering a wider range of food and beverage concepts, from fast casual to finer dining, as well as integrating digital solutions such as online ordering, self-service kiosks, and contactless payments. The pandemic accelerated the adoption of these technologies as well as increased demand for outdoor seating, drive-throughs, and delivery services.

We have provided dynamic and high quality finished spaces in terms of setting and design, repositioning F&B as a central pillar of attraction, increasing footfall and dwell time in our shopping centres. Across the portfolio, F&B operators occupy 234 units in our centres representing 13% of the total number.

In Italy, Fiordafood at Fiordaliso provided space for nine additional restaurants in a 5,000m² food offer for a total of 28 restaurants and the introduction of important national and international brands. Meanwhile, at I Gigli, following the successful establishment of the first Mercato Centrale within a shopping centre, the Tuscan restaurant operator All'Antico Vinaio made its entrance. Initially starting with a kiosk, its exceptional performance led to an expansion into a larger unit. Flower Burger, the first vegetarian restaurant in an Italian centre, also joined the culinary line-up. In January 2024, Five Guys, the American fast-food operator, opened their first Tuscan point of sale inside I Gigli's Ai Banchi del Mercato Centrale. Meanwhile, the CremonaPo food-court's refurbishment, completed in November 2022, has completely revitalised the first floor of the shopping centre. At Carosello in Milan, Corte del Gusto reopened after a comprehensive makeover with increased seating and the establishment of Bomaki, a Nippo-Brazilian restaurant. In Curno, McDonald's relocated in autumn 2023, now conveniently offering a drive-through service.

At Woluwe Shopping, Thai Café recently replaced the previous Tea&Eat restaurant and provides

Five Guys opened at I Gigli in January 2024

Be partners with our retailers (continued)

Thai Café at Woluwe Shopping

a superb setting in a 529m² restaurant in which to enjoy authentic Thai cuisine and has been a welcome addition to the food offer of the shopping centre.

In France at Shopping Etrembières, the purpose-built 1,600m² property shared by Les Trois Brasseurs and il Restorante continues to trade well while Centr'Azur in Hyères provides four thematic restaurants with open terraces on a 900m² space.

In Sweden, the final phase of the project at Valbo was completed at the end of October 2023 and introduced new tenants including Chili & Wok and Baked & Grilled who share a space of 700m², as well as other well-known names including Subway and Espresso House who relocated into the extension.

Lifestyle

One of the most noticeable recent trends in retail has been the rise of the sport and lifestyle sector which continued its upward trend during 2023, strengthening the shift in customer preferences towards sports shoes and trainers, sometimes at the expense of traditional shoe stores.

Snipes (leisure footwear), part of the German retailer Deichmann, recently opened stores in Italy at CremonaPo and Fiordaliso and in France at Grand A, while Skechers are also planning to expand in our markets. At Fiordaliso, we are in the final stages of the remerchandising of the West Square where Fútbol Emotion, a renowned Spanish sports operator opened their first store in Italy in November and have expressed great satisfaction since they started trading and will consider further openings in our Italian shopping centres, including Carosello and I Gigli with some potential expansion in France.

Sports Direct, the UK fashion sport brand have also expressed interest in establishing in some of our French shopping centres, while they are also investigating potential stores in Sweden and Italy.

In France, our sport segment will improve further once Intersport establishes in the former Go Sport units at Les Atlantes, Shopping Etrembières and Val Thoiry, while Champion is considering pop-up stores in time for the 2024 Olympic Games. JD Sports recently opened at MoDo and along with Footlocker they are actively investigating the Swedish market while continuing their growth in Italy and France.

Meanwhile Courir, the well-established and popular French lifestyle and sport retailer, chose Woluwe Shopping as one of their first two destinations in Belgium. Courir's acquisition by JD Sports is now completed and they will continue to trade under the Courir brand with a distinct focus on fashion, targeting children and women. As part of their expansion, they are now entering the Italian market where they are planning to open 130 stores.

We have continued to observe the growth of gyms and fitness taking units in our shopping centres, providing variety to the tenant mix and proving a popular service to their local community. After the successful establishment of Nordic Wellness in Bergvik and Elins Esplanad in Sweden and KA Fitness at Les Atlantes in France, a new gym FitActive opened in October 2023 in the retail park at CremonaPo in Italy. At I Gigli, the development of a new leisure village is under way. When completed, the site will include a 1,200m² fitness centre, Fitness Express, and a 3,850m² padel arena with nine covered padel courts. Works are expected to be completed in 2025. Fitness Express will also soon open in Fiordaliso.

Beauty and wellbeing

The beauty and wellbeing sector continues to perform very well in our shopping centres and several brands have been expanding cross border and establishing in our markets.

In April 2022, Rituals successfully opened their first store in Italy at Carosello, Milan shortly before they established their first premium concept store in a Belgium shopping centre at Woluwe Shopping. Rituals have been in the Swedish market for longer and are established in our seven Swedish centres including their first premium store outside Stockholm in a 600m² unit they recently opened in C4, Kristianstad. Eurocommercial's support has been much appreciated by Rituals, and as part of their continuing expansion they have recently opened in I Gigli, Florence and are planning to open additional stores in Fiordaliso and in Val Thoiry, near Geneva.

Medi-Market, the Belgian group of parapharmacies who are well established in Woluwe, are investigating expanding not only in France, but also in Italy, where we have agreed terms to open a store in CremonaPo.

Wycon, the Italian cosmetic brand, continues to expand its portfolio in our Italian shopping centres having established stores in I Portali, Fiordaliso, I Gigli, and most recently in Carosello. We have also signed a lease with Wycon for another store in Il Castello and in Curno where they will open soon. Wycon are investigating other markets following their entry into France last autumn and we are closely monitoring the situation.

The Danish retailer Normal continue with their rapid

Valeria Di Nisio, Group Leasing Director, awarding Rituals the Best Retailer of the Year award at MAPIC

Be partners with our retailers (continued)

Wycon store in Fiordaliso

expansion now taking larger units up to 600m². Normal have established in six of our Swedish shopping centres and opened their first store in a shopping centre in France in Passage du Havre followed by an opening in MoDo last summer.

The recently opened Normal store at MoDo

They are investigating possibilities for expansion in Italy and we are currently actively negotiating with them to take a unit in Fiordaliso, while they have also expressed interest in other locations including Curno, Carosello and Castello.

Value retail

With household budgets still under pressure from rising inflation and increasing costs of living, we continue to see the success of low price, value segments of the retail market. This is a common pattern across all our markets with affordable, essential and everyday retailers increasing their market share. Traditionally, value retailers mainly operated from external retail boxes, where they can lease large areas at low rents without the additional burden of service charges and marketing costs. European examples would include Dollar Store, Ekohallen, Rusta, B&M, Action, Kiabi, TEDi and Pepco. However, value retailers are now increasingly becoming an important part of the tenant mix inside shopping centres acting as destination retailers and increasing footfall.

In the household sector, the major Swedish household and electrical retailer Clas Ohlson recently opened at Hallarna in a two-level 1,465m² unit previously occupied by H&M who relocated to another part of the shopping centre. Miniso, the Chinese brand specialising in small household goods intially chose Fiordaliso and Il Castello and recently opened and are trading well in Curno shopping centre in the unit previously occupied by JD Sports who have also relocated to their new larger unit.

Primark are now also investigating smaller units as part of their expansion strategy. In our Italian porfolio, Primark are now established in two centres and we are in advanced negotiations to establish further stores in both Italy and France. Meanwhile, Inditex's response to Primark, the brand Lefties, which sells "leftover" items at affordable prices, are investigating expanding into new markets. In the young fashion arena, the German retailer New Yorker are performing very well in our Swedish centres, including Valbo, Grand Samarkand and C4 and also in France, where they opened in the extension at Grand A as well as in Italy where they recently opened in Fiordaliso. Although neither Primark nor New Yorker have an established online selling platform, a common characteristic of the value retail model, they are very important destination retailers, generating very strong levels of footfall.

IKEA selected Eurocommercial to open their first Planning Studio concept stores and successfully established in Grand Samarkand, Ingelsta Shopping and Hallarna in Sweden, where they occupy well designed units inside the centres. More recently, IKEA opened its new smaller format, The Plan and Order point, in a 300m² unit in Curno and are now exploring other concepts in city centres and shopping centres across Europe.

Case study

WOLUWE SHOPPING

Since it opened over 50 years ago, Woluwe Shopping has been regarded as the most important shopping centre in Belgium, with its prime location in a densely populated and wealthy suburb of Brussels. Since acquiring Woluwe Shopping in March 2018, our merchandising strategy has been to improve and broaden the retail mix, maintaining a strong emphasis on fashion in a shopping centre which includes most international brands present in the Belgian market. We have intoduced a total of 35 new brands since acquisition including the recent addition of Fnac, who succesfully established in May 2022 along with international fashion brands including Jott, Bexley, Levi's, Maje, K-Way and Mango. More recently, the remerchandising process has involved the relocating of existing tenants Zara, C&A and INNO in order to accommodate their latest store concepts.

Zara's main strategy has been to focus on fewer but larger, more profitable stores providing their full range of products and services. The retailer has created a distinctive interior design and furnishing as well as operating their latest technological innovations for the integration of its online and in-store operations. After careful planning and analysis, we were able to provide Zara with the space they needed to develop their latest concept store in the former C&A unit. The store will offer the full product range for women, men and children and will open in April 2024 in a new central mall location unit of 3,300m².

Meanwhile, C&A will downsize and trade with their latest concept from the unit previously occupied by Zara, pairing products with a modern corporate identity and adding extra focus on customer service and an omni-channel offer. C&A will unveil this latest

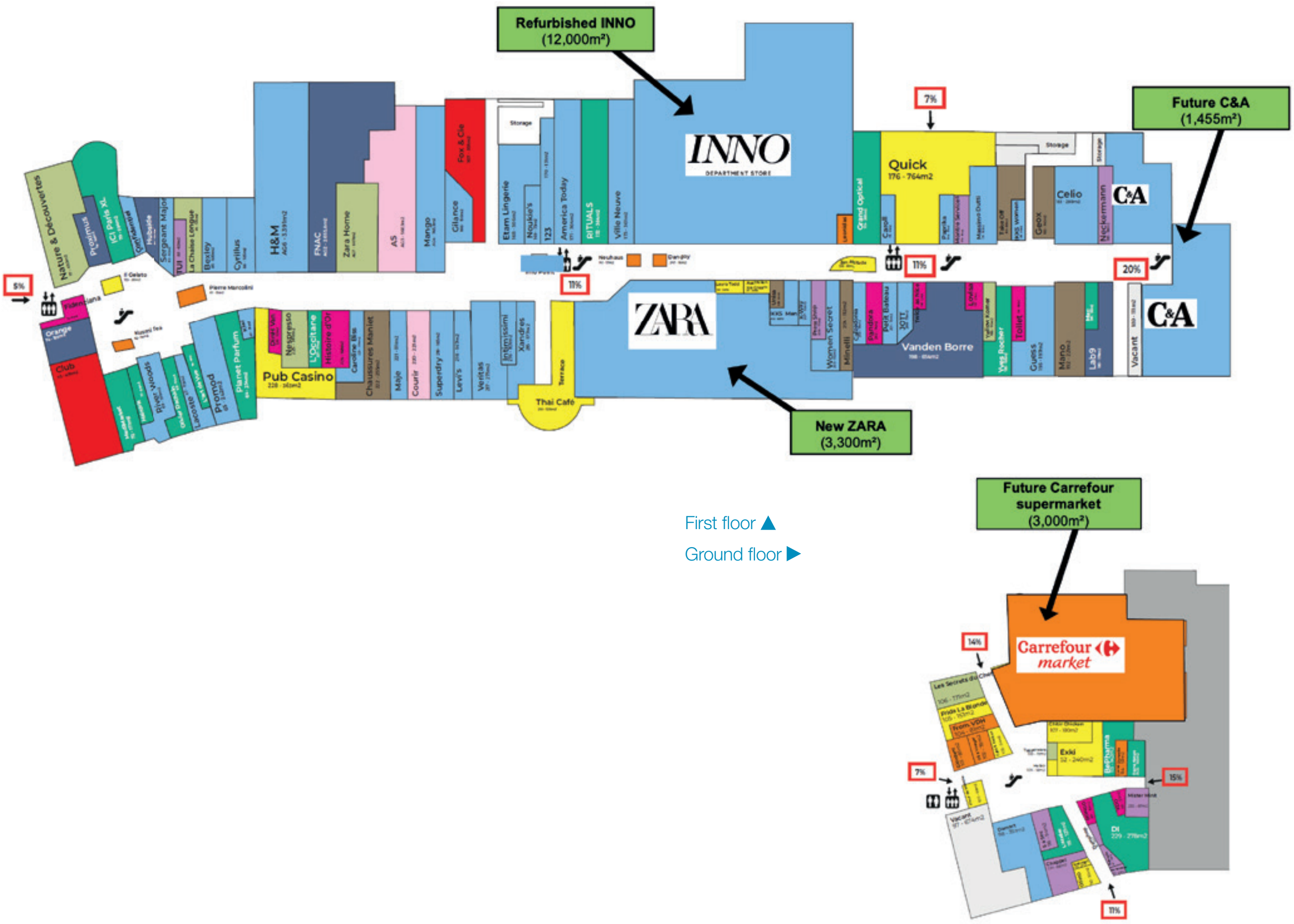
Be partners with our retailers (continued)

concept in their new 1,455m² store in early summer 2024.

INNO, the renowned Belgian department store have recently commenced the complete refurbishment of their three-level department store. INNO will embark on the comprehensive transformation of its 12,000m² flagship store which will involve brand rotations, the premiumising of the retail offer and the implementation of the new concept design recently established in their prime Brussels city centre store on Rue Neuve.

Furthermore, the first half of 2024 will see a profound enhancement in the grocery sector with the arrival of a new supermarket operator at Woluwe. At the end of 2023, an agreement was finalised with the Carrefour Group to take over the operation of the 3,000m² supermarket historically operated by Match. Carrefour will introduce the latest version of its Carrefour Market concept, focusing on fresh and quality products to better serve the essential everyday needs of Woluwe's wealthy catchment area. Once all these projects are completed during autumn 2024, they will provide a major improvement to the international merchandising at Woluwe.

Woluwe Shopping remerchandising



Case study

VALBO

In January 2018, Eurocommercial acquired Valbo Köpcentrum located outside Gävle in Sweden in a strong and very established retail zone. Having been built in 1970, the shopping centre was outdated when we acquired it with many tenants only showcasing their old concepts and brands.

Research including careful analysis of the customer profile and behaviour, and a detailed assessment of the demographic and spending potential of the catchment provided useful insight and data to evaluate tenant demand. After careful consideration, the decision was taken to programme and complete the project in three different phases due to the complexity of keeping the centre open and in full operation during the works. The first phase included the creation of an improved masterplan relocating 17 tenants. The second phase focused on the refurbishment of the common areas, new interior design and shop fronts, the creation of a new public square and the upgrading of the restaurants.

Phase three, the final phase of the project started in 2022 and was completed and opened to the public on 28 October 2023, providing a new entrance, external façades and seven new stores let to important Swedish retailers including F&B operators Chili & Wok, Baked & Grilled, Subway and Espresso House.

Valbo Shopping Centre, Gävle

Overall, the project was completed in three phases over five years during which we introduced 23 new tenants including New Yorker, Normal and Hemtex. 17 existing tenants were relocated to new units to accommodate their latest concepts including H&M, Intersport, Deichmann, Rituals and Cervera. The project has reinforced Valbo's market position as the dominant regional shopping centre for Gävleborg and the Norrland region.

Valbo Shopping Centre, Gävle

Be partners with our retailers (continued)

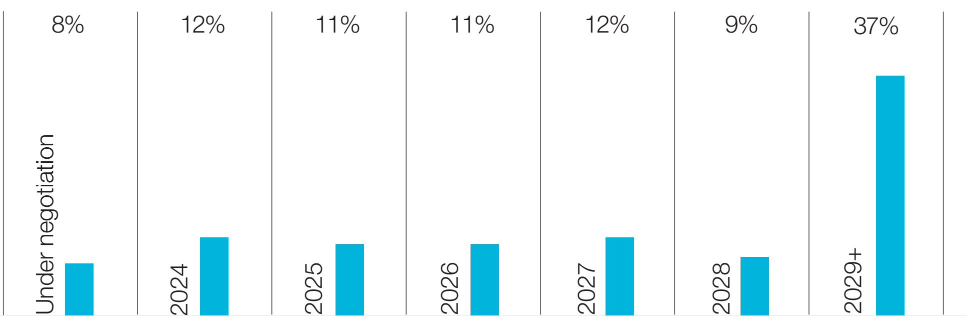
Top 20 retail tenants

% of total Eurocommercial rental income

1	INDITEX	4.0%	11	coop	1.1%
2	H&M	3.1%	12	LEROY MERLIN	1.1%
3	Carrefour	2.1%	13	BESTSELLER	1.0%
4	fnac	1.8%	14	Etam	1.0%
5	MediaMarkt	1.5%	15	PRIMARK	1.0%
6	Galeria INNO	1.5%	16	EssilorLuxottica	1.0%
7	MAXI ICA Stormarknad	1.4%	17	Stora coop	0.9%
8	OVS SpA	1.4%	18	SEPHORA	0.9%
9	Varner Retail	1.3%	19	Casino	0.9%
10	THOM Group	1.2%	20	coin	0.9%

Lease expiry profile

As % of rental income



ECP Connect tenant app

During November 2023, Eurocommercial launched its new tenant app, ECP Connect, in all shopping centres in France and in Italy with an excellent onboarding rate from our tenants. ECP Connect is a digital innovation that we have developed in partnership with Mallcomm, a leading provider of shopping centre communication and engagement solutions. This initiative follows the successful implementation of the We Link tenant app in Belgium in 2022 which was also developed with Mallcomm.

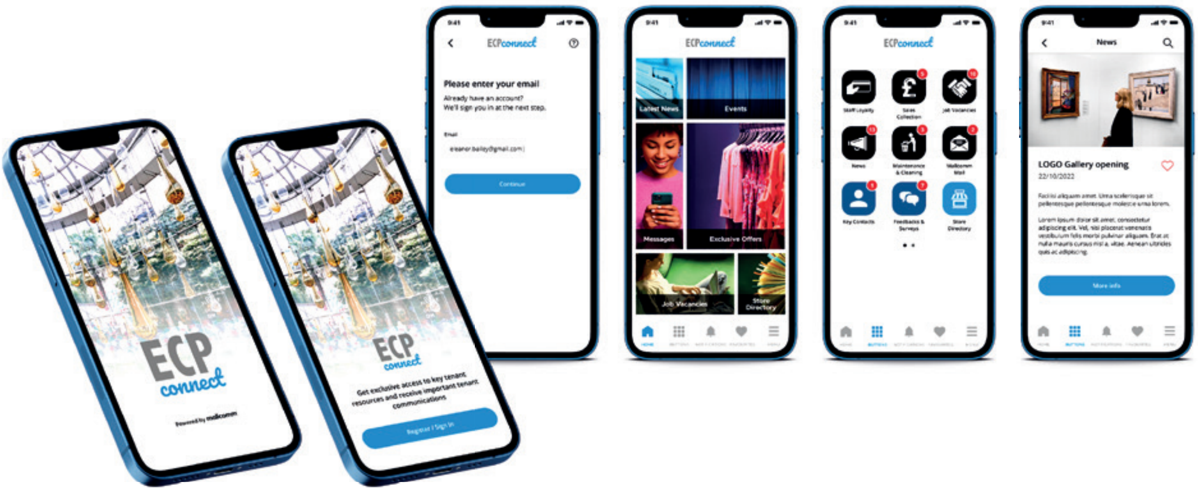
ECP Connect will revolutionise the way we communicate and collaborate with our tenants. It will make communication easier and frictionless, creating a sense of community among our retailers and all the people working in every shopping centre.

In France, where ECP Connect has been deployed in all our eight French shopping centres, 94% of our tenants have already onboarded and are actively using the app. In Italy, our eight shopping centres showed a 100% onboarding rate illustrating the commitment and enthusiasm of our tenants to embrace this change and benefit from its features.

ECP Connect will allow our tenants to access important information, receive timely updates, share feedback, and participate in events and initiatives. It will also enable us to provide better support and service to our tenants, and improve the performance and attractiveness of our shopping centres.

Tenants are greatly appreciative of this new tool while the app is the focal point to find useful information and procedures for each shopping centre.

ECPconnect



Digital Transformation

Eurocommercial's progression through digital transformation represents a strategic shift towards reimagining the retail experience. Our vision outlines shopping centres not merely as retail locations but as dynamic hubs offering a range of services to both tenants and visitors, thereby improving the overall experience. This vision, combined with a mission to deliver a seamless phygital experience, underscores our dedication to serving communities and promoting environmental and social welfare.

Refining our strategic focus

2023 marked a pivotal year as we refined our Digital Transformation strategy, transitioning to the following three-pillar approach to more effectively realise our objectives:

1. Be connected with our visitors
2. Be partners with our retailers
3. Be the workplace where employees thrive

This change highlights our dedication to engaging with visitors, supporting retailers, and cultivating a positive workplace environment for our employees. Our data-driven strategy goes beyond basic visitor engagement, aiming for comprehensive retailer support and operational efficiency. At the core of this approach is the incorporation of Environmental, Social, and Governance (ESG) principles and community engagement across all aspects, emphasising our commitment to sustainable, ethical, and community-oriented practices.

Driving impact and value

Our Digital Transformation initiatives are designed to deliver significant impact across four key areas: increasing rental income through improved space attractiveness, boosting asset value via higher footfall and turnover, improving operational efficiency through digitalisation, and elevating our image and reputation among stakeholders. Each initiative, whether focused on connecting with our visitors, partnering with our retailers, or empowering our employees, is integrated with our ESG commitments and community-centric values, all supported by an inclusive data strategy.

The crucial role of data strategy

Data Strategy is an essential part of our Digital Transformation efforts, which enables us to create a value triangle by improving interactions between visitors, retailers, and Eurocommercial itself, by maximising visitors' experiences and by ensuring a robust data-flow.

Digital Transformation

Activities Across Pillars

Connecting with our visitors:

We are committed to creating an omnichannel shopping experience that is integrated and seamless across all touchpoints. From employing a Customer Data Platform to enriching our visitor database, our goal is to understand and predict visitors' behaviour, thereby improving their overall experience.

Eurocommercial's commitment to transforming the retail experience forms the foundation of the strategic pillar of "Being Connected with Our Visitors." This initiative not only underscores our dedication to improving shopping experiences, but also highlights our innovative approach to integrating technology for personalised engagement. Central to this effort has been the phased implementation of the Placewise Customer Data Platform, alongside the introduction of advanced tools for monitoring visitors' satisfaction and obtaining their feedback.

Placewise rollout: A phased approach

Our journey started in France in 2022 with the implementation of a Customer Data Platform, Placewise, marking a significant step forward in engaging with our visitors through data-driven insights. This platform has enabled a transition towards targeted communication, allowing for personalised marketing campaigns and events that align closely with our visitors' preferences.

In 2023, Italy embraced this initiative, leveraging its capabilities to further tailor our interactions and improve the visitor experience by understanding and anticipating our visitors' needs more accurately. This expansion was not just about scaling up; it was about enriching our engagement strategies to cultivate loyalty and community.

Anticipating the rollout in Belgium and Sweden in 2024, we aim to consolidate our learnings from France and Italy, optimising the platform to meet the unique characteristics of each new market. This forward-looking approach ensures that our engagement strategies evolve to stay ahead of visitors' expectations, delivering a seamless and enriching shopping experience.

Elevating visitors' satisfaction: Beyond digital interaction

Understanding that true connection extends beyond digital touchpoints, we have increased the collection of feedback to measure customer satisfaction. This allows us to capture real-time insights into our visitors' experiences, preferences, and areas for improvement. By actively asking feedback, we demonstrate our commitment to listening and adapting, ensuring that each Eurocommercial centre reflects the needs and desires of our communities.

Online sentiment tool: Harnessing the power of social media

Together with direct feedback mechanisms, the Online Sentiment Tool represent our strategic investment in monitoring and analysing social media conversations related to our centres. This tool enables us to measure public sentiment, identify trends, and respond proactively to our online community's opinions and concerns. By knowing our target groups and engaging with our customers online and respond proactively to our online community's opinions and concerns, as well as identifying digital and social media trends, we can make informed decisions, create more relevant content to improve our digital presence and engage with our visitors more effectively.

Shopping centre websites

Within the scope of our strategic pillar "Be Connected to Our Visitors," we renewed all our shopping centre websites. This initiative is crucial in improving our digital presence and cultivating deeper connections with our visitors. By redesigning these websites, we aim to offer an intuitive, engaging, and informative online experience that mirrors the welcoming and vibrant atmospheres of our physical shopping centres. The new websites are optimised for accessibility and user-friendliness, ensuring that information about store offerings, events, and promotions is easily accessible. Additionally, integrating advanced functionalities like interactive maps, real-time event updates, and personalised content, we strive to create a digital environment where visitors can find inspiration, convenience, and a sense of community. This website renewal project not only strengthens our online engagement with visitors but also aligns with our commitment to leveraging digital innovation to improve customer satisfaction and loyalty.

Looking ahead: An unified digital ecosystem

"Be Connected with Our Visitors" represents Eurocommercial's commitment to contribute to the future of retail. By combining advanced digital tools with a profound comprehension of our visitors' requirements, we aim to create customised shopping experiences. As we look forward to the continued implementation of our digital transformation strategy, we remain focused on improving visitors' satisfaction, and driving loyalty across all Eurocommercial shopping centres.

Being partners with our retailers:

We envisage creating a mutually beneficial partnership with our retailers, where data and digital infrastructure serve as the foundation for mutual digital growth. By developing sustainable retail solutions and fostering data partnerships, we aim to support our retailers' strategic ambitions in an increasingly digital marketplace.

In the evolving landscape of retail, Eurocommercial's strategic pillar, "Be Partners with Our Retailers," illustrates our commitment to cultivating robust partnerships that go beyond traditional landlord-tenant relationships. In 2023 we focused on several initiatives underscoring this commitment: the Eurocommercial Retail Academy®, the ECP Tenant App, and the alignment of our partner vision and strategy with our comprehensive Data strategy, communities, and Environmental, Social, and Governance (ESG) principles.

Eurocommercial Retail Academy® supporting our retail partners

Eurocommercial Retail Academy®: A cornerstone for retailer development

The Eurocommercial Retail Academy® serves as a clear illustration of Eurocommercial's dedication to supporting our retailers' growth and adaptation in the digital age. Established several years ago, this digital platform offers comprehensive training and development resources tailored to the evolving needs of our retail partners. By covering topics from digital marketing strategies to sustainable business practices, the Academy facilitates knowledge sharing and skill enhancement, empowering retailers to thrive in an increasingly competitive market.

The success of the Eurocommercial Retail Academy® reflects in its continuous adaptation to current trends and feedback from participants, ensuring relevance and value. This initiative not only strengthens our retailers' capabilities but also reinforces the collaborative spirit at the heart of our partnerships, laying a foundation for mutual growth and success.

ECP tenant app: Enhancing communication and efficiency

The ECP Tenant App, initially launched in Belgium and extended to France and Italy in 2023, embodies Eurocommercial's investment in digital tools that simplify operations and cultivate direct communication between management and retailers. This app serves as a central hub for information exchange, operational updates, and feedback, simplifying processes and enabling quick responses to retailer needs.

The expansion of the ECP Tenant App across our portfolio indicates our commitment to leveraging technology to improve efficiency and satisfaction among our retail partners. By providing a platform for seamless interaction, we not only improve operational effectiveness but also cultivate a sense

Digital Transformation (continued)

of community and collaboration among tenants.

"Be Partners with Our Retailers" is not merely a strategic pillar; it is an expression of Eurocommercial's vision to build long-term, collaborative relationships that drive mutual success. Through initiatives like the ECP Retail Academy, the ECP Tenant App, we demonstrate our commitment to supporting our retailers' growth and adaptation in a rapidly changing market.

By aligning our partner vision and strategy with our Data strategy, community engagement, and ESG principles, we ensure that our partnerships are not only commercially beneficial but also socially responsible and community-focused. These partnerships will continue to play a vital role in our strategy, reflecting our dedication to innovation, collaboration, and mutual achievement.

Be the workplace where employees thrive:

The digital transformation team

The Digital Transformation Team at Eurocommercial plays a pivotal role in steering the Company towards a future where a digital mindset and innovation are at the core of our operations. This team's efforts are instrumental in identifying and implementing digital solutions that improve efficiency, collaboration, and employee satisfaction. Their work is not just about technology adoption but cultivating a digital mindset that relates to every aspect of our business.

Empowering our workforce

Our focus on operational efficiency and employee experience is about creating an environment where innovation flourishes. Through digital training, enhanced communication tools, and data-driven decision-making, we aim to empower our employees to excel.

In the era of rapid technological advancement, Eurocommercial's strategic pillar, "Be the Workplace Where Employees Thrive," underscores our commitment to cultivating a digital-first culture that empowers our team. Central to this mission is the Digital Transformation Team, a dedicated group consisting of team members from the various countries in the Group, driving the adoption of digital tools and mindsets across the organisation.

Empowering through education: Online learning initiatives

Recognising the importance of continuous learning, Eurocommercial has launched an ambitious online education plan aimed at equipping all colleagues with advanced digital skills. This initiative offers access to a wide range of courses, ensuring that our team is well-prepared to meet the challenges of the digital age. As everyone in the Company can participate to the learning sessions, we cultivate an environment where every employee can grow and contribute to our digital transformation journey.

Streamlining collaboration with sharepoint

The introduction of SharePoint marks a significant milestone in our aim to improve workplace productivity and collaboration. This powerful tool is instrumental in centralising document management, streamlining communication and collaboration between employees and with external stakeholders and partners, and facilitating project coordination across departments. SharePoint's implementation reflects our commitment to creating a connected and efficient digital workplace where information flows freely and teams can work together seamlessly.

Connectting with our visitors

Employees digital day

Last December, as part of our Digital Transformation program, we hosted the Employees Digital Day event with the aim of further cultivating a digital mindset among our teams. Despite being physically separated across different offices, employees came together virtually to participate to this event. The event featured engaging presentations on Digital Transformation, a lively quiz, and insightful talks from external speakers on both Digital Transformation and personal leadership. It was a festive and educational occasion that brought our teams closer together and inspired us to embrace the digital future with confidence.

Elevating data strategy and governance

At the heart of our digital transformation efforts is a robust Data Strategy and Governance framework. This comprehensive approach ensures that data is recognised as a valuable asset, managed with the utmost care, and used to inform decision-making across the Company. By establishing clear guidelines and responsibilities around data management, we ensure the integrity, security, and accessibility of our data, empowering employees to gain insights for innovation.

“Be the Workplace Where Employees Thrive” is more than a pillar; it is a commitment to cultivating an environment where digital empowerment, learning and innovation are cornerstones of our corporate culture. Through the dedicated efforts of the Digital Transformation Team, the expansion of online education opportunities, the strategic implementation of SharePoint, and the thorough approach to Data Strategy and Governance, Eurocommercial is shaping a future where our employees are equipped, inspired, and thriving.

Eurocommercial’s Digital Day held in December 2023

Be connected to our communities

> **"*Our shopping centres are not only important retail destinations but also increasingly provide their local communities with a range of services, amenities, green spaces and social experiences while promoting local employment, procurement, transport infrastructure and education.*"**
>
> **Ilaria Vitaloni**
> Head of Research

Our shopping centres play a pivotal role in our changing communities in providing a variety of goods and services that meet the needs and preferences of our customers. They also create employment opportunities for local residents and contribute to the economic development of the area. Shopping centres are more than just places to buy things; they are also spaces for social interaction, entertainment and leisure. They enhance the quality of life and well-being of the people who visit them and provide them with services, amenities and support.

Identifying customer needs and interests

To measure and improve our performance as a retail company we regularly conduct surveys in our shopping centres to evaluate customer satisfaction and receive feedback from our customers on various aspects of their shopping experience including the quality of the products, the availability of the staff, the cleanliness of the facilities, and the overall atmosphere of the centre. We use this feedback to identify areas for improvement in order to enhance our customers' satisfaction and loyalty. By conducting surveys in our shopping centres we can communicate with our customers and show them that we value their opinions and preferences.

In 2023, we conducted over 13,000 face-to-face interviews across our four markets supplemented by additional online surveys and focus groups to acquire additional data from our communities. Our shopping malls welcome over 110 million visitors every year from different age groups and backgrounds. The younger generations demand a more digital and interactive experience providing us with many opportunities to gather data about them, to improve our understanding and knowledge about their needs, interests, behaviours and expectations. This valuable information can be used to enhance the customer experience, offer the right services, assist retailers (by sharing information) and, most importantly, support the investment and asset management decision-making in our shopping centres.

Historically, our knowledge about our visitors came from empirical observation and quantitative research. Both methods provide anonymous data limiting the way we can engage with those communities. As part of the Digital Transformation project launched last year, we have now introduced the CRM as a relevant tool to identify members of different communities and engage with them more effectively. To help us collect and analyse data, we acquired a software solution from Placewise whose experience in retail real estate made them the preferred supplier. Their Marketplace Performance Cloud contains a Customer Data Platform as well as solutions designed for segmentation and profile targeting in our CRM. The control of visitor data from the consolidation offered by Placewise benefits us in terms of cost, quality and quantity of data.

The implementation is broken down into five phases. We have already implemented phase One in Italy and France, and Belgium and Sweden will follow in 2024. The Placewise platform will have an extended implementation period up until 2025 during which time we will continue to expand and enrich our visitor database by connecting more touch points.

Be connected to our communities (continued)

Ambassadors for our communities

Smakrådet ("Taste Council") in Sweden was created in collaboration with the Berghs School of Communication in 2020/21 initially in Elins Esplanad but is now being used in all our Swedish centres. The group consists of local ambassadors from our stores to engage with both our visitors and employees. Through Smakrådet, we want to strengthen the emotional connection to our centres by personifying our store experts and ambassadors, giving our customers valuable guidance in their shopping choices. The partnership has helped to successfully develop new communication concepts and strategies for our social media channels giving our centres a personality and tonality to create a higher degree of commitment and interest in our communication with the help of internal influencers.

Smakrådet is now in use in all seven Swedish shopping centres

Supporting our tenant communities

In 2023, we introduced ECP Connect, the app for the tenant communities to manage day to day tasks, communicate with the centre management and introduce new services dedicated to the tenant community that work in our shopping centres. After a successful pilot in Belgium in 2022, which saw a marked increase in tenant satisfaction and full tenant participation, we introduced ECP Connect in France and Italy during 2023.

We will also expand the services offered via the app such as surveys and tips on how to improve customer experience which is also the purpose of the Eurocommercial Retail Academy® which we first introduced for our retailers in Sweden. The ambition was to develop an inspiring educational programme to improve knowledge and training in sales and customer service with the aim of developing the most professional and dedicated staff to serve customers who are increasingly appreciative of personal service. The course consists of four physical sessions a year held before opening hours and has been carefully devised using external lecturers specialising in sales techniques.

During the pandemic and in collaboration with IHM Business School in Sweden, we also created an online platform enabling our retailers to continue to provide sales and customer service training to staff through video tutorials, questionnaires, and gamification. During 2023, we successfully rolled out the Academy to a further eight new centres: five in Italy and three in France. The programme was completely digital and tenants could access it from their mobile phones. A total of 1,300 participants registered to the online course. Since then, we have now launched the new 2024 edition which has customer training key components and features, including a choice of languages, and so far 830 staff have registered.

Supporting our communities

Eurocommercial's shopping centres have moved away from being exclusively shopping destinations by creating events and partnerships with associations and providing spaces for people with common interests and needs to meet and share experiences. The company approach focuses not on single individuals but targets the communities they belong to. The way customers shop has changed notably over the last ten years and it is important to build relationships with the communities based on participation and not only catchment. Members of a community become engaged and are more likely to be loyal and attached.

Increasingly, our shopping centres have become places for the different communities to congregate for learning, connecting and having fun. By creating partnerships with Eurocommercial, institutions and associations are selecting our centres as the places to reach their audience as demonstrated by the initiatives and programmes in place. Stakeholders recognise the social value of our shopping centres and the lasting impact on individuals, communities and the environment.

We have identified the different communities in order to provide them with the services and support that they need. Several initiatives were organised based on interests, needs and lifestyles of community members, including organising job recruitment events and programmes and providing support for young entrepreneurs.

In 2023, Woluwe Shopping took part in two local job fairs organised by the municipalities of Woluwe-Saint-Pierre and Woluwe-Saint-Lambert. At this event, Eurocommercial met job seekers and presented the job opportunities made available by our retailers.

Local job fairs were held at Woluwe Shopping

Woluwe Shopping also provided the space for young entrepreneurs to showcase their ideas and business acumen and in association with Les Jeunes Entreprises, 20 mini companies took part in a contest to win gift cards by presenting their products and services to visitors.

Young entrepreneurs showcasing their ideas at Woluwe Shopping

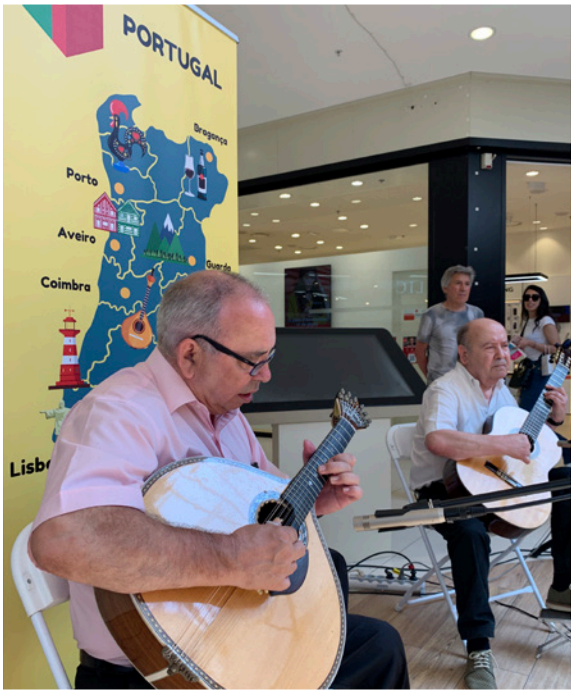
Be COCO days was an initiative launched in collaboration with the Secretary of State, Alexia Bertrand, Test-Achats, SPF Economie, Comeos and other public services. Be a Conscious Consumer was the theme for a week of promoting important topics including phishing, fraud and cryptocurrency.

Be COCO raises awareness on how to be a conscious consumer

Be connected to our communities (continued)

Lottery tickets sold by The Pensioners' Association in Gävle, Valbo

The Pensioners' Association in Gävle, Sweden has a long history of selling lottery tickets in Valbo. In connection with the complete renovation of Valbo, Eurocommercial invested in developing a new lottery stand to support the local Pensioners' Association and to strengthen the senior community in the local area. The lottery stand in Valbo is also a natural meeting place for the elderly, where they often gather and socialise. It also promotes the natural meeting between the generations.



Promoting the Portuguese community at Les Portes de Taverny

Taverny, located north of Paris, has a very active **Portuguese community** which is very much involved in the local life and make an important contribution to the wider community in this area. Eurocommercial wanted to acknowledge the value the Portuguese community brings by celebrating Portugal's national holiday in June when various events were organised in the shopping centre including Portuguese food tasting sessions, fado concerts, workshops for children and ceramic and embroidery classes.

La Via della Seta fosters cultural exchanges between Italy and China at I Gigli

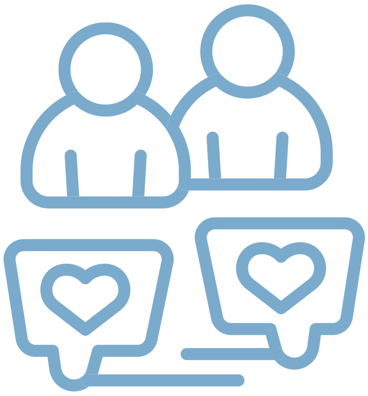
Meanwhile at I Gigli, Florence our teams hosted **"La Via della Seta"** (The Silk Road) from July 2023, a project to foster cultural exchange between Italy and China, in collaboration with the Italo-Chinese Cultural Association for Education. The project included events related to Chinese art, writing, holidays, music and tea traditions, attended by the local Chinese community and the Campi Bisenzio Municipality. The event received good media coverage and was important to promote this important community which is the largest Chinese community in Italy.

Il Castello hosted an event in partnership with the Aeronautical Association

At Il Castello in Ferrara, a press conference marked the beginning of a three-day event resulting from a partnership with the **Aviation Association**. The event had the support of the Ferrara City Council and involved the main local institutions and the AOC (aerospace operations command) Commander, who is also the President of the Aeronautical Weapons Association.

Entertaining and engaging with our communities

During the year, our marketing teams and shopping centre managers organised creative and fun activities that resonated with our customers and local communities including **La Casa Capovolta** (the upside-down house) in Fiordaliso, Milan. An upside down selfie house was built at the entrance of the Fiordaliso shopping centre, offering a fantastic setting to delight the younger and not so young generations. The upside down house and its rooms were the perfect backdrop to indulge in selfie-taking. The event lasted one month from mid-October and attracted approximately 7,000 customers who were able to take selfies, videos and instagrammable content which contributed significantly to the social interactions with the centre. Every entry into the house was recorded for data collection purposes to enrich the Customer Data Platform of the centre and received wide media attention.



La Casa Capovolta, or upside-down house, in Fiordaliso

Also at Fiordaliso, the **Fiordakids** area has been meticulously designed and crafted with a strong emphasis on safety, ensuring that children can enjoy themselves within a secure and supervised environment. Wooden furniture was chosen to create a warm and inviting atmosphere where children can feel at home while playing in a real “treehouse”. Interactive and entertaining games are also available, allowing children’s engagement either individually or in groups to develop their creativity and imagination, improving social and cognitive abilities.

Children’s play area Fiordakids in Fiordaliso

Be connected to our communities (continued)

Meanwhile in Woluwe Shopping the famous cartoon character **Marsupilami** provided entertainment for children and families. He invited them to solve riddles, take part in adventures and challenge the impressive inflatable palm tree. The children were invited to meet Marsupilami and take selfies! A total of 1,200 children took part.

Entertaining children and families at Woluwe Shopping with Marsupilami


Dinosaur displays at MoDo

During the event, Woluwe Shopping also supported the Société Royale Forestière de Belgique in the **Trees for Future** project, which aims to increase general knowledge and educate about tree species and origins, and more specifically in the reforestation of three forest plots in the province of Luxembourg. It has undertaken to replant 600 trees in a location situated in the Belgian Ardennes. In MoDo, to the north of Paris the children were entertained by a display of dinosaurs in the mall.

Latin American dance shows at I Gigli

In September, the new outdoor square of I Gigli hosted the event "**Bailando Ai Gigli**" featuring Latin American and other dance styles. More than 200 shows were performed by children and adults from over 45 local dance schools. The event welcomed many guests from the dance, TV, and social media scene, including presenter Lorenzo Branchetti, the dance company Tropical Gem, the dancer Anastasia Kuzmina, the dancer and presenter Marcello Sacchetta, influencers Joey&Rina and the winner of the show 'Amici' Mattia Zenzola. The event received great media attention from six regional newspapers and was very popular on the shopping centre's social media channels, with about 5,000 interactions on its Facebook's posts.

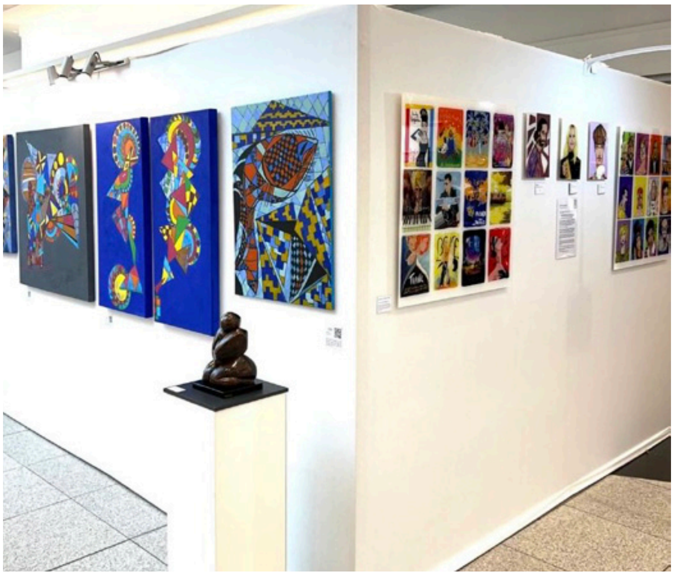
One of the most popular ways to entertain the younger generation is to organise “meet & greet” sessions. These events allow fans to meet their favourite artists, get their signatures and take photos with them. In Grand A shopping centre in Amiens, **Dédicaces Black M and Franglish** autograph sessions were also a great opportunity for the artists to promote their latest albums, songs, and merchandise and interact with their audience, answer questions, and perform live. The signing sessions were fun, exciting, and memorable for both the fans and the artists.

Transforming shopping centres into venues other than purely retail destinations provides communities with the opportunity to engage in new and exciting ways. In the gardens at Passage du Havre in central Paris, **Les Samedis de Stand Up** in partnership with the comedy club Fridge and well-known French comedian Kev Adams provided humour, laughter and popcorn in a relaxed atmosphere during shopping time. The entrance was free with a pre-registration link on Instagram and the successful initiative attracted over 170 people, many of whom were not regular customers to the Passage du Havre.

Meet & greet sessions in Grand A

Stand up comedy in the gardens of Passage du Havre

Be connected to our communities (continued)



Woluwe Shopping transforms into a art gallery for the Contemporary Art Fair

Our shopping centres have also been used as art galleries, with artists displaying their creations at the seventh edition of the **Contemporary Art Fair** in Woluwe Shopping. During a vernissage, fifteen artists from different disciplines were able to showcase their talent. One artist invited customers to take part in a large-scale participatory street art project, while another artist taught children to write their names in graffiti.

Promoting healthcare and wellness in the communities

Our shopping centres continue to evolve to meet the needs of the communities they serve including the provision of facilities and experiences promoting health and wellbeing. They offer expanding health centres including medical practices, dentists, physiotherapists and gyms but also organise events promoting physical activity which also benefits mental health.

David Lloyd health club has recently opened a new facility in the former racecourse in Sterrebeek near Woluwe Shopping. To promote the opening they occupied a central space within Woluwe Shopping for a week and offered demonstrations of several of their group classes for adults and children.

In June, in order to support sports for local clubs, Woluwe also invited young sportsmen and women to a presentation of **hockey and football** in the mall. La Rasante Woluwe, a local hockey club, and the Racing White Woluwe, a local football club, offered demonstrations to our customers.

Promoting well-being in our shopping centres

Following the success of the TV show **Ninja Warrior**, the Modo shopping centre, north of Paris provided its customers a sports circuit inspired by the show, with several stages to work and challenge different parts of the body.

Ninja Warrior inspired sports circuit

Young football team and Ingelsta Shopping mascot

For the third consecutive year, we were the official partners of the **Norrköping's Football Festival**, which took place at Ingelsta in August. The event rewards young people with the Fair Play award to the players who had demonstrated good sportsmanship during the tournament. Inge, the centre's mascot also proved to be very popular with the young players.

Hallarnaloppet raises funds for children with cancer

While taking part in physical activities is undoubtedly beneficial for one's health, it also serves to raise awareness for diseases as is the objective for **Hallarnaloppet**, the 1km children's race around the Hallarna shopping centre in Sweden. This year again, we organised the annual race in order to raise funds for the Childhood Cancer Foundation with our communities for vital research and to increase awareness of children cancers.

The Octobre Rose (pink october) initiative raising awareness against breast cancer continues to gain support from members of our communities and we are only too pleased to be able to host these events.

Supporting breast cancer awareness in Centr'Azur

At Centr'Azur, Hyères customers were photographed in the gallery and made a small donation in exchange for the photograph and the pink bracelet. All photos taken throughout the day were displayed in a mosaic on TV screens as well as posted on social media (Facebook and Instagram). At Woluwe Shopping, in association with BIG (Breast International Group), the centre was decorated in pink and a fundraising organised.

Be connected to our communities (continued)

Communities that care

It is abundantly clear that our communities care very much for others, the wildlife and the environment. Our role is to support, encourage and develop activities promoting the causes that are important to them. Combining art with good causes, **Une Tente, Une Vie** (A Tent, A Life) is an initiative from the ORIG-AMI association, which provides homeless people with tents and sleeping bags each year. In collaboration with Woluwe Shopping, several well-known Belgian artists decorated cardboard tents for auction, the proceeds of which will help provide the equipment needed to shelter the most deprived in the community during the winter months. The decorated tents provide insulation and are practical to set up and transport, while being completely recyclable.

Helping homelessness initiative at Woluwe Shopping

Eurocommercial Belgium mobilised a group of 23 runners, including shop staff and Woluwe Shopping Management, to participate in the Brussels 20km race on Sunday 28 May for the benefit of **Make A Wish foundation**, which fulfils the wishes of children who have faced or are facing serious illnesses. We were delighted and honoured to present Eliott with our gift and make his wish come true: to take his whole family on a trip to Corsica.

The Woluwe Shopping team at the 20km Brussels race

Un Natale fatto a mano (a hand made Christmas) at I Portali provided free workshops to create colourful Christmas decorations for the shopping centre. The items were then sold with the proceeds donated to the Pediatrics and Oncohematology department of the University Hospital of Modena. With the precious contributions of Dritto e Rovescio and Knit Cafè Modena, we have created wonderful Christmas decorations and “granny” tiles. The main attraction was a 6 metre high tree which became the symbol of this “Handmade Christmas”, which was placed at the East entrance of the shopping

Proceeds from the granny tiles made at I Portali donated to University Hospital of Modena

The time capsule event at Carosello

centre.

Carosello shopping centre continued its 50th Anniversary celebrations with a special event called "**Time Capsule - The man who will be**". The event involved 800 students from eight local primary schools who expressed their visions of the future in 2047 through drawings and messages. The artwork was exhibited in the mall from December 2022 to January 2023, and 30 pieces were chosen to be stored in a time capsule along with a book and a pen drive containing all the messages. The time capsule was sealed and buried in the mall on 4 February 2023 with the participation of the students and the municipality of Carugate. It will be opened in 2047 to reveal how children imagined their future world.

Communities and sustainability

Sustainability and ethics are increasingly influencing the way that our shopping centres operate. Our communities care responsibly for the environment and our common goals are to raise awareness and provide tangible solutions.

Combining educational tools with fun activities to raise awareness among the youngest generation, Woluwe Shopping created "**Nature Days**", an educational and inter-generational event designed to help people get to know nature better. This initiative reflected the centre's desire to move into the era of sustainable development.

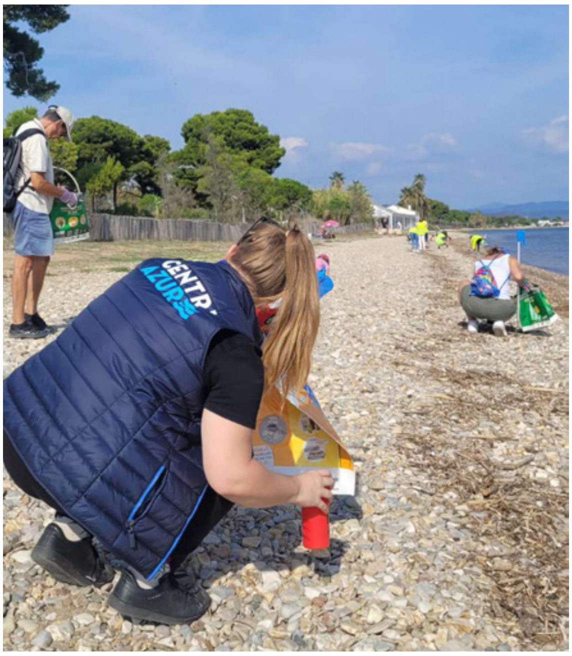
Woluwe Shopping organised 24 workshops over a period of three weeks to satisfy the curiosity and the learning needs of different age groups. The workshops were fun and educational, and they involved local associations and retailers from the shopping centre. A total of 1,240 people participated in the workshops. Woluwe Shopping also introduced the little influencer 'Lily', a smart dragonfly, who was the guide for the visitors in the gallery and on social media. Meanwhile, 124 children from nearby schools took part in a day of civic action to collect rubbish in the parks around the centre.

Nature Days' educational event to get to know nature better

Environmental stewardship and responsible waste management programmes not only help to raise awareness and educate but also enhances the aesthetic appeal and recreational value of our sites. One popular exercise is **beach-cleaning**, and at Centr'Azur in Hyères, more than 40 volunteers from very different background took part in the clean-up. In partnership with leisure centres, a rehabilitation centre for children with disabilities, ITEP Moineaux Ermitage, staff from Toulon Hyères Airport and with Centr'Azur shopping centre, a total of 18kg of waste was recovered and sorted.

Be connected to our communities (continued)

Centr'Azur organised a beach-cleaning event



Beach cleaning at Hyères

Meanwhile, a similar exercise took place in Sweden, in Hallarna and Grand Samarkand demonstrating that members of our communities take pride in the environment and clearly see the benefit of responsibly disposing of waste.

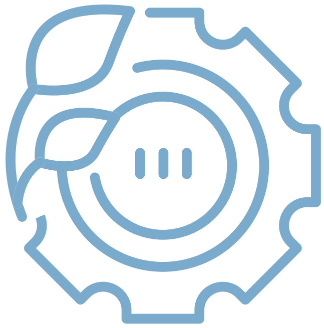
Grand Samarkand's clean up

Second-hand shopping has many benefits for the environment, the economy, and consumers. It reduces the amount of waste and carbon emissions generated by fast fashion and mass production, which are major contributors to climate change and environmental degradation. It also supports local communities and charities, as well as creating jobs and income for people who sell their used goods. Moreover, it saves money and offers a variety of high-quality and stylish products that can suit different tastes and preferences. Second-hand shopping is not only a trend but a necessity for a more sustainable future.

We hosted two car boot sales at Valbo, Sweden, where people could buy and sell second-hand goods in a fun and social way. Car boot sales are a great way to reduce waste and promote recycling, by finding new owners for unwanted or unused items. We also partnered with the local football club, who helped us with the event as part of our local collaboration and sponsoring programme. The event had a positive impact on both our centre and the local region. The exhibitors were very enthusiastic and we quickly filled up 60 parking spaces. The visitors were also very engaged and we saw an increase in visits to our shopping centre by 5.5% on the first day and 4.4% on the second day.

Car boot sales at Valbo encourages second-hand shopping

At the recycling point inside Woluwe Shopping, we collected 760kg of recycling clothes for **Les Petits Riens**, an organisation to prevent social exclusion and poverty in Belgium. Les Petits Riens collect items which have not been sold during the physical sales of Second Life, another initiative to promote recycling and combat waste by buying second-hand. **Second Life** is a second-hand clothes collection service where customers can sell their clothes online or on-site and get a Woluwe Shopping gift card in return. This way, they can reuse their clothes, reduce their environmental impact and support the centre's retailers. Since March 2023, around 2,150 pieces of clothing have been sold, saving 7,455,000 litres of water that would have been needed to produce new clothes.



For the third year running, Les Portes de Taverny shopping centre organised a charity clothes collection. 4 tonnes of clothing were collected for the benefit of a resale and recycling local association. As an incentive, for every 5kg of clothes collected, customers were given €5 in gift cards, which they could immediately spend in our shops. A number of DIY workshops were also held, as well as a dressing-room sale organised by local influencers.

Clothes collection at Portes de Taverny

Environmental, Social and Governance

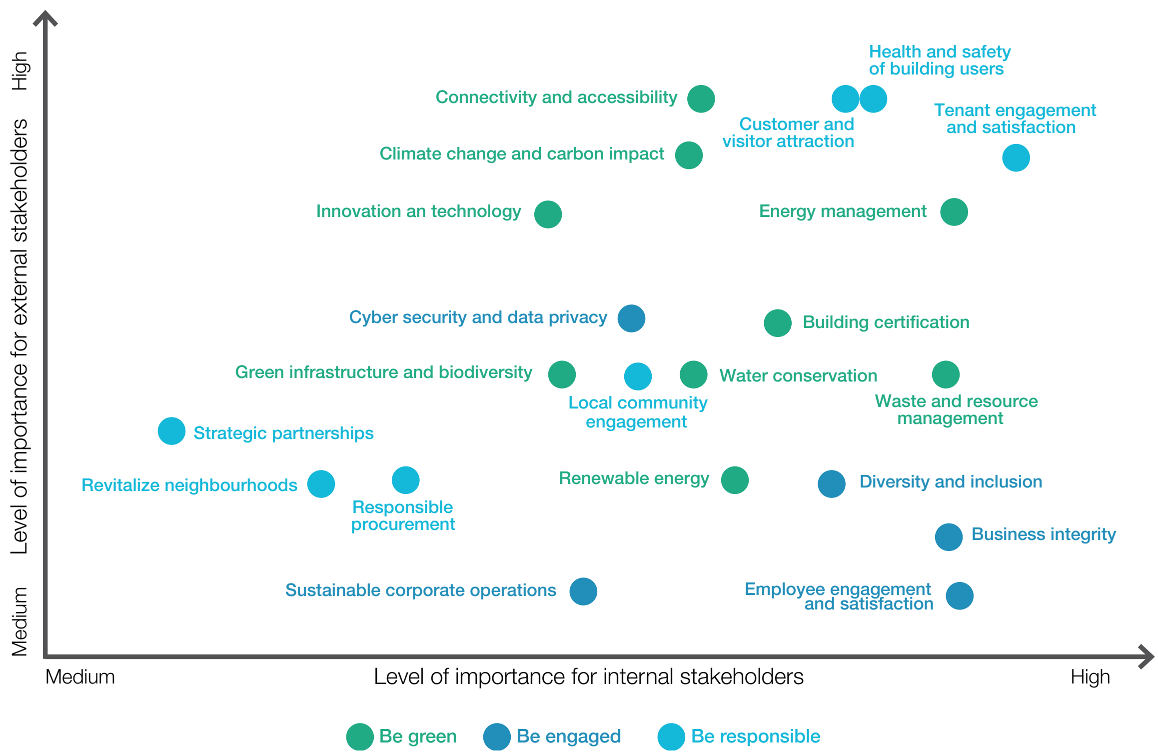
Our ESG strategy

At Eurocommercial Properties, we recognise that building a sustainable and resilient business is the foundation for long-term success. The ESG and business strategies are carefully aligned, and each business decision is approached with a long-term view, supported by detailed research to evaluate its environmental and socio-economic impact. While each shopping centre presents its individual set of challenges and opportunities, Eurocommercial has developed a broad ESG vision and strategy to meet global challenges and the future demands of customers, tenants, and employees while creating sustainable centres. The ESG approach is centred around three strategic pillars: Be green, Be engaged, Be responsible. These pillars guide our efforts to reduce environmental impact, engage with stakeholders, and act responsibly towards society and the environment.

Materiality assessment

ESG applies to all aspects of Eurocommercial's business operations. In 2020, the Company mapped out particular topics and targets to help develop the business with impact while enhancing value. These clear objectives underpin the current strategy. The first step was to execute a detailed materiality assessment to thoroughly assess a wide range of ESG topics. The Company then selected which topics would create the most value for Eurocommercial and its stakeholders, while aligning with the United Nations Sustainable Development Goals on the global agenda. Eurocommercial carefully examined the core components of its business strategy, progressing their integration with the ESG strategy over the short, medium, and long term.

Eurocommercial materiality matrix (2020)



In 2023, Eurocommercial took proactive steps in anticipation of upcoming European regulations, particularly the Corporate Sustainability Reporting Directive (CSRD). The CSRD, a regulatory framework aimed at strengthening corporate accountability and sustainability, requires companies to provide detailed disclosures regarding their sustainability and environmental impact within corporate reports. Eurocommercial is committed to aligning its 2024 financial report with the CSRD regulations to enhance transparency and accountability in its sustainability efforts.

Recognising the importance of this directive for Eurocommercial, the ESG Committee has taken an active role in advancing its disclosure on ESG matters in the coming years. An integral part of this effort is the undertaking of a double materiality assessment, planned for completion in the first half of 2024.

The double materiality assessment encompasses two distinct perspectives: impact materiality and financial materiality. Impact materiality focuses on evaluating Eurocommercial's influence on both people and the environment across various timeframes, considering factors such as scale, scope, and irreversibility of impact. In contrast, financial materiality relates to sustainability matters that may affect the Company's financials, taking into account the likelihood of occurrence and the size of potential financial effects.

Furthermore, in 2023, the Company began a peer analysis and stakeholder mapping exercise to gain deeper insights into the ESG priorities within the real estate market. Key stakeholders, including shareholders, tenants, banks, suppliers, and property management companies with whom Eurocommercial collaborates closely, have been identified. Qualitative interviews were conducted in the first quarter of 2024 and will be followed by a quantitative assessment through an online survey, with active leadership from the ESG Committee.

The latter half of 2024 will be dedicated to preparing the organisation for further refinement of its ESG strategy, updating internal policies, and collecting necessary data. The outcomes of the double materiality analysis will be presented in our 2024 annual report, demonstrating our commitment to sustainability and transparency in line with regulatory requirements and stakeholder expectations.

Solar panels at Carosello with the green roof in the background

Three strategic pillars

Each of our shopping centres offers its own set of challenges and opportunities, yet Eurocommercial has developed a broad ESG vision and strategy to ensure that it can meet global challenges and the future demands from visitors, tenants, and employees, while creating sustainable shopping centres. The approach is articulated around three strategic pillars: Be green, Be engaged, and Be responsible.

Eurocommercial ESG commitments

Be green	Be engaged	Be responsible
Operate carbon neutral by 2030 (Scope 1 & 2)	**Maintain all customer satisfaction scores above 7.5 by 2025**	Zero breaches against the Code of Conduct annually
Zero waste to landfill by 2030	**Improve the average retailers satisfaction scores towards 7.0 by 2025**	Create an attractive and professional workplace
BREEAM certifications in place for all shopping centres by 2025	**Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023**	Introduce Green Finance framework

Environmental, Social and Governance (continued)

Why ESG matters for Eurocommercial

For the past three decades, Eurocommercial has been dedicated to promoting ESG through various initiatives. The Company aims to benefit stakeholders by investing in retail properties and fostering community gathering places. The goal is to provide opportunities for entrepreneurs to connect with their audience and generate income, ensuring sustainable financial and social returns for shareholders. Eurocommercial must strive for greater sustainability in the future due to population growth and climate change effects. It is crucial for businesses to reduce environmental impact and operate responsibly, especially for Eurocommercial, owning and operating retail properties across Europe.

Increased sustainability brings financial benefits, like lower operating costs for energy-efficient buildings, resulting in higher net income. Corporate sustainability initiatives enhance reputation and attract customers and investors. Overall, it is clear that improved sustainability is an important measure of Eurocommercial's future success. Action is needed to reduce pollution, conserve resources, and improve efficiency for long-term viability. With the right strategies and investments, Eurocommercial can further drive growth and success.

Drivers for ESG	Description	Eurocommercial's management approach
Carefully monitor and manage ESG related risks	Continuously assess potential risks and opportunities posed by climate change, which can affect our properties and communities. The investment community requires increased transparency regarding the potential financial consequences of climate change.	In 2023, Eurocommercial commenced thorough property assessments conducted by external experts to identify potential physical climate change risks impacting our organisation. Detailed reports were received outlining strategies to mitigate these risks in the near future. Mitigation plans are integrated into property-level business plans.
	Ensuring health and safety and enhancing measures at our shopping centres remains a top priority. The indoor environmental quality has gained added significance in recent times. It is important to uphold the highest standards for the comfort and well-being of our customers, tenants, and employees.	At our shopping centres, all Health & Safety requirements are met, and further investments are made in monitoring tools such as CO^2 meters to constantly check air quality inside our premises. Furthermore, customers' comfort and satisfaction with their journey through our centres are monitored.
Efficient use of resources	Reducing operational expenses for our tenants to enable them to run their businesses at lower costs, while also offering energy-efficient, more sustainable retail spaces.	In 2023, commitment remained strong to implementing significant measures to enhance energy efficiency and decrease the carbon footprint. Investments such as solar panels, LED lights, upgraded Building Management Systems, and advanced monitoring tools like smart metering enable sustained reasonable energy costs and savings.
	As a responsible owner, it is imperative to offer shopping centres with efficient waste management, water conservation, biodiversity, material usage, sustainable transportation, etc.	Eurocommercial is proactively engaged in the maintenance or pursuit of recertification for BREEAM In-Use certificates across all its shopping centres. These certifications provide the teams with guidelines to regularly measure and compare assets in order to reduce carbon emissions, energy consumption, waste, conserve water, focus on using safer materials, and minimise pollution.

To comply with evolving regulations	European regulations provide a roadmap to a low-carbon economy which will require our organisation to improve transparency and comply with external reporting requirements (such as the EU Taxonomy and the Corporate Sustainability Reporting Directive).	Eurocommercial has taken meticulous steps in 2023 to prepare its external reporting to align with the upcoming EU regulations. The ESG Committee will continue in 2024 to prepare future financial reporting to adequately align with these new standards.
	We adhere to stricter national and local environmental legislations and adapt our properties to comply with changing building codes that support the low-carbon initiatives of national governments and to improve energy efficiency in order to reduce carbon emissions and upgrade Energy Performance Certificates (EPC).	In 2023, a CRREM analysis was conducted for 18 properties to gain insights into initiatives and required investments for aligning our portfolio with the Paris Accord carbon reduction target. The remaining properties will develop a CRREM pathway in 2024. Our aim is carbon neutrality in all scope 1 and 2 emissions by 2030 and establishing a reduction target for scope 3 emissions soon. Additionally, Energy Performance Certificates are being updated to comply with national regulations.
Positive stakeholder engagement	To respond to evolving societal needs, such as the development of omnichannel retail and the changing customer journey, shopping centres are adapted to serve as retail destinations and community hubs, providing services and amenities to meet community demands.	In 2023, the Company conducted customer engagement surveys for 14 centres, with over 13,000 customers providing valuable input, to continuously monitor the needs and satisfaction of this important stakeholder group. Outcomes are discussed within local teams and shared between countries to exchange best practices.
	Having a good relationship with tenants is important to create a welcoming and enjoyable shopping experience for customers in our centres. Striving to work closely with retailers as business partners is essential.	Eurocommercial assesses tenant satisfaction levels through regular surveys and ongoing communication. Additionally, the introduction of a tenant app enhances communication, and Green Committees in our shopping centres promote sustainable practices. In 2024, tenant engagement surveys will be undertaken again as part of the biennial assessment process.
To maintain a positive reputation in the real estate market	Financial markets require sustainable investments. Sharing information and data is required to access funding in the form of green loans and bonds.	In 2022, Eurocommercial established a Green Finance Framework and integrated ESG factors into individual loans.
	To become a preferred business partner and establish a reputation as a trustworthy, long-term real estate investor.	Our teams maintain long-term relationships with the main participants in their local markets including tenants, investors and financing partners.

Environmental, Social and Governance (continued)

ESG governance

We structured the Company's ESG governance in January 2021 and set up an ESG Committee and an ESG Working Group. The ESG Committee is responsible for the Company's ESG strategy and includes all members of the Board of Management and the Group Director Legal, and regularly updates the Supervisory Board. The ESG Committee oversees the implementation of the strategic framework, evaluates if the ESG performance of the organisation is in line with its long-term targets and ensures ESG is embedded throughout the different teams and countries.

The ESG Committee has final responsibility on all topics related to the ESG programme including climate change risk assessment, environmental performance, socioeconomic impact, diversity and inclusion and other topics mentioned in this chapter. The ESG Working Group is responsible for implementing the ESG strategy and directing initiatives in the local countries and sharing information and best practices.

The ESG Working Group is composed of the Group Director Legal (chairman) and a diverse group of employees responsible in their respective countries for implementing the ESG strategy steering initiatives, collecting ESG data and sharing information between countries. The Chair of the ESG Committee informs the Supervisory Board (at least) twice a year regarding ESG issues on key ESG topics (vision, strategy, initiatives taken) and ESG performance (performance against targets, benchmarking scores etc.).

ESG governance structure

ESG governance structure

ESG Working Group Country and asset level	ESG Committees Corporate level	Third party support
• Monitor usage of natural resources • Develop and implement action plans • Engage with tenants and suppliers • Ensure compliance with local legislation • Engage with local communities	• Develop policies and procedures • Review performance against targets • Allocate budget • Outline and supervise ESG strategy • Initiate Green Finance	• Advise on ESG rules and regulations • Perform energy audits • Verify performance data • Certify assets with BREEAM • Review environmental impact by onsite ecologist • Facility partners and vendors implementing action plans

United Nations Global Goals for sustainable development

Eurocommercial aligns its sustainability efforts with the United Nations Global Goals (UNSDGs), recognising their significance in guiding global development. The 17 Global Goals and 169 subgoals provide a framework for addressing major challenges worldwide and shaping Eurocommercial's sustainability strategy.

Eurocommercial selected goals 7, 8, 11 and 13 as the most relevant to the bussines.

Eurocommercial's actions contribute to the following Global Goals:

7 AFFORDABLE AND CLEAN ENERGY

Affordable and clean energy (Goal 7):
Eurocommercial invests in on-site renewable energy, such as solar power, and operates more efficiently to reduce energy consumption. Eurocommercial promotes green energy procurement and green leases with tenants to foster a sustainable future.

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth (Goal 8):
Eurocommercial invests in employee and retailer development, providing training through initiatives such as the Eurocommercial Retail Academy® and organising job fairs and events to benefit communities.

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable cities and communities (Goal 11):
Eurocommercial integrates its assets into local public transport networks, encourages the use of public transport, and collaborates with municipalities to improve accessibility and provide environmentally friendly options such as electric vehicle charging and bike parking. Eurocommercial aims to increase recycling rates and achieve zero waste to landfill by 2030.

13 CLIMATE ACTION

Climate action (Goal 13):
Eurocommercial is committed to reducing carbon emissions, mitigating extreme weather effects, and educating tenants and visitors on climate action. Eurocommercial encourages community involvement to protect the environment for future generations.

Environmental, Social and Governance (continued)

Recognition

Eurocommercial is dedicated to annual reporting on its Environmental, Social, and Governance (ESG) performance. In 2023, the Company's sustainability reporting efforts were recognized with the prestigious EPRA Gold Award, and it achieved its highest-ever score of 86 in the GRESB assessment, earning a Green Star and four-star position, aligning with industry best practices. Additionally, Eurocommercial's commitment to ESG excellence led to its inclusion in both Euronext's AMX® and AEX® ESG indices, effective from 19 September 2022. These indices spotlight companies within the AEX® and AMX® indices showcasing top-tier Environmental, Social, and Governance (ESG) practices, fostering the adoption of mainstream ESG investment approaches.

Furthermore, in 2023 Eurocommercial made its inaugural participation in the Carbon Disclosure Project (CDP), receiving a commendable C level rating. The CDP, an annual disclosure project, allows companies to voluntarily report their environmental impacts and climate-related data to investors and stakeholders, enhancing transparency, accountability and sustainability practices.

Be green

The 'Be Green' pillar of Eurocommercial's ESG strategy entails close collaboration with key stakeholders to tackle climate change, circularity, biodiversity, low-carbon transportation and pollution prevention. In 2023, Eurocommercial placed emphasis on evaluating the risks and opportunities associated with climate change and establishing decarbonisation pathways for its properties. By obtaining green building certifications such as BREEAM, the Company systematically monitors and improves its portfolio, thereby diminishing its environmental footprint.

Objective	Status	Key facts
Operate carbon neutral by 2030 (Scope 1 & 2)	On target	24% carbon emissions reduced vs. 2022.
Zero waste to landfill by 2030	On target	54% of assets with zero waste to landfill.
BREEAM certifications in place for all shopping centres by 2025	On target	85% of assets BREEAM certified. 15% of the assets is in process of re-certification.

Carbon neutral

Operating as a carbon-neutral company entails ensuring that our operations across all locations produce net zero carbon emissions, thereby making our direct impact emission-free. This encompasses leveraging efficient energy management to influence energy source usage, prioritising the transition to renewable energy sources, particularly onsite generation where feasible.

In 2023, local teams began developing decarbonisation pathways using the Carbon Risk Real Estate Monitor (CRREM) to prepare for carbon neutrality. Eighteen shopping centres have prepared decarbonisation pathways in 2023, with the remaining centres to follow in 2024. These carbon reduction plans are based on clear, science-backed methods aligned with the Paris Climate Goals, aiming to limit global temperature rise to 1.5°C, with limitations of 2°C. Additional measures have been taken to collect tenant data (scope 3 carbon emissions) with the aim to review our carbon reduction commitment and extend this to incorporate scope 3 carbon emissions into our overall reduction target by 2050.

In 2022, we dismantled the gas plants at Collestrada and Curno, replacing them with highly efficient, electricity fuelled plants, resulting in reduced direct carbon emissions for these centres in 2023. In February 2024 the gas plants at Il Castello were replaced by a district heating system of the Ferrara Municipality. Starting from March 2024, all Italian shopping centres are purchasing electricity 100% from renewable sources with contracts provided with the Guarantee of Origin

(GO). Consequently, 15 assets no longer rely on gas as the primary source for heating or cooling. Additionally, 9 assets have initiatives in place to eliminate gas usage from the centres by 2030.

Short term actions identified (0-5 years) to reduce our carbon emissions:

- Define adaptation and mitigation actions to reduce climate change risks.
- Complete CRREM pathways for all assets and define investments according to stranding dates
- Introduce smart metering for all areas in the shopping centres
- Initiate methodology to calculate embodied carbon
- Set carbon reduction target (scope 3 emissions)
- Recertify properties with latest BREEAM In-Use with ratings no lower than Very Good

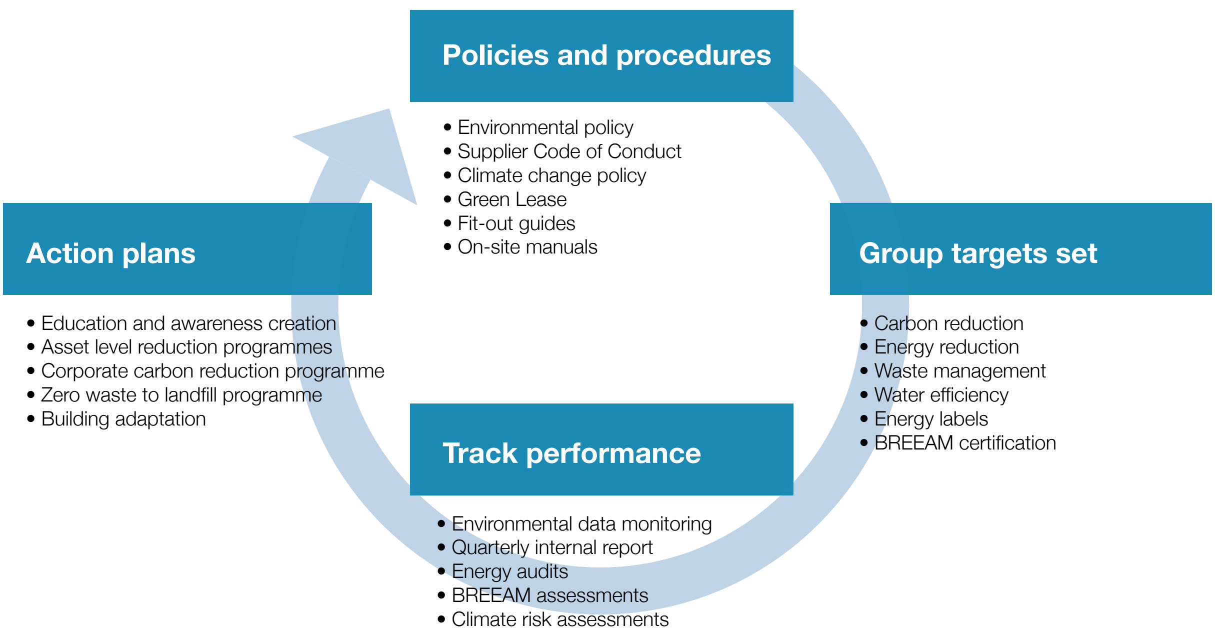
Green building certification

The Company continues to use green building certification as part of its Environmental Management System (EMS). This certification process assists our local teams in improving their understanding of the objectives and creates a uniform approach to management across the portfolio, developing programmes to reduce environmental impact. All the shopping centres under the Company's management have obtained a BREEAM In-Use certification or are in the process of recertification. This is well ahead of the 2025 Group target, and the Company will continue to recertify its centres in the coming years. Bergvik, Hallarna, Ingelsta, Grand Samarkland and Collestrada have renewed their BREEAM In-Use certificates against the latest version (v6.0) of BREEAM In-Use. In 2023 we completed the pre-assessment activity to re-certify Carosello, I Gigli, Curno, Portali, Castello and Cremona Po; the certification process is underway and will be obtained by Q2 2024 with expected Very Good ratings for Castello and Cremona Po, and Excellent ratings for Carosello, I Gigli, Curno and I Portali.

Energy management

In 2023, Eurocommercial continued to utilise its internal Environmental Management System (EMS), adhering to ISO14001 procedures to ensure alignment with internationally recognised environmental management standards.
This streamlined system enables consistent implementation of measures, including data collection and the establishment of concise reduction targets across all local teams. Regular reporting of progress to senior management remains a key feature of our EMS framework.

Be green: Environmental Management System process at Eurocommercial



Environmental, Social and Governance (continued)

Eurocommercial organised internal environmental training and awareness workshops in 2023, collaborating with its ESG Working Group and ESG Committee to enhance awareness and knowledge.

A formal environmental policy covering energy management is publicly available on the corporate website, clearly outlining the roles and responsibilities of those accountable for the internal EMS. Each asset has its own energy reduction action plan, integrated into the annual business plan. These action plans are developed and implemented by local teams. In 2023, Eurocommercial's total energy consumption in its shopping centres decreased by 15% compared to the previous year on a comparable property basis.

To streamline our data collection process, countries continued to utilise smart metering, with country-specific tools in place to aggregate consumptions. Energy audits were incorporated into the programme of work where CRREM assessments were conducted, and dedicated plans have been developed to further minimise energy usage, aligning the properties with the carbon pathway.

BELGIUM

The team at Woluwe Shopping has remained steadfast in its commitment to reducing the environmental footprint of the property, implementing a range of initiatives in 2023. The near completion of the Building Management System (BMS) represents a significant milestone for Eurocommercial and will enhance monitoring capabilities, enabling more efficient energy management going forward.

Additionally, Eurocommercial also announced the successful finalisation of the LED programme at Woluwe Shopping. With 100% LED lighting now operational in all common areas, this significant upgrade has resulted in a noticeable reduction in energy usage throughout the property. The installation of CO^2 sensors has provided valuable insights into the real need for fresh air in all areas of the property, allowing the local team to implement targeted air conditioning measures and potentially achieve energy savings. Furthermore, Eurocommercial has replaced one cooling tower with a new, more efficient model. This upgrade not only contributes to sustainability efforts but also results in significant water and energy savings for the property.

In line with Eurocommercial's commitment to innovation, smart meters for tenants have been installed. As from January 2024, all smart meters are fully operational, allowing the local team to track energy usage in all areas directly managed or where electricity is distributed.

A comprehensive CRREM analysis has been conducted, covering scope 1, 2, and 3 emissions. This analysis has provided valuable insights, informing internal communication regarding needed investments and leading to the development of a decarbonisation roadmap.

Looking ahead, plans are in place for the recertification of the property under the BREEAM certification scheme in 2024. This ongoing commitment to sustainability underscores Eurocommercial's dedication to environmental stewardship, ensuring that Woluwe Shopping continues to operate as a sustainable and energy-efficient property.

FRANCE

In France, significant progress has been made towards sustainability goals in 2023. A comprehensive decarbonisation roadmap has been developed for two properties, Les Portes de Taverny and Passage du Havre, outlining pathways to reduce scope 1, 2, and 3 emissions by 2050. For the other French assets, similar pathways will be developed in 2024.

To reduce the carbon footprint, the team has taken actions such as the installation of over 600 solar panels at Etrembières shopping centre, covering 1,200 m². BREEAM recertification efforts are ongoing at Les Atlantes and Etrembières, with all other assets scheduled for recertification by the end of 2024, aligning with the Group's long-term target by 2025. Furthermore, a social risk assessment initiative has been launched to understand and address social risks and opportunities across assets.

ITALY

A Climate Risk Assessment was conducted for all Italian assets by a third-party expert, providing clear insight into potential physical risks such as drought, strong winds, tornadoes, and heavy rainfall. Asset-level action plans have been developed and budget allocations made to mitigate these risks, including installing waterproofing and insulation layers on roofs to protect against water damage and improve building performance. These measures not only address climate change risks but also contribute to reducing energy usage, carbon emissions, and improving overall system efficiency. Energy savings in 2023 have already reached 19% in comparison to 2022, thanks to solar panels, gas dismissal, revamping of mechanical systems and LED relamping.

The Italian team continued to invest in on-site solar energy for two properties in 2023, with I Gigli and Carosello now generating renewable electricity for over 50% of their common area needs. Additionally, smart metering installations were completed to monitor tenant consumption across all properties, providing valuable data to better understand and manage energy usage.

A decarbonisation roadmap has been developed using the CRREM tool for all Italian assets. These assessments evaluated the current performance of the Italian shopping centres based on CRREM 2.0 °C (SSP2 – 4.5 scenario) decarbonisation pathway and considering emissions of Scope 1 and 2. The Italian portfolio is already aligned with the long-term decarbonisation pathway, although it will be necessary to make additional improvements in order to avoid future stranding point of the assets. In addition, Scope 3 emissions will be included in the analysis in order to complete the assessments.

Regarding waste management, in 2023 waste audits were conducted to improve the differentiation, data collection and eliminate the disposal to landfill at Collestrada and I Gigli. As a result, several improvements have been performed, and an agreement with private waste companies are underway to reach the "zero waste to landfill" target for the whole Italian portfolio by 2026.

Investments in system renovation also continued, with plans to phase out gas usage in I Portali and Carosello by 2024 and 2025 respectively, resulting in lower direct carbon emissions for these properties. BREEAM recertification is underway for five assets, of which three will achieve BREEAM Excellent ratings.

On 22 March 2023, Eurocommercial unveiled "Off the Wall," a mural created by renowned street artist Alessio B, located in the covered car park of Carosello shopping centre. This mural marks one of the first eco-friendly installations in an Italian shopping centre, covering an area of 35 m² and crafted with Airlite, an innovative photocatalytic paint capable of absorbing air pollution generated by 79 vehicles. Developed in collaboration with Air Is Art, a project dedicated to merging sustainable art with cultural communities, the initiative aims to raise awareness about air quality by creating murals and green artworks using Airlite paints. The Carosello mural exemplifies this sustainable art initiative, designed to enhance indoor air quality and promote wellbeing within the mall environment.

SWEDEN

BREEAM recertification is currently underway and is expected to achieve at least a Very Good rating. A decarbonisation roadmap has been developed using the CRREM tool for all Swedish assets. The Swedish portfolio is already aligned with the long-term decarbonisation pathway, so it will primarily focus on continuing to reduce energy usage where possible. Notably, energy savings have already reached 6.5% without major investments, leveraging existing systems in Sweden for streamlined reporting.

The team continued its ongoing programme to relamp all centres to 100% LED during 2023. Additionally, tenants are encouraged to transition to LED lighting and reduce store lighting hours. For instance, stores are advised not to illuminate upon staff arrival but rather when open to the public.

A comprehensive climate risk assessment has been conducted for all Swedish assets, leading to the development of action plans based on key findings. While there may be an increased risk of heatwaves post-2030, current systems are anticipated to accommodate any additional energy demand during such events.

Tenant education and engagement initiatives have been implemented, including regular night walks followed by action plans. This communication focus for 2023 emphasises the importance of replacing

Environmental, Social and Governance (continued)

tenant lighting to LED, ensuring clarity and ease of understanding for all tenants. A green committee was initiated in 2023 in Grand Samarkand. All seven assets will have similar initiatives in place to engage with their tenants in 2024.

Climate change risk assessment

Eurocommercial takes the risks and opportunities of climate change seriously. To ensure that its shopping centre renewable energy initiatives remain a priority, Eurocommercial explores opportunities to install solar panels on top of its shopping centres and parking areas. The Company conducted on-site risk assessments, partnering with specialists in order to identify risks and procedures to mitigate the effects of climate change. Stakeholders expect transparency regarding potential climate-related risks and opportunities.

Governance

Eurocommercial's governance structure prioritises climate change management with a unified, pan-European approach overseen by the ESG Committee and supported by our local country teams through the ESG Working Group. This Committee, responsible for environmental, social, and governance (ESG) matters, guides the evaluation of climate-related risks and opportunities. An independent climate risk assessment, authorised by the Committee, was conducted by country teams to comprehensively understand potential risks facing the Company. Subsequently, the Committee communicates assessment results to the Supervisory Board and investors.

The ESG Committee is tasked with integrating transition and physical climate risks into Eurocommercial's broader business processes and procedures in the upcoming years. Additionally, the ESG Working Group members oversee the assessment and prioritisation of adaptation and mitigation plans at the asset level, addressing both physical and transition risks. Their responsibilities also include integrating outcomes from climate change risk assessments into business and financial planning activities.

Strategy

In 2022, Eurocommercial initiated a comprehensive climate change risk assessment at the Group level. Partnering with third-party experts in each country, the Company utilised advanced climate models to evaluate physical climate change risks. These assessments encompassed acute risks such as tornadoes, landslides, wildfires, and floods, as well as chronic risks like sea level rise and changes in precipitation patterns. The outcomes of these assessments include recommended actions to mitigate potential impacts on our properties and the surrounding communities.

In 2023, Eurocommercial conducted an assessment of the financial implications of significant physical climate change risks and prepared action plans to reduce potential impacts. Country teams collaborated with third-party experts to identify potential physical risks affecting the assets and conducted site visits to understand the possible impacts of climate-related events. Dedicated asset-level action plans focusing on adaptation to these physical risks were developed, with the first 15 assets incorporating these plans into their business strategies. Budgets were allocated for follow-up studies or adaptive measures to minimise potential impacts.

Eurocommercial aims to recertify all shopping centres with BREEAM In-Use (v6.0), a green building certification incorporating climate change adaptation criteria, within the next 24 months. By 2025, the Company aims to certify 100% of its portfolio with BREEAM v6.0 or an even more updated protocol, ensuring that all properties are assessed for potential climate change risks. The adaptation criteria within BREEAM recognise and encourage measures to mitigate the impact of extreme weather events resulting from climate change throughout the building's lifespan.

Additionally, Eurocommercial evaluated transition risks related to policy and legal, technology, and reputation aspects, assessing their potential financial impact on the Company. These transition risks may arise as Eurocommercial transitions towards a lower-carbon economy. The outcomes of the initial assessment provided insights for future decision-making regarding short-term (0-5 years), medium-term (5-10 years), and long-term (over 10 years) risks. Ongoing monitoring and risk assessment will determine the Company's response and property management strategy.

Potential impact on Eurocommercial Properties from main transition risks in the upcoming years:

Risk area	Climate change risk	Time frame	Possible impact	Actions taken by Eurocommercial
Policy and legal risks	**Higher mandates on and regulation of existing products and services**	S / M	In many European countries, stricter building codes have been or will soon be enforced, as part of the low carbon commitment of the European Union.	The teams closely monitor changes in legislation and proactively respond, particularly in respect of requirements for higher EPC ratings.
	Increased emissions-reporting obligations	S / M	Listed real estate companies are expected to have increased transparency in non-financial information. Limited costs are anticipated, but investment in improved data reporting tools and increased costs for verifying non-financial data are required.	Eurocommercial intends to disclose additional non-financial information publicly, verify environmental data, and conduct another materiality assessment, all within the next two years.
Technology risks	**Transition to lower emissions technology**	S / M / L	To reduce carbon footprint, investments are needed in gas removal and low-carbon alternatives, efficient lighting and HVAC.	Eurocommercial continually assesses opportunities for energy-efficient equipment through its Be Green initiatives and has commenced the removal of gas from its operations. Please refer to the Energy Management section for examples of implemented actions.
	Substitution of existing products and services with lower emissions options	M / L	As consumers become more environmentally conscious, they may opt for closer alternatives (or shop online) and reduce travel, potentially lowering the number of customers that may impact property performance through reduced footfall.	For sustainable transport modes, the Company is expanding its EV charging stations and offering sustainable alternatives (see connectivity and accessibility section). To appeal to conscious customers, the focus is shifting to providing community hubs, not only retail destinations (see customer engagement section).
Market risks	**Increased cost of raw materials**	S / M / L	Increased material costs may affect redevelopment or individual shop fit-out, raising the cost of enhancing the interior design and appeal of our properties.	In 2022, there was a rise in material costs, and this trend is anticipated to persist in the short and medium term. The focus is already shifting towards smaller and more profitable extensions and renovations instead of large ground-up development projects, with an emphasis on reusing and incorporating sustainable materials to reduce costs.
	Uncertainty in market signals	S / M / L	Rising energy costs may affect a property's operational expenses and increase tenant service charges.	To enhance efficiency, reduce energy consumption, and lower carbon emissions, investments are being made in new equipment and technology aimed at minimising service charges (refer to the Energy Management section).

Environmental, Social and Governance (continued)

Reputational risks	**Stigmatisation of sector**	S / M / L	Hesitation about the real estate handling of climate related issues could result in a reduction of financial loans or increased cost of capital for refinancing, potentially affecting the organisation.	As a member of the real estate industry, it is our aim to be transparent about our impact and play a role in the transition to a low-carbon economy. Creating awareness among our communities and educating our partners on their responsibilities are critical steps taken (see Formalising green collaboration).
	Reduced demand from investors/banks	S / M / L	If not adopting more ESG conscious business practices, bank finance may be more scarce.	Eurocommercial Properties developed a Green Finance Framework and began incorporating environmental and social criteria into loan agreements (refer to Sustainable Finance section).

For our climate change strategy, Eurocommercial has utilised the Representative Concentration Pathway (RCP) 4.5, a scenario of long-term global emissions outlined by the Intergovernmental Panel on Climate Change (IPCC). Climate scenario analysis enables companies to anticipate and address the impacts of climate change on their business models by systematically exploring various potential futures to identify the most pertinent risks and opportunities.

Off the Wall mural absorbs air pollution

Risk management

Eurocommercial assesses potential physical and transition risks related to climate change through a collaborative process involving input from local teams, corporate headquarters, and third-party technical advisors. The Company utilises local expertise, engages and educates teams, reports the process and results, and secures support and resources from senior management to effectively manage climate change risks. In 2022, Eurocommercial conducted an initial study to understand the physical risks posed by climate change to its assets by reviewing information from relevant websites and databases. The climate risk assessment included evaluating transition risks. Input was solicited from local teams and senior management to determine the potential likelihood and impact of each risk on the organisation. Based on these initial results, asset-level physical risk assessments were undertaken for the shopping centre portfolio in 2023 to understand not only the potential risk based on location, but also the complete impact of each risk on building infrastructure and the adaptive measures that can be taken to further reduce this risk.

Climate change – actions taken

a thorough climate risk assessment in 2023, leading to the development of an action plan to address climate-related challenges. The plan includes measures to enhance resilience against extreme heat, such as creating green roofs, increasing greenery, and transforming roof surfaces. To mitigate flooding risks, efforts include installing stormwater buffer zones and infiltration basins, as well as making soil permeable. Studies are also underway to protect technical installations from potential flood impacts. Additionally, plans for drought conditions involve installing grey and rainwater recovery systems.

In Hallarna, Sweden, Eurocommercial is proactively implementing measures to protect the property against potential climate-related risks. To safeguard against surface water flooding, various actions are being taken, including regular gutter cleaning and considering reactive defence mechanisms to pump out collected water. Investigations are also underway to assess drainage connections and explore installing diversion pipes to redirect excess water. Furthermore, measures to mitigate heatwave impacts include evaluating solar shading for windows and assessing the cooling system's capability to manage extended heatwaves. Plans are also being made to review glazed ceilings or install solar shading during renovations to mitigate heat build-up.

On 3 November 2023, I Gigli in Italy faced severe storms, resulting in flooding in the surrounding area near Florence. Eurocommercial's management team promptly responded to the emergency, activating the Centre Emergency Plan for flooding events. Immediate actions included closing the four basement escape routes, which were inundated with water, and implementing compensatory measures. Following the flooding, the team initiated cleaning and repair efforts to restore the property. Assistance was provided to affected retailers, facilitating their recovery and clean-up operations. Remarkably, I Gigli reopened on 4 November, with 97 shops operational, and by 6 November all shops were fully operational, albeit with some limitations. Costs associated with the event primarily focused on cleaning activities, such as mud and water removal, elevator repairs, and floor restoration. Fortunately, the existing insurance coverage proved adequate to address the damages incurred. Eurocommercial's proactive approach and swift response mitigated the impact of the event enabling the centre to reopen promptly and resume operations.

Environmental, Social and Governance (continued)

Structured approach to climate change risk

Step		Action
1. Risk identification	Identify and educate	• Identify possible transition and physical risks and opportunities • Educate teams through workshops and/or training and share best practices on climate change strategy and implementation • Monitor compliance with EU and national legislation on climate change issues
2. Perform risk assessment	Assess impact	• Get input from countries and corporate level to evaluate the impact of transition risks • Understand asset level physical risks through BREEAM certification process • Organise workshops to discuss outcomes of risks identified across the portfolio
	Review measures	**Asset level:** • Pre-selection of the possible adaptive actions to be taken • Gather insight for actions taken to minimise climate change risks **Corporate / country level:** • Review mitigating actions to be taken (e.g. insurance, policies in place etc.) • Identify resources needed to be allocated to take adaptive measures
3. Decision making and implementation	Prioritise and implement	**Board of Management:** • Evaluate risk assessment outcomes • Prioritise actions to be taken to mitigate and/or accept risks • Allocate resources needed to minimise risks at asset level • Describe / update management approach for each material physical risk and transition risk
	Evaluate and report	**Board of Management:** • Evaluate the climate change risk assessment process • Report annually to Audit Committee the climate change risks assessment outcomes • Disclose where Eurocommercial Properties stands on its climate change roadmap and report annually the outcomes of the climate change risk assessment to investors (TCFD).

Metrics and targets

Eurocommercial has set ambitious targets to reduce carbon emissions, minimise waste sent to landfill, and obtain green building certifications in the near future. This implies that the Company will operate more efficiently and generate fewer carbon emissions than emitted, on an absolute basis.

By reaching its goals, Eurocommercial aims to reduce its exposure to the transition to low carbon properties, meet government mandates, and lower operational costs due to limited use of natural resources. A range of metrics is utilised to assess exposure to identified short-term climate-related risks and opportunities.

Indicator	Target	Why relevant indicator
Scope 1, 2, and 3 carbon emissions	**Operate carbon neutral for scope 1 and 2 emissions by 2030. Target for scope 3 emissions will be evaluated in 2024.**	Measuring Eurocommercial's carbon footprint reveals its progress towards carbon neutrality and how it supports the transition to a low-carbon economy.
On-site renewable electricity generated	**Generate renewable electricity at the location to lower dependence on grid electricity procurement.**	When possible, Eurocommercial will invest in generating renewable electricity on-site to reduce dependence on energy market sources.
Number of assets certified with BREEAM In-Use	**Have 100% of properties assessed and certified with BREEAM In-Use by 2025.**	To operate its properties efficiently, Eurocommercial implements international green building certifications, lowering its environmental impact.

Renewable energy

Renewable energy initiatives remain a focal point as Eurocommercial explores opportunities to install solar panels on top of its shopping centres and parking areas. 10 assets have on-site solar panels, collectively generating over 3,980 MWh electricity in 2023. Sweden leads the way, with all seven shopping centres equipped with solar panels producing 3,396 MWh, equivalent to approximately 20% of their electricity usage.

Woluwe Shopping in Belgium provides over 1,700 solar panels generating 460 MWh of renewable electricity, constituting more than 28% of the total usage in common areas. In Italy, investments in on-site solar panels have been made in five centres, including newly installed systems at I Gigli and Carosello at the end of 2023. Additionally, the Etrembières shopping centre in France was equipped with solar panels on its roof.

These projects contribute significantly to sustainability efforts, reducing our carbon footprint while providing a dependable source of renewable electricity. Our commitment to sustainability extends further with plans for continued investment in sustainable solutions, aimed at positively impacting the environment. Moreover, our procurement of electricity from 100% renewable sources underscores our dedication to sustainable practices. In 2023, 23 of our assets sourced electricity from renewable sources.

Connectivity and accessibility

Connectivity to public transport serves as a fundamental component of Eurocommercial's ESG strategy and overall business approach, supporting its commitment to communities and the environment. Visitors and employees are encouraged to utilise public transport for accessing our shopping centres, which are integrated into local public transport networks. During extensions and ground-up retail development projects, Eurocommercial collaborates with local municipalities to enhance public transport integration and centre accessibility. Recognising the importance of reducing private car usage, electrical shuttle buses will be provided for centres located more than one kilometre from public transport in the future. Additionally, affordable and eco-friendly transport options, including electric vehicle parking, charging stations, and designated areas for low-emission cars, car-sharing, bicycle parking, and other amenities are offered. Eurocommercial's centres prioritise accessibility for pedestrians and individuals with disabilities, ensuring ease of access for all.

EV charging stations have been introduced in our markets, with plans for expansion in Belgium, where twelve EV chargers are in place, and Italy, with eight assets providing charging stations for 30 cars. In 2023, France had five centres providing 46 charging stations for our visitors, and

Environmental, Social and Governance (continued)

in Sweden, the additional rollout of these stations led to a capacity for 127 vehicles. As part of our ongoing commitment to fostering environmentally-friendly transportation options, Woluwe Shopping organised a test drive event. From 18 to 21 October 2023, in partnership with Le Moniteur Automobile and Interparking, Woluwe Shopping hosted the Test Drive Days event, featuring the presence of automotive experts from the magazine. Aimed at promoting sustainable mobility, the event offered visitors the opportunity to test drive a selection of 14 electric and hybrid car models from six renowned brands. Registration for participation was free and simple, granting access to up to four test drives per person, with editorial experts available to provide guidance and advice.

The Test Drive event in Woluwe Shopping promoted sustainable mobility

Zero waste

In order to manage waste efficiently, Eurocommercial is increasing recycling and reducing the amount of waste going directly to landfill. The Company invests in cost-effective waste services for its tenants, encouraging them to have their own programme to handle waste efficiently. Eurocommercial aims to minimise the waste it produces and eliminate waste to landfill by 2030. Working closely with waste services and local authorities, 58% of Eurocommercial's centres already achieved the zero waste to landfill goal during 2023. Over the 2023 reporting period, 8% of waste was send to landfills.

Cooperation with tenants and waste management providers is a key aspect of ensuring a high recycling rate at Eurocommercial's shopping centres. Waste data is collected and analysed quarterly, with reports provided to the ESG Committee. The Company's yearly report includes waste data, and action plans are developed and implemented for every asset.

Multiple initiatives are in place across Eurocommercial to create awareness and stimulate recycling efforts. In collaboration with Archeplastica, Eurocommercial has extended "The Plastic Age" educational project to four of its eight Italian shopping centres, including Il Castello. This initiative aims to raise awareness about plastic usage within the centres, aligning with Eurocommercial's commitment to sustainability. At Il Castello, where a recent transition to district heating have been made, the event showcases 50 artefacts from "Archeoplastica" alongside an augmented reality area and three LED walls displaying videos from Archeoplastica's social media channels. The launch of the event included a press conference attended by local media, the University of Ferrara, and the Chemistry Faculty, with participation from schools, Legambiente, and HERA in various activities. To further engage with the community, Eurocommercial introduced Sgasman, a sustainability character portrayed by comedian Andrea Poltronieri, who promotes sustainability and energy-saving practices through videos broadcasted on the Company's social media platforms.

Archeoplastica launch at Il Castello

Water conservation

Water conservation is a priority for Eurocommercial, where efforts are focused on reducing consumption and waste in collaboration with tenants. In 2023, water consumption remained stable compared to the previous year (like-for-like). To further mitigate environmental impact, greywater is utilised for irrigation purposes. The Company is actively investing in water conservation initiatives, including the installation of water taps with sensors to regulate usage and the implementation of double flush toilets. Additionally, plans are underway to enhance water storage facilities to address potential drought issues, such as the addition of water storage systems, rainwater collection tanks, and new water wells.

Biodiversity

Eurocommercial is committed to enhancing biodiversity and ecological values as part of its Be Green strategy. Our goal is to create green infrastructure that provides connections to nature for our customers and local communities, promoting a healthy and sustainable lifestyle. Through initiatives such as installing beehives, insect hotels, and nest boxes on the roofs of multiple shopping centres, the Company aims to support local ecosystems and increase biodiversity.

The BREEAM In-Use assessment is utilised to evaluate our impact, and a third-party ecologist has been appointed to conduct biodiversity assessments every three years. The findings are used to prepare action plans. Continuous monitoring ensures that biodiversity initiatives effectively contribute to the preservation of local ecosystems. To raise awareness, information displays have been set up in various centres, including Grand A, Les Portes de Taverny, Shopping Etrembières, and Passage du Havre.

Raising awareness of plastic usage through augmented reality

Be engaged

Be engaged

Eurocommercial views its shopping centres as more than just retail spaces; they serve as vibrant social hubs where people gather, connect, and engage. The Company's commitment extends beyond meeting the daily needs of customers and the local community; it strives to create safe, enjoyable, and service-oriented environments that foster memorable experiences.

Corporate and country teams diligently monitor the evolving needs and preferences of tenants and customers, actively soliciting feedback to enhance the overall experience in our centres. Through initiatives like the Eurocommercial Retail Academy®, retailers are empowered to elevate their teams and customer service standards, ultimately delivering higher service levels and enriching the shopping experience for all.

Objective	Status	Key facts
Maintain all customer satisfaction score above 7.5 by 2025	On target	In 2023, the Company conducted customer engagement surveys for 14 centres, with over 13,000 customers providing an average score of 8.3.
Improve the average retailer satisfaction scores towards 7.0 by 2025	On target	In 2022, a total of 1,092 tenants actively participated in engagement surveys, achieving an impressive average score of 7.0. In 2024, the surveys will be undertaken again as part of our biennial assessment process.
Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year end 2023	Achieved	The Eurocommercial Retail Academy® was expanded to eight new centres in 2023 through a partnership with Made to Sell.

Environmental, Social and Governance (continued)

Customer engagement

Customer engagement lies at the heart of our approach at Eurocommercial. The Company prioritises aligning its centres with the evolving needs of both tenants and customers through robust engagement and communication strategies. Regular customer surveys, satisfaction tracking, and ongoing adaptations based on customer preferences are fundamental to our methodology. Throughout 2023, over 13,000 in-person interviews were conducted across 14 centres, resulting in a notable increase in overall customer satisfaction, with an impressive average score of 8.3. The objective is to ensure that each shopping centre within the portfolio maintains a minimum satisfaction score of 7.5 by 2025. Additionally, the Net Promoter Score (NPS) is utilised to gauge customer loyalty, with targeted action plans implemented to further enhance customer satisfaction and bolster the reputation of the shopping centres. The average NPS score in 2023 was 37.

Passage du Havre and Carosello exemplify the commitment to enhancing customer satisfaction. Passage du Havre achieved a remarkable increase in its NPS score by 10 points, attributed to a revitalised tenant mix that drove increased foot traffic and enhanced centre appreciation. Initiatives such as the introduction of a comedy club have further contributed to transforming the centre's image positively.

Meanwhile, at Carosello, a noteworthy improvement in engagement scores was observed, rising from 8.3 to 8.6, alongside a substantial increase in NPS from 43 to 65. Despite a decline in visitor numbers since 2019, the feedback from current visitors underscores their heightened loyalty and increased appreciation for the centre. This shift reflects a departure from detractors and neutrals, indicating a more focused and satisfied customer base.

Genuine retailer partnerships

At Eurocommercial, retailer partnerships are fundamental to our success. The Company actively seeks out feedback from retailers to identify opportunities for enhancement, fostering genuine collaboration and mutual growth. The commitment to transparency and improvement is reflected in the consistent exchange of data and regular monitoring of retailer satisfaction through anonymous surveys. In 2022, an impressive average tenant satisfaction score of 7.0 was achieved, based on feedback from 1,092 participating tenants across all shopping centres. With engagement surveys conducted across the entire portfolio, the goal is to maintain the average satisfaction score to 7.0 by 2025.

In 2023, dedicated improvement plans were implemented, including the introduction of a tenant app to facilitate enhanced communications. These initiatives underscore the proactive approach to nurturing strong and enduring partnerships with retailers. As Eurocommercial looks ahead to 2024, the Company remains committed to ongoing engagement with tenants, with plans to conduct comprehensive tenant surveys to continually monitor and address their evolving needs and expectations.

Green collaboration with retailers

Our Group Green Lease policy serves as the cornerstone for collaboration between Eurocommercial and our tenants. We seek to exchange ESG ambitions, targets and responsibilities with our tenants to continue to develop sustainable centres with a clear vision and transparency to our stakeholders. To ensure we preserve our natural environment and achieve our ESG objectives, we want our business partners to adhere to the following ESG principles:

- Contributing to our carbon neutrality goal by 2030
- Reducing energy and water consumption
- Eliminating or reducing production of waste and single-use items such as plastic and packaging
- Sharing information, setting targets, and implementing best practices to track and improve performance
- Incorporating responsible procurement practices
- Encouraging the use of sustainable transportation for customers and employees.

At the start of 2021, our teams began to implement the revised Group Green Lease clauses. By the end of 2023, we achieved a green lease coverage of 41% in Belgium, 52% in Italy, 51% in Sweden, and 64% in France.

All shopping centres in France have established

Green Committees that meet annually, inviting all tenants to attend. These meetings provide the opportunity to work together to reduce the environmental impact of the centres, discuss energy and water consumption, waste records, and best environmental practices. In Belgium, the Green Committee was established in 2022. The local team presented the action plan to reduce energy consumption in common areas encouraging tenants to do the same in their retail spaces. In 2023, we are launching the Green Committee in Sweden to formally collaborate on environmental initiatives.

Eurocommercial Retail Academy®

The Eurocommercial Retail Academy® was established in Sweden in 2017 with the vision of offering an engaging educational programme to enhance expertise and training in sales and customer service. Designed to cultivate a team of dedicated professionals capable of catering to customers' growing demand for personalised service, the curriculum comprised four physical sessions annually, conducted before opening hours, and featured external lecturers specialising in sales techniques.

In collaboration with IHM Business School in Sweden, an online platform was developed, enabling retailers to continue training staff through video tutorials, questionnaires, and online games to assess skills. Initially accessible only in our Swedish shopping centres, the Eurocommercial Retail Academy® expanded its reach in 2023.

Partnering with Made to Sell, a specialised training provider, the Academy was introduced to eight additional centres, including three in France (Passage du Havre, Les Portes de Taverny, and Grand A) and five in Italy (I Portali, Curno, CremonaPo, Collestrada, and Fiordaliso). While participation varied across locations, the response in Italy was particularly encouraging, prompting plans for programme expansion leveraging tools like ECP Connect.

The corporate ESG target for 2023 was successfully achieved, thanks to the dedicated efforts invested in the rollout of Made to Sell as part of the Retail Academy. Eurocommercial will evaluate how to strengthen its relationship with retailers in the coming years to further enhance the programme's effectiveness and impact.

Meanwhile, during the pause in training activities, Sweden utilised the opportunity to revamp the curriculum and platform content, incorporating new videos, experiences, and questionnaires. Set to resume in 2024, the refreshed programme reflects Eurocommercial's commitment to continuous improvement and excellence in customer service training.

Responsible partners

Eurocommercial values responsible partnerships, collaborating closely with trusted suppliers to uphold sustainable procurement practices tailored to each country's regulations and standards. The Supplier Code of Conduct, accessible on the corporate website, serves as the cornerstone of the procurement process, providing clear directives on quality, innovation, and creativity.

Actively pursuing energy efficiency improvements, Eurocommercial selects low-consumption and renewable energy solutions while prioritising local businesses to support regional employment and minimise transportation and packaging impacts. Meticulously selecting building materials and maintenance products, Eurocommercial prioritises those with sustainability credentials, emphasising waste reduction and pollution risk mitigation.

Identifying chemicals and materials with potential environmental hazards, Eurocommercial handles them with utmost care, ensuring compliance with regulations and proper recycling or disposal. Through comprehensive staff training and emergency protocols, the team is equipped to handle these products safely and effectively, mitigating risks to both personnel and the environment.

Suppliers are held to high standards, mandated to uphold safety regulations and provide working conditions that prioritise health, comfort, and hygiene, aligning with the Company's social and societal commitments.

Environmental, Social and Governance (continued)

Be responsible

As an employer, Eurocommercial places paramount importance on nurturing and empowering its team members within a dynamic and stimulating work environment. The Company is committed to providing safe, enjoyable, and supportive working conditions while offering comprehensive training and corporate/property experiences to facilitate the professional development of our employees. Moreover, fostering collaboration among teams from diverse disciplines is a cornerstone of our approach, enabling the sharing of best practices and driving innovation across our organisation.

Objective	Status	Key fact
Zero breaches against the Code of Conduct annually	Achieved	Zero breaches in 2023.
Create an attractive and professional workplace	On target	95% response rate for the first employee survey.
Introduced Green Finance framework	Achieved	€385.5 million green loans, €116.5 million green and sustainability linked loans and €100 million sustainability linked loans.

Our teams

At Eurocommercial, a commitment exists to fostering a fair and inclusive work environment where every employee receives equal opportunities and feels valued and empowered to perform at their best. The teams, spread across various locations in Belgium, France, Italy, and Sweden, handle all property and asset management functions, including leasing, rent collection, technical supervision and administration. Embracing diversity in nationality, age, and gender, pride is taken in the collegial and welcoming culture cultivated, where employees are encouraged to share best practices at regular group meetings spanning different departments. The dedication of team members is highly valued, as evidenced by the Company's low employee turnover rate of 14% and a relatively low sickness ratio of 3.5%. Striving for gender balance, Eurocommercial believes in enriching its culture and reflecting the diversity of its customers through a balanced ratio of men and women.

Diverse teams

Eurocommercial values the diversity of its workforce as a significant asset. The Company's firm commitment to equal opportunity in all aspects of employment is unwavering, and any form of illegal discrimination or harassment is unequivocally prohibited. This includes derogatory comments based on racial or ethnic characteristics, as well as unwelcome sexual advances. In 2023, the team comprised 97 employees across Belgium, France, Italy, Sweden, the United Kingdom, and the Netherlands. Among the staff, 57% are female, 43% male, with 4% below the age of 30. Additionally, 61% fall between the ages of 30 and 50, while 35% are over 50 years old.

Eurocommercial strictly prohibits discrimination based on personal characteristics such as age, disability, race, religion, gender, ethnic origin, family status, social origin, or sexual orientation. These principles extend to all aspects of employment, including recruitment, job assignments, promotions, remuneration, training, and benefits. The aim is to foster an inclusive work environment where talent is nurtured, and decisions are merit-based. Any form of harassment or abusive behaviour is not tolerated within the Company. Eurocommercial is committed to transparency regarding its diversity indicators and regularly reports on metrics such as the gender pay gap and training hours by gender, which show no significant disparities between genders over 2023.

Employee engagement

Eurocommercial prioritises creating a thriving workplace environment where employees feel valued and motivated. The Company fosters fairness, ethics, sustainability, and a healthy lifestyle among team members. In 2023, Eurocommercial conducted its first comprehensive employee engagement survey in partnership with an independent supplier, covering 100% of the workforce with a 95% response rate.

The survey, comprising 71 questions, addressed themes such as corporate governance, health and safety, customer focus, leadership, and overall engagement. Employees expressed satisfaction with their autonomy, ownership, and engagement levels. Identified areas for improvement include providing performance feedback, clarifying decision-making processes, and enhancing communication from management.

Eurocommercial will leverage the survey data to pinpoint opportunities for organisational improvement, developing tailored action plans at both corporate and country levels. The Company remains committed to conducting regular engagement surveys to monitor progress and continuously enhance the employee experience.

Engagement survey scores (out of 10)

I care about the future of Eurocommercial	**8.8**
I am willing to go beyond the scope of my defined tasks to contribute to the success of Eurocommercial	**8.6**
I enjoy doing my work / tasks	**8.6**
My team contributes to the success of Eurocommercial	**8.5**
I am proud to work at Eurocommercial	**8.4**

Business ethics

Eurocommercial prioritises clear and transparent communication, along with a sense of responsibility, reflecting our commitment to accountability and ethical business practices. Upholding these values is essential for fostering enduring relationships with tenants, local communities, and governmental bodies. Our Code of Conduct serves as the cornerstone of our ethical framework, outlining our standards and procedures. Ethics training is provided to all employees, who regularly review the Code to stay abreast of business standards. Any breaches of the Code are promptly disclosed to stakeholders, ensuring full transparency.

Our Code strictly prohibits bribery and corruption, mandating immediate rejection and reporting of any such occurrences. Responsibility for upholding the Code lies with every employee, overseen by the Board of Management. Breaches or fraud incidents are to be reported to the Compliance Officer or the Chairman of the Supervisory Board, ensuring proper monitoring and accountability. Eurocommercial considers all breaches and frauds as serious matters, subject to thorough investigation and disciplinary action, including dismissal and prosecution if necessary.

In 2023, Eurocommercial reported zero violations of the Code, aligning with our commitment to maintaining integrity and ethical standards. As part of our ongoing efforts, the Code of Conduct will be updated in 2024, accompanied by comprehensive training to enhance awareness and ensure adherence to our ethical policies.

Professional development and alignment of interests

Eurocommercial prioritises the professional development of its staff through comprehensive training initiatives and regular performance evaluations. Our employees are encouraged to participate in various training programmes, fostering continuous learning and skill enhancement. Performance reviews are conducted regularly, providing valuable feedback and ensuring alignment with organisational goals.

As part of our commitment to employee development, all personnel undergo yearly performance reviews, tracking individual and organisational targets established in collaboration

Environmental, Social and Governance (continued)

with management. Additionally, employees under permanent labour contracts are eligible to participate in the Group's long-term Performance Share Plan, aligning remuneration with long-term commitment and Company performance.

In 2023, our 97 employees benefitted from an average of 20 training hours, underscoring our dedication to continuous learning and professional development. Furthermore, all employees received professional and ESG training, further enhancing their skill sets and aligning their interests with the Company's objectives.

Sustainable offices

Eurocommercial is committed to reducing the environmental footprint of its local offices through various sustainability initiatives. Measures have been implemented to track and manage business travel, community engagement, and energy, water, and waste usage across our offices. Since 2021, a Travel Policy has been enforced, aimed at providing employees with safety, comfort, and high service standards while minimising environmental impact.

The Travel Policy promotes efficient business travel and encourages alternatives such as tele- or video-conferencing whenever feasible. Prioritising bundling business trips, and assessing the necessity of travel to minimise environmental impact are key objectives.

In instances where virtual meetings are insufficient to achieve business objectives, business trips are allowed, but only as a last resort. Eurocommercial also offsets all CO^2 emissions generated from air, train, and car travel by purchasing CO^2 credits from projects certified by the Gold Standard, further demonstrating our commitment to environmental sustainability.

Sustainable finance

Eurocommercial has introduced a Green Finance Framework to facilitate its transition to a low carbon economy and align with its sustainability objectives. The framework, subject to review by ISS Corporate Solutions, received a Second Party Opinion, underscoring its alignment with Eurocommercial's sustainability goals. Both the Green Finance Framework and the Second Party Opinion have been published on the corporate website. The framework serves as a platform for issuing various Green Finance Instruments, including loans, bonds, and commercial paper, to finance green projects with environmental benefits.

Aligned with international standards such as the International Capital Markets Association Green Bond Principles and the Loan Market Association Green Loan Principles, Eurocommercial's framework also adheres to EU regulations and standards like the EU Taxonomy Regulation and the EU Green Bond Standard. The Company commits to annual reporting on eligible green assets and sustainable performance, ensuring transparency and accountability.

At the balance sheet date, the Company has entered into green and sustainability linked loans for a total amount of €602.0 million (€522.8 million group share), of which €385.5 million green loans (€306.3 million group share), €116.5 million green and sustainability linked loans and €100 million sustainability linked loans. The Company at 31 December 2023 has also entered in sustainability linked swaps for a total notional amount of €165 million (of which €155 million already efffective at the balance sheet date). Eurocommercial aims to further increase the number of its green and sustainability linked loans and swaps by upgrading them when expiring at maturity. The Green Finance Framework and these green and sustainability linked facilities form part of Eurocommercial's ambition to increase its exposure to green financing in the near future.

> *"In 2023 the Company has made significant steps towards the achievement of its carbon neutrality goals.*
>
> **Roberto Fraticelli**
> Chief Financial Officer

Environmental, Social and Governance (continued)

Key performance indicators

The following pages provide more detailed information about the ESG performance over 2023 compared to 2022. Eurocommercial provides transparency on its ESG performance towards all stakeholders. In 2023, we were awarded EPRA sBPR Gold again for our sustainability report. EPRA sBPR is a sustainability reporting standard for listed Real Estate companies in Europe.

EPRA sustainability performance measures

		Absolute measure (Abs)		Like-for-like measure (LfL)										
		Total		Belgium		France		Italy		Sweden		Total		Change
Impact area		2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	
Energy (MWh) - landlord controlled areas	Total electricity consumption	48.498	**41.566**	1.902	**1.634**	6.639	**5.790**	17.695	**14.174**	17.675	**16.151**	43.910	**37.749**	**-14%**
	Electricity from purchased renewable sources	33.213	**30.862**	1.349	**1.176**	428	**1.016**	13.425	**12.358**	14.185	**12.755**	29.387	**27.305**	**-7%**
	Electricity usage from on-site generated renewable sources	3.507	**3.985**	552	**458**	-	**-**	153	**131**	2.801	**3.396**	3.507	**3.985**	**14%**
	% electricity consumption from renewable sources	76%	**84%**	100%	**100%**	6%	**18%**	77%	**88%**	96%	**100%**	75%	**83%**	**11%**
	Energy consumption from district heating and cooling	12.350	**11.186**	-	**-**	-	**-**	-	**-**	12.350	**11.186**	12.350	**11.186**	**-9%**
	Energy consumption from fuels	7.646	**5.294**	441	**380**	2.360	**1.810**	4.846	**3.104**	-	**-**	7.646	**5.294**	**-31%**
	Total energy consumption	68.494	**58.045**	2.342	**2.014**	8.999	**7.600**	22.540	**17.278**	30.025	**27.337**	63.906	**54.228**	**-15%**
	Renewable electricity generated on-site and injected into the GRID	NR	**190**	NR	**24**	NR	**-**	NR	**10**	NR	**156**	NR	**190**	
	Renewable electricity generated by third party on-site and sold	5.051	**5.122**	-	**-**	5.051	**5.122**	-	**-**	-	**-**	5.051	**5.122**	**1%**
Energy (MWh) - tenant controlled areas	Total electricity consumption	20.507	**24.749**	1.087	**2.379**	-	**2.551**	-	**-**	19.420	**18.320**	20.507	**23.249**	**13%**
	Electricity from purchased renewable sources	20.507	**19.315**	1.087	**996**	-	**-**	-	**-**	19.420	**18.320**	20.507	**19.315**	**-6%**
	% electricity consumption from renewable sources	100%	**78%**	100%	**42%**		**0%**			100%	**100%**	100%	**83%**	**-17%**
	Energy consumption from district heating and cooling	1.116	**1.764**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	
	Energy consumption from fuels	10.250	**4.261**	2.496	**2.152**	-	**-**	6.845	**2.109**	-	**-**	9.341	**4.261**	**-54%**
	Total energy	31.873	**30.774**	3.583	**4.531**	-	**2.551**	6.845	**2.109**	19.420	**18.320**	29.848	**27.510**	**-8%**
Total energy (MWh)	Landlord and tenant areas	100.367	**88.819**	5.925	**6.545**	8.999	**10.150**	29.385	**19.387**	49.445	**45.656**	93.754	**81.738**	**-13%**
	% from renewable resources (of total energy)	57%	**61%**	50%	**40%**	5%	**10%**	46%	**64%**	74%	**75%**	57%	**62%**	**9%**
Greenhouse gas emissions (tonnes CO_{2e}) Market based	Total direct emissions Scope 1	1.400	**968**	81	**69**	432	**331**	888	**568**	-	**-**	1.400	**968**	**-31%**
	Total indirect emissions Scope 2	1.675	**1.366**	-	**-**	353	**545**	754	**309**	525	**482**	1.632	**1.336**	**-18%**
	Total indirect emissions Scope 3	2.068	**1.513**	457	**650**	-	**291**	1.254	**386**	-	**-**	1.711	**1.327**	**-22%**
	Total scope 1 and 2 emissions	3.076	**2.334**	81	**69**	786	**876**	1.642	**877**	525	**482**	3.033	**2.305**	**-24%**
Greenhouse gas emissions (tonnes CO_{2e}) Location based	Total direct emissions Scope 1	1.400	**968**	81	**69**	432	**331**	888	**568**	-	**-**	1.400	**968**	**-31%**
	Total indirect emissions Scope 2	7.271	**5.722**	239	**218**	285	**301**	5.017	**3.750**	603	**547**	6.144	**4.816**	**-22%**
	Total indirect emissions Scope 3	2.362	**1.464**	650	**834**	-	**86**	1.254	**386**	102	**93**	2.006	**1.399**	**-30%**
	Total scope 1 and 2 emissions	8.671	**6.690**	320	**287**	718	**632**	5.904	**4.318**	603	**547**	7.544	**5.784**	**-23%**
Carbon offsetting (tonnes CO_{2e})	Procured carbon offsets	318	**463**	318	**463**	-	**-**	-	**-**	-	**-**	318	**463**	**45%**
Water (cubic meters) (m^3)	Total water consumption	522.521	**520.949**	21.145	**21.864**	69.152	**80.153**	247.522	**244.597**	98.738	**94.242**	436.557	**440.856**	**1%**
Waste (landlord-handled) (metric tonnes)	Non-hazardous waste	8.482	**8.862**	170	**185**	597	**683**	967	**2.324**	1.111	**1.229**	2.845	**4.421**	
	Hazardous waste	15	**92**	311	**272**	502	**662**	935	**458**	847	**827**	2.595	**2.219**	
	Total waste	8.497	**8.953**	-	**-**	252	**238**	861	**446**	7	**5**	1.120	**690**	**10%**
Waste by disposal routes (metric tonnes)	Recycling	3.536	**4.757**	-	**0**	768	**309**	-	**181**	-	**31**	768	**521**	**55%**
	Incineration	3.525	**2.219**	0	**0**	0	**0**	54	**0**	10	**15**	64	**15**	**-14%**
	Landfill	1.120	**690**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	**-38%**
	Other	317	**1.287**	0%	**0%**	0%	**0%**	13%	**0%**	0%	**0%**	3%	**0%**	**-32%**

Environmental, Social and Governance (continued)

EPRA sustainability intensity measures

Impact area		2022	2023	Change (LFL)
Energy (kWh/m²/year)	Building energy intensity	238,4	218,3	-8%
Carbon emissions (kg CO^{2e}/m²/year)	GHG intensity from building energy (market-based)	23,5	17,2	-27%
	GHG intensity from building energy (location-based)	43,0	31,5	-27%
Water (m³/m²/year)	Building water intensity	0,64	0,63	0%

Building certification

Building certifications – BREEAM (% of floor area)

	2022	2023
Excellent	43%	34%
Very Good	47%	44%
Good	6%	7%
In process of re-certification	4%	15%

Energy Performance Certificates (EU EPC) (% of floor area)

	2022	2023
A	0%	9%
B	6%	1%
C	36%	41%
D	13%	18%
E	30%	24%
F	3%	0%
G	5%	0%
No Label	6%	7%

Qualifying notes

Scope and boundaries

All retail assets included in this report are within Eurocommercial's operational control. Eurocommercial provided performance data for all indicators. Data is collected for two years Q4 2021–Q3 2022 vs. Q4 2022–Q3 2023.

Three assets have been excluded from the like-for-like comparisons: Fiordaliso, located in Italy, has been excluded due to significant renovation activities undertaken in 2022. Passage du Havre in France because its office part was sold. And, Etrembières Restaurants, a newly developed project adjacent to the Shopping Etrembières, has been omitted as it commenced operations in 2023.

Data coverage

Eurocommercial is actively engaging with tenants to gather data on their energy consumption (Scope 3 emissions), aiming to fully comprehend the carbon footprint of its portfolio. Incorporating tenant consumption data into Eurocommercial Properties' environmental report has required modifications to the tables in this annual report, now distinctly separating landlord and tenant energy usage. The table below outlines the extent of data availability for each performance metric related to areas controlled by landlord and tenants. In 2023, Eurocommercial Properties made improvements in enhancing the data availability for areas under tenant control. This improvement was achieved through proactive interactions with tenants and energy suppliers to facilitate data sharing. Eurocommercial is dedicated to bridging the existing data gap in tenant-controlled areas. This initiative includes the installation of smart meters in tenant spaces and engaging with tenants. Such efforts are aimed at enabling Eurocommercial to gain a comprehensive understanding of its scope 3 emissions (downstream leased assets).

Data coverage (% of floor area included in performance measure data)

Electricity	Landlord controlled	100%
District heating and cooling	Landlord controlled	100%
Fuels	Landlord controlled	100%
Electricity	Tenant controlled	45%
District heating and cooling	Tenant controlled	100%
Fuels	Tenant controlled	43%
Water	Whole building	89%
Waste	Landlord controlled	95%

For areas controlled by Eurocommercial, the consumption of electricity, fuels, district heating, and cooling covers energy acquired by landlords for common areas and shared services. In contrast, for tenant-controlled areas, the energy—comprising electricity, fuels, and district heating and cooling—is procured either directly by the tenants or by Eurocommercial on behalf of tenants who retain operational control. Operational control implies that tenants have the decision-making power over the energy usage and resource management within their leased areas. This split is important in the calculation of Scope 1, 2 and 3 emissions.

Whole building

Water data are collected and reported on a whole building level basis. Eurocommercial faces challenges in achieving complete data coverage for water usage (currently 89% coverage), as some tenants in Italy and France, having individual water connections, do not yet share their consumption information.

Estimates

The table presented below details the coverage of data estimates for each performance indicator associated with areas under the management of both landlord and tenants. For the reporting year 2023, no data was estimated.

Data estimates

Energy	Landlord controlled	0%
Energy	Tenant controlled	0%
Water	Whole building	0%
Waste	Whole building	0%

Energy

Overall energy consumption of Eurocommercial has decreased with 15%, which reflects the efforts of local teams to lower energy usage as well as the implementation of the decarbonisation and energy reduction pathways. Electricity consumption of tenant areas has increased, this is due to the increased data coverage for those tenant areas in Belgium and France, not due to higher actual consumptions.

Our corporate office in Amsterdam used 61.6 MWh electricity, 7,128 m^3 gas and 217 m^3 water in 2023.

Renewable electricity

In alignment with the decarbonisation pathway, Eurocommercial has focused on sourcing renewable electricity and installing solar panels. Shopping Centres Val Thoiry and Etrembières switched their electricity contracts to 100% renewable sources from 1 January 2023 and Passage du Havre now uses renewable electricity for its gallery, not yet for its parking area. Additionally, Eurocommercial expanded its solar panel installations, leading to a 14% increase in on-site renewable electricity generation.

Renewable electricity target

Eurocommercial has set an objective to increase the actual level of renewable electricity used, measured in % of total electricity, with 2% per annum. Eurocommercial controlled electricity consumptions within the reporting year (common area electricity consumptions) are in scope of this objective. Tenant areas are excluded.

Eurocommercial calculates the proportion of electricity consumption from renewable sources as a percentage of total electricity consumption (non-renewable electricity + renewable electricity purchased + renewable electricity self-generated) for landlord-controlled common areas and shared services. The self-generated electricity that is exported or sold (i.e. not consumed by Eurocommercial) is excluded.

In 2022 the electricity consumption from renewable sources for landlord-controlled areas was 76%, this percentage has increased towards 84% in 2023. Thus, the target for this reporting year has been successfully met.

Reporting year	% renewable electricity (purchased and solar panels) - landlord controlled approach
2021	62%
2022	76%
2023	84%

Environmental, Social and Governance (continued)

Prior to 2023, Eurocommercial did not differentiate between renewable electricity usage in tenant spaces and areas under its own control. Consequently, in this year's report, we are also presenting comparative figures using the methodology from past years.

Reporting year	% renewable electricity (purchased and solar panels) - whole building approach
2021	72%
2022	83%
2023	89%

Carbon emissions

In 2023, total carbon emissions (Scope 1 and 2, market-based) showed a reduction of 24%, primarily due to a 31% decrease in gas consumption across the entire portfolio. This significant drop was partly because two centres in Italy discontinued using gas for heating, while other properties lowered their gas usage in response to energy reduction mandates by local authorities driven by the energy crisis.

The tables do not include any business travel or supply chain emissions. Emissions were calculated and reported market-based and location-based. Market-based emission factors consider contractual arrangements and were provided by local energy suppliers.

In 2022, the electricity provider EDF in France reported a significant rise in its carbon conversion factor, attributed to the maintenance of nuclear power plants that year. This situation necessitated the temporary importation of electricity with a higher carbon content from Germany. Therefore market-based conversion factors that have been used for the French portfolio are higher compared to the previous year, and even higher than location-based emission factors. This results in an increase market-based scope 2 emissions in France, which is unusual since electricity consumptions have decreased.

The carbon conversion factors were sourced from the following entities:

- UK Government for Company Reporting, providing gas conversion factors
- CRREM, for location-based electricity conversion factors in Belgium, Italy, and Sweden
- Base Empreinte ADEME, for location-based electricity conversion factors in France
- Local energy providers, for market-based conversion factors for electricity and district heating

Emissions were reported using the Greenhouse Gas Protocol and EPRA Sustainability Best Practices guidelines. Greenhouse gases (GHG) GHG emissions are reported as tonnes of CO^2 equivalent (t CO^{2e}).

At the Woluwe Shopping Centre, Eurocommercial has established a carbon offset programme via contractual arrangements with the gas supplier since January 2022.

Water

Water consumption represents water that is landlord-obtained and used for common areas and tenants. Like-for-like water consumption were stable over the two reporting years. Water consumption within the Eurocommercial portfolio is obtained via municipal supplies.

Waste

Total waste collection saw a 10% increase. It's important to highlight that Eurocommercial is enhancing the accuracy of its reported waste data by renewing waste contracts. An increasing number of third party waste collection companies are nowadays able to offer detailed insights into waste collection and disposal practices.

In Sweden, hazardous waste volumes have risen due to a 5-year inspection of the oil separator. This process involves emptying the oil separator, with the contents being treated as hazardous waste. Given that Hallarna was formerly a truck stop, it features an exceptionally large oil separator, leading to a substantial amount of oil-mixed water.

BREEAM

Eurocommercial has set a goal to achieve BREEAM In-Use certification for all shopping centres by 2025. This target was met for all assets already in the previous reporting year. Yet, by the end of 2023, five shopping centres had not been re-certified due to significant delays at BRE UK. This objective does not apply to Retail Parks.

Energy labels

The energy labels for properties in France and Italy have been updated, reflecting the positive impact of the implemented energy-saving measures. This has led to enhanced energy labels for Centr'Azur, Les Portes de Taverny, MoDo, Fiordaliso, and I Gigli. However, for Shopping Centre Woluwe in Belgium, obtaining an energy label is currently not possible, hence it lacks an energy label.

Intensity calculations

Energy intensity metrics for buildings are derived from the total energy consumption across both landlord and tenant spaces, factoring in the respective floor areas.

In the reporting year 2023, the collection of additional energy consumption data from tenant spaces influenced the floor area calculations (denominators) used for intensity metrics. As a result, energy intensities saw an 8% decrease, alongside a notable 27% reduction in carbon intensities (Scope 1, 2, and 3). Water intensity levels remained consistent across the two reporting periods.

Eurocommercial recognises, following the European Public Real Estate Association (EPRA) Sustainability Best Practices Recommendations, that discrepancies between the energy consumed (numerator) and the floor area (denominator) may still impact the accuracy of intensity calculations.

Restatements

Restatements on previous reporting years have been made for assets when improved data or insight was available.

In last year's report Eurocommercial mentioned a share of electricity purchased by renewable resources of 85% versus 72% in 2021. For two of our French properties, the renewal of green electricity contracts did not occur as anticipated, leading to a lack of renewable electricity procurement since January 2022. This caused an overestimation of renewable electricity procurement in 2022. Furthermore, at Woluwe Shopping, an error resulted in the double-counting of on-site generated solar energy in our renewable energy figures. The actual share of renewable electricity in 2022 should have been 83%.

The verification of waste data has revealed inconsistencies in the reported waste figures for two Italian shopping centres, primarily affecting the total volume of waste send to landfill.

Water submetering has offered greater clarity on Eurocommercial's share of water usage at MoDo shopping centre, where Eurocommercial is a co-owner. Adjustments have been applied to the data for the previous reporting year to improve transparency and enable more accurate comparisons between the two reporting periods.

Eurocommercial is addressing these issues by reviewing and improving its reporting processes to ensure the accuracy in its environmental data. The Company is committed to maintaining transparency and meeting high standards in its environmental reporting. Amendments were made, where necessary for both reporting years, to provide clarity and enhance comparability between the two reporting periods.

Third party assurance

The reported energy, water, and waste consumptions as well as scope 1, 2, and 3 emissions are third party verified by Lucideon CICS for the 2023 reporting period, using ISO 14064-3 (the international standard for verification of greenhouse gas inventories). More information is available as part of our annual CDP submission.

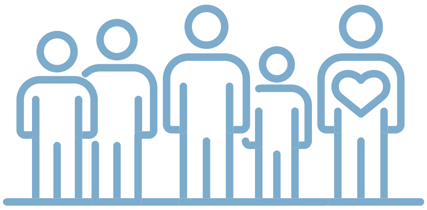
ASSURED
LUCIDEON
SUSTAINABILITY

Environmental, Social and Governance (continued)

EPRA Social & Governance indicators

All employees		2023			2022		
Diversity – Emp 405-1	*Employee gender diversity (based on headcount)*	**Total**	**Male**	**Female**	Total	Male	Female
	Supervisory Board	**4**	**2**	**2**	3	1	2
	Board	**3**	**3**	**-**	3	3	-
	Management	**18**	**9**	**9**	14	10	4
	Staff	**76**	**30**	**46**	80	29	51
	Total number of employees	**97**	**42**	**55**	97	42	55
	Age group distribution (percentage)						
	Under 30 years old	**4%**			5%		
	Between 30 and 50 years old	**61%**			69%		
	Over 50 years old	**35%**			26%		
Diversity – Pay 405-2	*Gender pay ratio*		**Male**	**Female**		Male	Female
	Board		**100%**	**0%**		100%	0%
	Management		**52%**	**48%**		53%	47%
	Staff		**54%**	**46%**		60%	40%
Emp – Training 404-1	*Employee training and development (based on headcount)*		**Male**	**Female**		Male	Female
	Training hours per employee		**23**	**18**		45	18
	% of employees who received professional training		**62%**	**73%**		60%	56%
	% of employees who received ESG training		**17%**	**18%**		14%	15%
Emp – Dev 404-3	*Employee performance appraisals*						
	% of employees	**100%**			100%		
Emp – Turnover 401-1	*New hires and turnover (number)*		**New hires**	**Departures**		New hires	Departures
	Male		**6**	**6**		7	7
	Female		**8**	**8**		8	9
	Total		**14**	**14**		15	16
	Employee turnover	**14%**			16%		
H&S – Emp 403-2	*Employee health & safety*						
	Workstation and/or workplace checks (%)	**40%**			36%		
	Absentee rate (%)	**3,5%**			2,1%		
	Injury rate (%)	**0,0%**			0,0%		
	Work-related fatalities (number)	**0**			0		
H&S – Asset 416-1	*Asset health & safety assessments*						
	Health & Safety – assessments (in % of assets)	**100%**			100%		
H&S – Comp 416-2	*Asset health & safety compliance (number of incidents)*						
	Health & Safety – incidents	**0**			0		
Comty – Eng 413-1	*Community engagement, impact assessments and development programmes*						
	Community engagement programmes in place (in % of assets)	**100%**			100%		
Gov – Board 102-22	*Composition of highest governance body*						
	Number of executive board members	**3**			3		
	Number of independent board members (Supervisory Board)	**4**			3		
	Average tenure of all board members	**17 years**			16 years		
	Number of independent board members with competencies relating to environmental and social topics	**2**			2		
Gov – Selec 102-25	*Process for nominating and selecting the highest governance body*	The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Supervisory Board. Relevant information is reported in this Annual Report see pages 158-160.					
Gov – Col 102-25	*Process for managing conflicts of interest*	For Eurocommercial Properties it is very important that members of the Board of Management and Supervisory Board act independently. There have been no conflicts of interest with rules, regulations or the Dutch Corporate Governance Code in this reporting year. Relevant information is reported in this Annual Report page 158-160, 184-185. The process for managing conflicts is included in the Rules and Regulations of the Supervisory Board and the Code of Conduct which can be found within the governance section on the corporate website.					

Qualifying notes social indicators



Organisational boundaries, reporting period and coverage

All employees who work directly for Eurocommercial in The Netherlands, United Kingdom, Sweden, Italy, France and Belgium were included in these figures. Eurocommercial provided performance data for the calendar years 2022 and 2023 for all social and governance indicators.

Health and Safety assessments

These assessments are a review of health and safety impacts on asset level for compliance or improvement. For the shopping centres Health & Safety is integrated into the BREEAM certification procedure.

Gender pay ratio

The gender pay ratio as reported in the table is the ratio of the base salary and remuneration of men to women in the mentioned employee categories. Base salary represents the salary excluding additional remuneration such as bonuses, share options or overtime pay. Please note that Eurocommercial only employed 97 persons at the end of 2023, and therefore, it is not possible to disclose more detailed information on gender pay ratio, due to the limited number of employees with the same function and experience within the organisation.

Narrative on performance

Employee turnover rates have decreased compared to 2022 and absentee rates have increased slightly. Other main social indicators have remained consistent over both reporting periods.

Belgium country report

Property locations

1 Woluwe Shopping, Brussels, Belgium

€522.4m
Property value

1
Number of properties

-10.2%
Valuation change (12 months)

124
Number of shops

-1.6%
Average uplift from relettings & renewals

47,000m²
Gross lettable area

3.4%
Rental growth

"Last year saw strong retail sales growth and Woluwe Shopping's international merchandising will be further strengthened with the opening this year of the latest concepts of Zara, C&A, INNO and Carrefour.

Benjamin Frois
Director, Eurocommercial Belgium

Belgium country report (continued)

In 2023, economic factors contributed to the preservation of good levels of customer purchasing power and retail turnover. After reaching a peak in 2022, inflation (CPI) swiftly decreased, dropping from 8.3% in January to 1.4% in December 2023 once energy prices normalised, returning to 2021 levels, while wages increased through the automatic indexation mechanism operating in Belgium. Woluwe Shopping benefitted from these dynamics, demonstrating strong operational results in 2023 with retail sales increasing by 9.6%, significantly outpacing the 4.1% average inflation during the same period. The positive performance was widespread across all sectors, with the highest contributions coming from F&B (+19.3%), sport (17.2%), telecom & electrical (18.4%), health & beauty (14.1%) and fashion (7.9%).

Leasing played a pivotal role throughout the year, marked by the strengthening of key anchor brands, a diversification of the F&B offer, and a substantial modernisation of our supermarket with the introduction of a new operator in 2024. Woluwe Shopping continues to demonstrate its ability to attract leading international brands, reaffirming its strong market position and improving customer experience. This is further underscored by the consistently low and limited vacancy rate, standing at 2.1%.

Leasing

During 2023, the leasing team successfully concluded 22 lease renewals and relettings, resulting in a decline of 1.6%. Only one deal was negative and excluding this specific transaction, our reletting and renewal results would have shown a positive trend of 6.2%. An important part of these transactions were renewals, including prominent national and international retailers such as H&M, Zara Home and Lacoste, consolidating their market position.

The F&B offering was significantly enhanced with the introduction of two new food concepts. Thai Café opened its 22nd restaurant in Belgium, specialising in Asian cuisine, and Woluwe already ranks among the chain's top-performing establishments. Additionally, Laura Todds, the renowned cookie brand from Chicago, selected Woluwe Shopping to inaugurate its first store in Belgium, showcasing its 100% homemade cookies made exclusively from locally sourced, quality ingredients.

Thai Café in Woluwe Shopping is one of the chain's top performing restaurants

Laura Todd chose Woluwe Shopping as their first store in Belgium

The range of high-end beauty services has also been enhanced with the introduction of Celini, a state-of-the-art hair salon offering an innovative phygital concept, combining the traditional expertise with interactive, personalised consultations tailored to each customer's personality and aspirations.

Last year was marked by the successful completion of significant negotiations which will substantially enhance Woluwe Shopping's commercial offer when the stores open during 2024. In April, Zara will inaugurate a flagship store, occupying a central mall unit of approximately 3,300m². This move will allow the successful Inditex Group to fully showcase all segments of its concepts for women, men and children. In early summer, C&A will unveil its latest concept store with a brand-new 1,455m² store in the unit previously occupied by Zara. Additionally, the renowned Belgian department store chain, INNO, has embarked on the comprehensive transformation of its 12,000m² flagship store at Woluwe which is expected to open during the autumn. This transformation will involve brand rotations, premiumisation of the retail offer, and the implementation of the new concept design recently and successfully established in their prime central Brussels store on Rue Neuve.

The first half of 2024 will also see a major improvement in the grocery offer with the arrival of the Carrefour Group who will take over the operation of the existing 3,000m² supermarket historically operated by Match. Carrefour will introduce the latest version of its Carrefour Market concept, focusing on fresh and quality products to better serve the essential everyday needs of Woluwe's wealthy catchment.

Valuation

Woluwe Shopping's valuation experienced a decline of 10.2% over the last 12 months and 7.6% over the last six months. The valuers increased the capitalisation rate by 40 bps over 12 months to reflect the uncertain economic landscape and the evolving repricing trends in the European retail market.

In addition to adjusting the capitalisation rate, which accounted for most of the decline in value, the valuers also excluded the value for the extension project following our decision at the end of 2023 to withdraw the permit application. The combination of both factors accounts for the change in property value, however, the valuers underscored that Woluwe Shopping continues to stand out as one of the best centres in the market with solid retail sales, outstanding rent collection rate (99%), minimal vacancy level (2.1%) contributing to its enduring strength and resilience over its 50 successful years of trading.

Belgium country report (continued)

ESG Activities

In adherence to our Be Green pillar, we have continued the implementation of our energy efficiency plan and technical installation renovations, further reducing our carbon footprint with several projects successfully implemented in 2023. Notably, the completion of the smart led project ensures that our centre now operates with 100% low-consumption lighting equipment. The recent replacement of the Building Management System (BMS) is set to deliver its full potential in 2024, maximising energy savings. Furthermore, the completion of a new roof insulation phase creates the platform for the installation of new solar panels in 2024, increasing our total solar panel count to over 2,800. The energy generated by these panels will power our shopping centre, reducing reliance on external sources and preventing over 185 tonnes of CO^2 emissions annually. More than 300 additional smart meters were deployed in 2023 to better monitor and optimise the energy consumption of all our tenants, enhancing sustainable and proactive management. A series of ESG audits were also conducted in 2023, including a CRREM assessment and a comprehensive climate change risk assessment. These initiatives reflect our commitment to staying aligned with our on-going decarbonisation strategy. Finally, a BREEAM pre-assessment was completed, indicating our readiness for the recertification process in 2024, with a Very Good score anticipated.

Park clean-up as part of the Nature Days initiative

Our social engagement initiatives, encapsulated in our Be Engaged pillar, included participation by our Eurocommercial team and some of our retailers in the 20 km Brussels run, supporting the Make a Wish foundation. With the proceeds we could fulfil Eliott's wish and make a positive impact on the lives of children facing serious illnesses. During the Christmas period, we extended our community engagement by supporting the residents of a local retirement home, providing them with the opportunity to enjoy a classical music concert in our Christmas champagne bar.

We raised awareness of our environmental impact by introducing Nature Days, an educational event aimed at fostering a closer connection with nature. Collaborating with local associations, we organised 24 workshops over three weeks, engaging all age groups in sustainable development principles. As a culmination, 124 children from local schools helped us in a park cleanup operation around the centre, promoting civic responsibility.

The promotion of sustainable consumption was encouraged with the launch of a new service in collaboration with Second Life. This initiative involves the collection of second-hand clothing from customers who, in exchange, receive a gift card equivalent to the value of the items redeemed. Thanks to the repurchase of thousands of items, we contributed to the preservation of the equivalent of 5 million litres of water that would have been needed to produce new clothes.

Second Life at Woluwe Shopping promotes sustainable consumption

Project

During the summer 2023, the Brussels Region granted planning approval for the revised extension, encompassing 7,800m² of retail space and 70 apartments above. Several appeals were subsequently lodged, including one from the municipality, significantly raising uncertainty about the project's implementation date. Furthermore, economic and financial parameters have evolved since the introduction of this project more than five years ago, impacting the expected financial return. Consequently, in December, we took the strategic decision to withdraw our current application and redirect our short-term efforts towards consolidating Woluwe's position as the leading shopping destination through our recent positive leasing and remerchandising initiatives. The obvious extension potential of Woluwe remains intact and will be addressed again at a future date.

Outlook

The 2024 outlook foresees the continuation of the positive market and operational trends seen in 2023. Inflation is expected to maintain its downward trajectory, possibly stabilising at around 2% by year-end. Projections for GDP growth indicate a promising 1.6% increase, and the unemployment rate is anticipated to remain at around 7%. Additionally, a downward trend in interest rates is anticipated and with this promising economic landscape, fortified by our upcoming substantial leasing enhancements, we hold a confident outlook for the performance of our Belgian asset throughout 2024.

BRUSSELS – OPENED 1968, Refurbished in 2004 and 2019

Since it opened in 1968, Woluwe Shopping has been the best known shopping centre in Belgium and remains one of the most successful due to its solid fundamentals: a prime location, excellent accessibility, a densely populated and wealthy catchment and broad retail mix, including most international brands present in the market.

47,000
Gross lettable area Gallery

1.6 million
Catchment (within 20 minutes)

124 Number of stores
10 Medium units
18 Restaurants

98%
Occupancy

PICTURE
164 ppi

SERVICES

- Free Wi-Fi
- Gift Card
- Welcome Desk
- Electric Car Charging
- Digital Signage/ Advertising
- Click and Collect

ACCESSIBILITY

- Bus 6 lines
- Metro Line 1
- Tram Line 8
- Parking (1,910 spaces)

ESG

BREEAM®

ENVIRONMENT

- Energy orientation study
- Climate risk assessment
- CRREM audit
- Green Committee
- Beehives
- Car charging stations
- Replacement of BMS
- Recycling service
- Photovoltaic panels
- Roof insulation
- Energy sobriety plan
- BREEAM V.6
- 100% renewable electricity

SOCIAL/COMMUNITY

- Second Life
- Mini enterprises
- Race with Make A Wish Foundation
- Nature Days /park clean-up
- Health awareness
- Homelessness support
- Sustainable mobility event
- Art for Life (Art Fair)
- Sports events

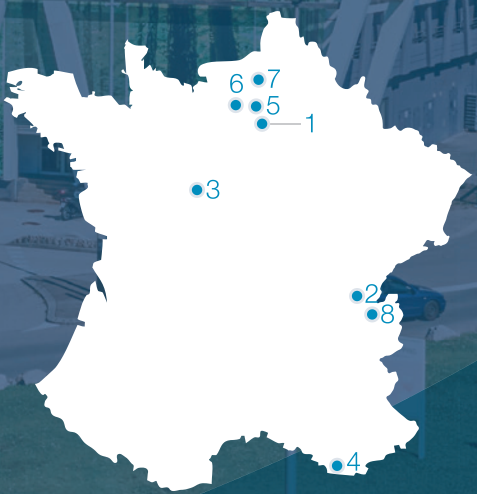
BROAD RANGE OF RETAILERS

- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Storage
- Books & Toys
- Department Store

TOP BRANDS

ZARA H&M maje MANGO INNO fnac C&A NATURE & DECOUVERTES NESPRESSO

France country report



Property locations

1 Passage du Havre, Paris
2 Val Thoiry, Greater Geneva (Ain)
3 Les Atlantes, Tours (Indre-et-Loire)
4 Centr'Azur, Hyères (Var)
5 MoDo, Moisselles (Val d'Oise)
6 Les Portes de Taverny, Taverny (Val d'Oise)
7 Grand A, Amiens (Somme)
8 Shopping Etrembières, Greater Geneva (Haute-Savoie)

€802.3m
Property value

8
Number of properties

-1.1%
Valuation change (12 months)

448
Number of shops

-0.9%
Average uplift from relettings & renewals

228,500m²*
Gross lettable area

5.7%
Rental growth

Our French shopping centres performed well in 2023 with significant growth in both retail sales and footfall.

Pascal Le Goueff
Director, Head of Eurocommercial France

* Also includes parts of shopping centres not owned by Eurocommercial

France country report (continued)

Our French shopping centres continued to perform well with positive growth both in terms of footfall and turnover, which increased by 3.3% and 5% respectively over the year. The vacancy rate continued to fall from 2.9% in December 2022 to 2.3% in December 2023, despite the release of units by a few companies in difficulty, especially in the mid-range fashion sector. The recent dismantling of the Casino group has seen the consolidation in the hypermarket sector with the takeover of a number of hypermarkets by the Intermarché and Auchan brands. The arrival of Intermarché in October at Grand A has already led to a significant increase in footfall and we are expecting to see the same impact at Centr'Azur with the arrival of Intermarché in the first half of 2024.

Leasing

Overall the leasing team completed 40 lease renewals and relettings over the year, resulting in an overall rent reduction of 0.9%. The releasing of units due to bankruptcy, has facilitated the implementation of our leasing strategy to improve our merchandising mix . Several new leases have been signed with international brands including Normal and JD Sports at MoDo, Jack & Jones at Val Thoiry, Only at Grand A and Pull&Bear at Passage du Havre. National retailers have also acquired units in our centres including the new perfume chain Adopt who we have installed at Passage du Havre, as well as Jules at MoDo and Caroll at Centr'Azur. Atelier d'Amaya, a new jewellery chain has signed a lease at Passage du Havre based on a rent of €5,000/m². The takeover

Danish retailer Normal successfully opened in MoDo

JD Sports' continued expansion in France includes their MoDo store

by Intersport of three stores previously occupied by Go Sport (Val Thoiry, Shopping Etrembières, Les Atlantes) will also improve the offer in the sport sector in these centres. In Passage du Havre, the renewal of FNAC's lease resulted in a significant increase in income through a reduction in non-recoverable charges and the installation of new advertising panels on the façade.

Valuation

Despite a few transactions in Paris shopping centres and luxury locations, investment activity during 2023 in the shopping centre market was generally low and restricted to the first half of the year. The value of our portfolio has held up well owing to strong operating metrics with a fall of 1.5% over six months and 1.1% over 12 months. The overall EPRA net initial yield increased by 50 bps from 5.2% to 5.7% over 12 months.

ESG Activities

Good practices and energy sobriety actions have been implemented in our shopping centres as part of the Sobriety Plan announced by the French government in August 2022. This led to an energy reduction of 7% in 2023 compared to 2022 in the malls' common areas.

Energy audits have been conducted at Centr'Azur, Les Portes de Taverny, Les Atlantes, Grand A and Passage du Havre, following which action plans have been prepared for the replacement of gas boilers and the upgrading of electrical equipment and Building Management Systems.

These actions put us on schedule to satisfy the "Tertiary Decree" legislation relating to energy reduction targets. We expect to reach a target reduction of 40% on the common parts of our shopping centres well before 2030. We have also focused this year on the carbon footprint reduction

Solar panels at Shopping Etrembières

of our French assets and have received the carbon pathways which evaluate our present and future position in terms of carbon emission reductions for Les Portes de Taverny and Passage du Havre, and a CRREM audit is planned for our remaining French shopping centres during 2024.

Climate change risk audits have also been carried out for the French assets in 2023 with an action plan to mitigate the risks identified in the business plan of each asset. To reduce our energy dependency and carbon footprint and following extensive roof renovation and insulation, we installed photovoltaic panels on the roof of Shopping Etrembières in October 2023. These panels now provide energy for the shopping centre.

Projects are planned for the installation of an additional of 94 new electrical vehicle charging points across our French portfolio, adding to our 46 existing chargers. During 2023, we completed the LED relamping works in the common areas across our French portfolio. The renovation of our car parks is underway at several centres, which will enhance customer comfort and safety, as well as improving the environmental performance of these assets. The spaces are being widened and covered in permeable pavers that allow water drainage. The green spaces are being completely overhauled and enlarged, LED streetlights are being installed to reduce energy consumption and electrical chargers are also deployed.

All our centres have undergone major changes in terms of merchandising mix, customer reception and environmental performance, in order to meet the expectations of our customers. We continue to support our communities and have formed partnerships with local associations such as with La Croix Rouge at Passage du Havre with various actions throughout the year including helping families for the back to school season (school equipment donation), an event with clothes donation or a Christmas gift wrapping stand on the mall. Our shopping centres have also continued to promote health by organising sports events and raising awareness against diseases such as cancer. Our centres have been instrumental for various charitable donations, such as food collection for the Secours Populaire and Restos du Coeur.

During 2023, the French Paris office organised various training or awareness sessions for its employees including First-Aid training with La Croix Rouge, awareness sessions on GDPR regulation, and training by a nutritionist on the topic “nutrition and wellbeing”. During the 2nd quarter 2023, fire prevention training was also organised for the French Eurocommercial employees.

Project

At Les Atlantes, the renovation of the façade and the restructuring of the eastern part of the centre is underway including reducing the Boulanger electrical store to provide a unit for the arrival of new mid-range retailers. In Val Thoiry, phase 1 of the project which could include the transfer of Leroy Merlin is being further evaluated.

Outlook

A sharp slowdown in inflation during 2024 is expected to lead to an increase in purchasing power and consequently to an increase in consumption which should support the

The renovation of the car park at Portes de Taverny, with water permeable pavers

performance of our centres both in terms of footfall and turnover. The Olympic Games could also bring a boost to the economy and help retail sales, particularly in and around Paris. We expect leasing activities to accelerate, supported by the dynamism of national and international brands searching for good quality space and looking to increase their market share in France, where the lack of new retail schemes due to the law “Climat et Résilience” is beginning to be felt.

PASSAGE DU HAVRE

PARIS – OPENED 1997, Refurbished in 2012

The Passage du Havre is located in central Paris opposite the Gare Saint-Lazare leading to the two department stores Galeries Lafayette and Printemps situated on Boulevard Haussmann.

The gallery is anchored by Fnac and is situated at the heart of the Haussmann-Saint-Lazare shopping district with excellent transport links and incorporates offices and residential apartments.

23,900*
Gross lettable area Gallery
14,300**
ECP-owned GLA (50% JV)

7.4 million
Catchment
(within 30 minutes)

41 Number of stores
1 Medium units
2 Restaurants

99%
Occupancy

* Includes external units, offices and residential areas.

** In joint venture 50% AXA IM Alts, on behalf of clients/50% Eurocommercial

SERVICES

- Free Wi-Fi
- Gift Card
- Loyalty programme
- Digital Signage/ Advertising
- Tax Free

ACCESSIBILITY

- SNCF / TER Gare Saint-Lazare RER lines A and E
- Bus (15 lines)
- Métro (6 lines)
- Parking (174 spaces)

ESG

BREEAM®

ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- CRREM audit
- Green committee with quarterly ESG data presentations to the tenants
- Beehives
- Fully LED equipped
- Waste audit
- Energy sobriety plan
- Gallery 100% renewable electricity
- BREEAM in Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Silent hour for autism
- Clothes collection
- Health awareness initiatives
- Free garden access
- Entertainment
- Raising awareness on endangered species

BROAD RANGE OF RETAILERS

TOP BRANDS

fnac, SEPHORA, Normal, Nature & Découvertes, Rituals, Starbucks, Courir, Dr. Martens

VAL THOIRY SHOPPING

GREATER GENEVA – OPENED 1993, Refurbished in 2015

The leading shopping centre in Pays de Gex with 68 shops, Val Thoiry has a very strong track record. It is easily accessible from Geneva, in a prosperous Franco-Swiss area, and is anchored by Leroy Merlin, Decathlon and Migros. The centre benefits from a strong and diversified merchandising mix with brands that reflects its international catchment. It has planning consent for a 23,500m² extension.

36,600
Gross lettable area Gallery
25,500
ECP-owned GLA

417,000
Catchment
(within 20 minutes)

68 Number of stores
4 Medium units
5 Restaurants

100%
Occupancy

SERVICES

- Free Wi-Fi
- Gift Card
- Loyalty programme
- Welcome Desk
- Electric car charging
- Digital Signage/ Advertising
- Tax Free

ACCESSIBILITY

- SNCF TER Bellegarde
- Bus-Tram Lines 66 and 68
- Parking (1,836 spaces)

ESG

BREEAM®

ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- Green committee with quarterly ESG data presentations to the tenants
- Fully LED equipped
- Car charging stations
- Waste audit
- Energy sobriety plan
- 100% renewable electricity

SOCIAL/COMMUNITY

- Health awareness initiatives
- Job forum
- Sports events
- Social risks audit

BROAD RANGE OF RETAILERS

TOP BRANDS

H&M
SEPHORA
DECATHLON
COURIR
CAROLL PARIS
INTERSPORT
CHANTELLE
LEROY MERLIN

Atlantes
La Vallée du shopping

TOURS – OPENED 1992, Refurbished in 2011

Situated alongside the A10 autoroute outside the city of Tours, Les Atlantes is the leading shopping centre in the region, with 68 stores and restaurants, and is anchored by Carrefour and adjoins Ikea.

39,800
Gross lettable area
23,000
ECP-owned GLA

359,000
Catchment

68 Number of stores
4 Medium units
5 Restaurants

99%
Occupancy

SERVICES

- Free High Speed Wi-Fi
- Click and Collect
- Gift card
- Loyalty programme
- Welcome Desk
- Digital Signage/ Advertising
- Electric car charging

ACCESSIBILITY

- Bus 4 lines
- SNCF Saint-Pierre-des-Corps
- Parking (1,600)

ESG

BREEAM®

ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- Green committee with quarterly ESG data presentations to the tenants
- Fully LED equipped
- Car charging stations
- Waste audit
- Energy audit
- Energy sobriety plan
- Water permeable parking spaces
- BREEAM In-Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Health awareness initiatives
- Clothes collection
- Sports events
- Food collection

BROAD RANGE OF RETAILERS

TOP BRANDS

boulanger, Intersport, Blackstore, Mango, Courir, Sephora, Kiffitness

Hyères – OPENED 1993, Refurbished in 2013

Located on the Côte d'Azur coast road to the west of Hyères in the south of France, this popular local shopping centre first opened in 1993 and features 54 stores. With Casino's imminent departure, Centr'Azur will be anchored by an Intermarché hypermarket from June 2024 and provides a broad mix of retail and food and beverage outlets.

25,000
Gross lettable area
25,000
ECP-owned GLA

332,000
(within 20 minutes)

54 Number of stores
6 Restaurants

99%
Occupancy

SERVICES

- Free Wi-Fi
- Gift card
- Loyalty programme
- Electric car charging

ACCESSIBILITY

- Bus Sodetrav line Hyères-Toulon
- SNCF Hyères TGV
- Parking (1,460 spaces)

ESG

BREEAM®

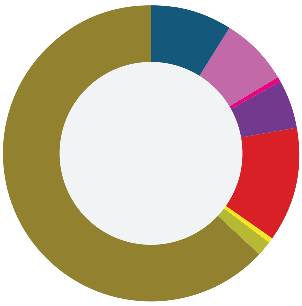
ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- Green committee with quarterly ESG data presentations to the tenants
- Fully LED equipped
- Car charging stations
- Waste audit
- Photovoltaic panels
- Geothermal project
- Energy audit
- Energy sobriety plan
- BREEAM In-Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Toys collection charity
- Sports events
- Health awareness
- Beach clean up

BROAD RANGE OF RETAILERS



- Fashion
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Home Goods
- Telecom & Electrical
- Hypermarket

TOP BRANDS

SEPHORA IKKS KIKO carréblanc MORGAN CAROLL NOCIBÉ

MODO
CENTRE COMMERCIAL
MOISSELLES–DOMONT

Moisselles – OPENED 1985, Refurbished in 2017

Located to the north of Paris, close to the Francilienne ring road, MoDo is anchored by the leading Leclerc hypermarket of Val d'Oise and is situated in a strong catchment of upper-middle class inhabitants, with significantly improved access following recent roadworks. MoDo has 58 stores and benefits from a diversified merchandising mix with national and international brands, including JD Sports, Normal, Mango and Gémo.

25,700
Gross lettable 12,322
10,400
ECP-owned GLA

298,000
Catchment

58 Number of stores
2 Medium units
4 Restaurants

96%
Occupancy

SERVICES

- Free Wi-Fi
- Gift card
- Loyalty programme
- Electric car charging

ACCESSIBILITY

- SNCF Gare Domont
- Bus line 269
- Parking (1,585 spaces)

ESG

BREEAM®

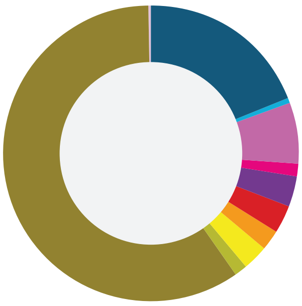
ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- Green committee with quarterly ESG data presentations to the tenants
- Fully LED equipped
- Car charging stations
- Waste audit
- Energy sobriety plan
- BREEAM In-Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Food collection charity
- Job Forum
- Dentist
- Entertainment
- Health and wellbeing awareness
- Social risks audit

BROAD RANGE OF RETAILERS



TOP BRANDS

MANGO PROMOD GEMO YVES ROCHER Normal JD Etam

LES PORTES DE TAVERNY

TAVERNY – OPENED 1990, Refurbished in 2005 and 2014

Situated alongside the A115 autoroute in Taverny, an expanding municipality in suburban Paris, this shopping centre has a wealthy catchment. Important road access works are completed and will be followed by the construction of an adjoining Olympic swimming pool complex and the renovation of the car park to be completed by June 2024. Taverny has 50 stores and is anchored by a strong Auchan hypermarket.

31,800* Gross lettable area
5,700 ECP-owned GLA

269,000 Catchment

50 Number of stores
6 Medium units
3 Restaurants

88% Occupancy

* Includes external units.

SERVICES

- Free Wi-Fi
- Gift card
- Loyalty programme
- Electric car charging

ACCESSIBILITY

- SNCF Gare Vaucelles
- Bus line 3010
- Parking (1,335 spaces)

ESG

BREEAM®

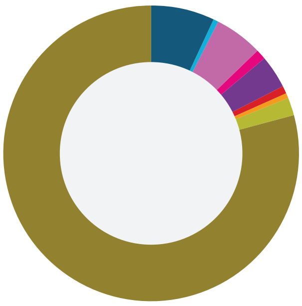
ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- CRREM audit
- Green committee with quarterly ESG data presentations to the tenants
- Fully LED equipped
- Car charging stations
- Waste audit
- Photovoltaic panels
- Energy audit
- Energy sobriety plan
- Water permeable parking spaces
- BREEAM In-Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Food collection
- Health awareness
- Sports events
- Supporting self-development
- Promoting Portuguese culture
- Social risks audit

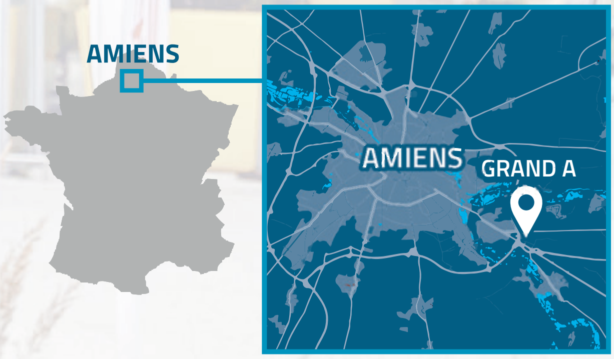
BROAD RANGE OF RETAILERS



TOP BRANDS

PROMOD, YVES ROCHER, Etam, COURIR, PANDORA, JACK&JONES, KIKO MILANO

GRAND A
AMIENS GLISY



AMIENS – OPENED 1994, Extended in 2017

Located alongside the Amiens ring road to the east of the city, the shopping centre has 60 stores, including strong national and international brands such as H&M, New Yorker and Pandora. Grand A is the dominant shopping centre within the Amiens conurbation and is anchored by an Intermarché hypermarket.

23,000
Gross lettable area
11,700
ECP-owned GLA

230,000
Catchment
(within 20 minutes)

60 Number of stores
2 Medium units
6 Restaurants

99%
Occupancy

SERVICES

- Free Wi-Fi
- Gift card
- Loyalty card
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus 4 lines Amétis
- Parking (1,850 spaces)

ESG

BREEAM®

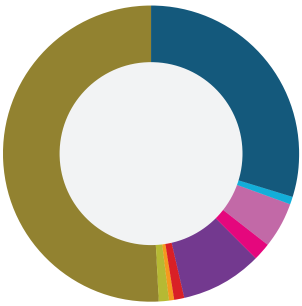
ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- Green committee with quarterly ESG data presentations to the tenants
- Fully LED equipped
- Waste audit
- Energy audit
- Energy sobriety plan
- BREEAM In-Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Food collection
- Health awareness
- Job forum
- Celebrity meet & greet
- Social risks audit

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Telecom & Electrical
- Hypermarket

TOP BRANDS

H&M, New Yorker, Nocibé, Only, Courir, Jack&Jones, Jott

SHOPPING ÉTREMBIÈRES

Greater Geneva – OPENED 1994, Refurbished in 2018

This shopping centre occupies a strategic and prominent position at the junction of the A40 (Lyon-Chamonix) and A411 (Geneva highway) autoroutes, 2km from the Swiss border to the south of Geneva. Major roadworks have significantly improved the access to the centre, which has 49 shops. At the end of June 2022, two new restaurants, Les 3 Brasseurs and Il Ristorante, opened on the purpose-built building adjoining the shopping centre and are successfully trading.

22,700
Gross lettable area
11,000
ECP-owned GLA

420,000
Catchment

49 Number of stores
3 Medium units
3 Restaurants

100%
Occupancy

PICTURE
155 ppi

SERVICES

- Free Wi-Fi
- Gift card
- Loyalty programme
- Welcome Desk
- Electric car charging
- Digital Signage/ Advertising
- Tax Free

ACCESSIBILITY

- Bus line 4 TAC
- Parking (1,000 spaces)

ESG

BREEAM®

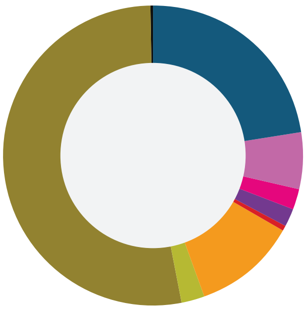
ENVIRONMENT

- Tertiary Decree
- Climate risk assessment
- Green committee
- Beehives
- Fully LED equipped
- Car charging stations
- Waste audit
- Photovoltaic panels
- Energy sobriety plan
- 100% renewable electricity
- Roof insulation
- BREEAM In-Use V.15
- BREEAM In-Use V.6 pre-assessment

SOCIAL/COMMUNITY

- Health awareness
- Sports events
- Social risks audit

BROAD RANGE OF RETAILERS



- Fashion
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Telecom & Electrical
- Hypermarket

TOP BRANDS

H&M, Micromania Zing, Briant, Pandora, Courir, Body minute, Intersport

Italy country report

Property locations

1 I Gigli, Florence (Tuscany)
2 Carosello, Carugate, Milan (Lombardy)
3 Fiordaliso, Rozzano, Milan (Lombardy)
4 Collestrada, Perugia (Umbria)
5 Il Castello, Ferrara (Emilia Romagna)
6 Curno, Bergamo (Lombardy)
7 CremonaPo, Cremona (Lombardy)
8 I Portali, Modena (Emilia Romagna)

* Also includes parts of shopping centres not owned by Eurocommercial

€1,655.7m
Property value

8
Number of properties

1.0%
Valuation change (12 months)

781
Number of shops

3.8%
Average uplift from relettings & renewals

407,306m²*
Gross lettable area

13.5%
Rental growth

"

In 2023 we worked on improving the quality of our tenant mix, further securing the sustainability of our income and our future turnover growth. We also focused on our ESG targets with several refurbishment projects and the installation of large solar panel plants.

Salvatore Occini
Director, Eurocommercial Italy

Italy country report (continued)

2023 was characterised by high inflation, which started at 9.8% in January and reduced over the course of the year, with the December inflation down to 0.6%, mainly due to the decrease in the energy price. Personal saving rates also increased during 2023 and the consumer confidence index improved with a positive economic outlook. Retail turnover in our shopping centres increased by 5.9% compared to the previous year. The strongest growth sectors were F&B (16.4%), sport (15.4%), health & beauty (13.6%) and home goods (10.6%). Footfall also improved and was up 4.4% compared to 2022. The vacancy rate also continued to fall during 2023 from 0.9% to 0.2%.

Leasing

Over the last 12 months, 91 relettings and renewals produced an uplift in rent of 3.8%. New lettings, representing almost 30% of the lease transactions, provided a rental uplift of 11.8%. New tenants who have entered our Italian shopping centres include Flower Burger, our first vegetarian restaurant, and high-end fashion retailer Falconieri at I Gigli. Bomaki, a Nippo-Brazilian restaurant, Camicissima, an Italian retailer specialising in men's shirts, and Wycon, an Italian beauty operator, have recently opened stores in Carosello. In Fiordaliso, toy operator Giochi Preziosi, opened a store of 1,050m² alongside Spanish sport retailer Fútbol Emotion, which successfully opened their first store in Italy. At Il Castello, Footlocker enlarged its existing store and Miniso, the Chinese retailer has also opened. At Curno, F&B operator Signorvino enlarged their unit, while IKEA opened their Plan and Order Point in a 300m² unit trading off the car park. In CremonaPo, Alice Pizza, Billy Tacos and Befed added to the F&B offer, while the relocation of the Brico Io to the newly built retail park provided a unit for the German value retailer TEDi. Fit Active gym is also now open. At Collestrada, we have agreed with Coop to a reduction of the hypermarket, which will allow us to build new units for the relocation of various tenants and improve the merchandising offer with the arrival of new strong international retailers.

JD Sports at Fiordaliso

F&B operator Signorvino have enlarged their unit at Curno.

Valuations

Valuations decreased by 0.6% over the last six months but increased by 1.0% over the year. Solid operational metrics including full rent collection, strong leasing performance and rental growth were all recognised by the valuers who raised exit yields and discount rates to reflect higher interest rates. Overall, the EPRA net initial yield increased by 20bps from 6.0% to 6.2% over 12 months.

ESG activities

By the end of 2023, 100% of the electricity used in six of our shopping centres came from renewable sources, while the remaining two will follow in 2024. Six out of eight centres no longer transfer any waste to landfill. In February 2024, the gas plant at Il Castello was replaced by the Ferrara Municipality's geothermal district heating system, leaving only two out of eight shopping centres still using gas systems. As a result of such investments, the road to carbon neutrality is well advanced: in 2024 five assets, Fiordaliso, Curno, Cremona Po, Collestrada and Il Castello will operate carbon neutral for both Scope 1 and 2 emissions. Curno, I Gigli and Cremona Retail Parks already have solar panel installations providing renewable energy produced on site, while two additional solar panel systems were completed during Q4 2023 and are operational at I Gigli and Carosello, increasing the percentage of self-produced green energy in our portfolio. At I Gigli, we have installed 1,084.45 kWp solar panels on shelters covering 355 parking spaces in front of the Retail Park. Energy production will cover over 40% of the electricity needs of the common areas of I Gigli. At Carosello we installed 2,119 kWp solar panels on land near the shopping centre to cover approximately 60% of the energy needs of the common areas.

To further reduce consumption our smart meter systems have been upgraded in stages to monitor the lighting systems and measure tenant consumption. We have also upgraded the Building Management Systems in Collestrada, Fiordaliso and Cremona Po to improve efficiency and reduce consumption. As a result, energy consumption in 2023 decreased of 19% in comparison to 2022, corresponding to a saving of 883 Tons of CO^{2}, 33% less than 2022.

Italy country report (continued)

BREEAM certifications are all in place, and in 2023 we renewed the BREEAM certificate with the new protocol for Collestrada shopping centre. At the same time, we have run a pre-assessment for the upcoming new BREEAM certification in the other centres. In line with the indications provided in the pre-assessments provided, we aim to upgrade the BREEAM Certification to “Excellent” for I Portali and Curno, to reach five “Excellent” certified centres in the Italian portfolio by Q2 2024.

In 2023, we commissioned a Climate Risk Assessment of all assets, according to SSP2-4.5 intermediate scenario. We have defined a CAPEX plan to mitigate risks, starting from the most severe ones. In accordance with our ESG strategy and the new BREEAM protocol, we are also performing the Transition Risk Assessment for the whole Italian portfolio and Energy Audits for Carosello, Portali and Castello.

A Carbon Risk Real Estate Monitor evaluation (CRREM Due Diligence) has also been performed to assess the progress of our portfolio’s carbon reduction performance (for Scope 1 and 2 emissions) against reduction targets (the developed “pathways”) in line with the Paris Agreement.

To improve green mobility, we will install additional electric car rechargers in most of our centres and contracts with leading electric car manufacturers have already been signed and others are under negotiation. As of today, 30 charging stations for electric cars are spread among Collestrada, Curno, Fiordaliso, Gigli and Cremona.

Solar panels at Carosello Shopping Centre

Solar panels at I Gigli on shelters covering 355 parking spaces

Project

According to our ESG plan and the climate risk mitigation and adaptation plan, we are renewing the insulation and waterproofing of the roofs as well as installing anti-hail skylights in many of our shopping centres. These investments, which will mitigate the risks of tornadoes and hail, will increase the efficiency of buildings and will also benefit from the support of the Italian Government as required by national regulation for improving efficiency (Ecobonus). The new waterproofing layers will also support the future installation of solar panels.

In 2024, the Carosello shopping centre will undergo an important reletting and remerchandising project whereby the space released by the Coin department store (around 3,000m²) will enable a reorganisation of the tenancy mix allowing several important brands to refurbish or establish new stores with formats in line with their latest concepts.

Outlook

Performance in January and February was impacted by the sharp decline in energy prices which led to a faster-than-expected moderation in price pressure. In January 2024, inflation remained below 1%, so conditions appear to have been restored for a gradual acceleration of economic activity in 2024. The strong collection rate recorded in 2023 will be supported by economic production which is expected to grow in 2024, with households' purchasing power expected to benefit from disinflation and rising wages. This positive trend will strengthen in the second half of the year when the expected drop in interest rates should begin to generate a further positive effect on consumption. Against this background, we believe that the positive performances of 2023 can also be repeated during 2024.

I GIGLI

FLORENCE – OPENED 1997, Refurbished in 2017, Extended in 2020

As Tuscany's leading retail and leisure destination, I Gigli is home to an exceptional mix of 140 retailers, restaurants and services, including international brands such as Primark, Inditex and H&M. The opening of Il Cammin de' Gigli links the two main piazzas on the first floor where the merchandising mix has been improved with a new lifestyle destination including Adidas, Nike and JD Sports.

87,492* Gross lettable area
87,492 ECP-owned GLA

1.1 million Catchment

143 Number of stores
18 Medium units
31 Restaurants

100% Occupancy

* Includes retail park and cinema.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Loyalty card
- Welcome Desk
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus ATAF & CAP
- Shuttle Bus service
- Trains from Florence SMN and Prato
- Parking (6,440 spaces)

ESG

BREEAM®

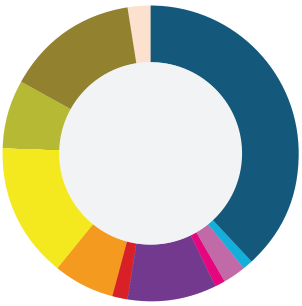
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Transition Risk Assessment
- EV charging stations
- Photovoltaic panels
- Smart meters
- Waste audits
- BREEAM pre-assessment
- 100% renewable electricity
- Fully LED equipped
- BREEAM In-Use V.6 in phase of certification Excellent
- Ecology survey
- CO2 sensors
- Water leaks alarm

SOCIAL/COMMUNITY

- Entertainment - Live events
- Health awareness
- Local artisan street market
- Food collection
- Celebrity meet & greet
- Promoting Chinese culture
- Community events
- Anti-plastic pollution awareness

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Books & Toys

TOP BRANDS

PRIMARK · Apple · ZARA · SEPHORA · MediaWorld · NIKE · UCI · JD · adidas · H&M

MILAN – OPENED 1997, Refurbished and extended in 2008

One of the most important shopping centres in Lombardy and strategically located alongside Milan's ring road, Carosello offers a unique mix of national and international retailers including Apple, Inditex, H&M and a Carrefour hypermarket and is opposite IKEA. Discussions are ongoing with the local municipality for a possible further extension.

52,886* Gross lettable area
52,886 ECP-owned GLA

1.2 million Catchment

118 Number of stores
10 Medium units
12 Restaurants

100% Occupancy

* Includes external units.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Loyalty card
- Welcome Desk
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus shuttle service – Cologno Metro
- Parking (4,000 spaces)

ESG

BREEAM®

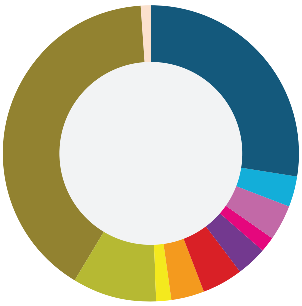
ENVIRONMENT

- CRREM audit
- Energy Audit
- Transition Risk Assessment
- Parking LED Relamping
- Photovoltaic panels
- Smart meters
- Waste audits
- Climate risk assessment
- 100% renewable electricity
- Energy audit
- EV charging stations
- Ecology survey
- CO^2 sensors
- Water leaks detection and alarm
- BREEAM In-Use V.6 in phase of certification Excellent

SOCIAL/COMMUNITY

- Diversity & inclusion awareness
- Anti-violence against women
- Sponsorship of local sport association
- Student activities
- Christmas entertainment
- Anti-plastic pollution awareness
- Pet-friendly activities
- Sustainabilty initiatives (murals)
- Community events

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Books & Toys

TOP BRANDS

H&M, ZARA, NIKE, MediaWorld, SEPHORA, LEGO, VICTORIA'S SECRET

FIORDALISO

MILAN – OPENED 1992, Extended in 2010 and 2021, Refurbished in 2017

Fiordaliso, to the south of Milan, is one of the dominant shopping centres in the city with a broad mix of national and international brands. Eurocommercial co-owns the centre with leading food retailing group Finiper who have relocated to a new hypermarket adjoining the main entrance. Following the opening of Primark, a 7,000m² extension was completed and let to tenants including Adidas, Game 7, JD Sports, Bershka and New Yorker.

79,737* Gross lettable area
66,281 ECP-owned GLA (50% JV)

1.3 million Catchment

159 Number of stores
16 Medium units
28 Restaurants

99% Occupancy

* Includes retail park and external units.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Loyalty card
- Welcome desk
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Metro line M2 Abbiategrasso followed by Tram 15 Isonzo
- Tram 15 Duomo
- Parking (4,750 spaces)

ESG

BREEAM®

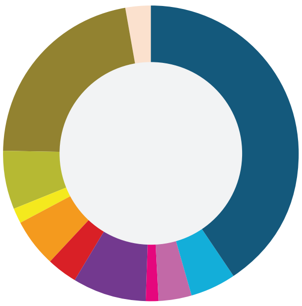
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Transition Risk Assessment
- EV charging stations
- Upgrade of BMS
- Smart meters
- Waste audits
- BREEAM
- 100% renewable electricity
- Fully LED equipped
- CO^2 sensors
- Water leaks alarm

SOCIAL/COMMUNITY

- Entertainment
- Celebrity meet & greet
- Pet-friendly activities
- Eurocommercial Retail Academy®
- Children focused service

BROAD RANGE OF RETAILERS



TOP BRANDS

PRIMARK, ZARA, DECATHLON, MediaWorld, OVS, SCARPE&SCARPE, NEW YORKER, Bershka, adidas

PERUGIA – OPENED 1997, Refurbished and extended in 2007 Refurbished in 2018

Collestrada, located south-east of Perugia, is the prime regional shopping centre in Umbria. With a broad tenant mix, including leading brands such as Zara, H&M and Media World, innovative services and a diverse events programme, the centre has grown in popularity with young customers over the years. Investigations are ongoing for an extension.

32,111
Gross lettable area
32,111
ECP-owned GLA

487,000
Catchment

55 Number of stores
9 Medium units
7 Restaurants

99%
Occupancy

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus line Q2
- Bus Ponte San Giovanni
- Parking (1,900 spaces)

ESG

BREEAM®

ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Transition Risk Assessment
- Upgrade of BMS
- Smart meters
- Waste audits
- BREEAM V.6 in phase of certification Very Good
- Gas dismissal since 2022
- EV charging stations
- Fully LED equipped
- Water leaks alarm

SOCIAL/COMMUNITY

- Health awareness initiatives
- Biodiversity awareness
- Promotion of local culture, music and arts
- Donations to local associations
- Pet-friendly activities
- Eurocommercial Retail Academy®

BROAD RANGE OF RETAILERS

TOP BRANDS

H&M PULL&BEAR ZARA Bershka MediaWorld McDonald's

CREMONAPO

CREMONA – OPENED 2006, Refurbished in 2017, New retail park built in 2018

CremonaPo is located in the city of Cremona and is the largest shopping destination in the province including two adjacent retail parks. It is popular with families with its varied offer of retail and entertainment, with over 80 shops, 14 bars and restaurants, a multiplex 10-screen cinema and a wide range of family-friendly services.

54,839* Gross lettable area
43,006 ECP-owned GLA

* Includes two retail parks and external units.

162,000 Catchment

83 Number of stores
19 Medium units
15 Restaurants

100% Occupancy

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging

ACCESSIBILITY

- Bus lines C & L
- Parking (2,560 spaces)

ESG

BREEAM®

ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Transition Risk Assessment
- EV charging stations
- Upgrade of BMS
- Photovoltaic panels
- Smart meters
- Waste audits
- BREEAM In-Use V.6 in phase of certification Very Good
- partially LED equipped (parking/ food court)
- Ecology survey
- CO^2 sensors
- Water leaks alarm

SOCIAL/COMMUNITY

- Health awareness initiatives
- Entertainment
- Diversity & inclusion awareness
- Free health checks
- Charity campaigns & donations
- Culture music arts promotion
- Vintage/second hand
- Eurocommercial Retail Academy®

BROAD RANGE OF RETAILERS

- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Books & Toys
- Cinema

TOP BRANDS

H&M, PULL&BEAR, MAISONS DU MONDE, Bershka, unieuro, Stradivarius, DECATHLON

IL CASTELLO
CENTRO COMMERCIALE

FERRARA – OPENED 1990, Extended in 1996, Refurbished in 2011 and 2018

Il Castello is the leading shopping centre in the province of Ferrara with nearly 90 stores, including the only Zara and Bershka stores in the catchment. It is anchored by a Coop hypermarket.

The shopping centre has recently been connected to the newly built district heating plant which exploits an existing underground hot water basin.

38,530
Gross lettable area
20,693
ECP-owned GLA

426,000
Catchment

87 Number of stores
6 Medium units
10 Restaurants

100%
Occupancy

SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Electric car sharing
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus line 11
- Parking (2,360 spaces)

ESG

BREEAM®

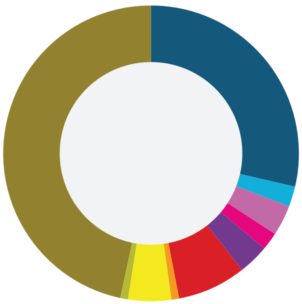
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Energy Audit
- Transition Risk Assessment
- Smart meters
- Waste audits
- BREEAM In-Use V.6 in phase of certification Very Good
- 100% renewable electricity
- Gas dismissal and connection to geothermal heating and cooling system
- Partially LED equipped (external areas)
- Ecology survey
- CO^2 sensors
- Water leaks alarm

SOCIAL/COMMUNITY

- Sustainable mobility events
- Entertainment
- Diversity & inclusion awareness
- Health awareness
- Charity campaigns & donations
- Culture music arts promotion
- Anti-plastic pollution awareness

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket

TOP BRANDS

H&M, Nespresso, Zara, Bershka, Foot Locker, OVS, Pull&Bear

curno
PENSATO PER TE

BERGAMO – OPENED 1991, Refurbished in 2004, Extended in 2019

Curno is well established in a wealthy catchment area west of Bergamo. Comprising 82 shops, it is one of the most important centres in Lombardy. It is anchored by a Spazio Conad hypermarket and 'Le Cucine di Curno', a themed dining hall providing visitors with 22 food and beverage units.

39,186
Gross lettable area
20,991
ECP-owned GLA

485,000
Catchment

86 Number of stores
7 Medium units
20 Restaurants

100%
Occupancy

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Loyalty card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus line 9
- Parking (2,300 spaces)

ESG

BREEAM®

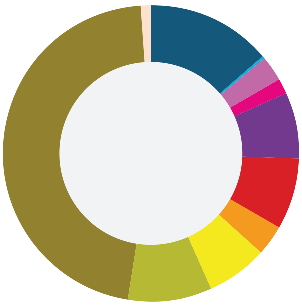
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Transition Risk Assessment
- EV charging stations
- Upgrade of BMS
- Photovoltaic panels
- Smart meters
- Waste audits
- BREEAM In-Use V.6 in phase of certification Excellent
- 100% renewable electricity
- Gas dismissal in 2022
- Partially LED equipped (external and food court)
- CO2 sensors
- Ecology survey
- Water leaks alarm

SOCIAL/COMMUNITY

- Entertainment
- Charity campaigns & donations
- Anti-plastic pollution awareness
- Community events (alpini)

BROAD RANGE OF RETAILERS



TOP BRANDS

cisalfa TERRANOVA MAISONS DU MONDE Bershka MediaWorld

Stradivarius SEPHORA

iPortali
CENTRO COMMERCIALE

MODENA – OPENED 1998, Refurbished in 2015

Located close to Modena city centre, I Portali is well established in its catchment with a strong Coop anchor. Discussions are ongoing with the municipality of Modena regarding a possible extension.

22,525
Gross lettable area
7,867
ECP-owned GLA

346,000
Catchment

50 Number of stores
3 Medium units
6 Restaurants

100%
Occupancy

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 8 & 14
- Parking (2,200 spaces)
- Taxi Rose

ESG

BREEAM®

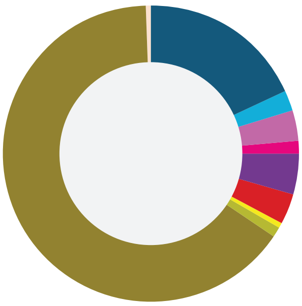
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- Energy Audit
- Transition Risk Assessment
- Smart meters
- Waste audits
- BREEAM Transition
- 100% renewable electricity
- EV charging stations
- Fully LED equipped
- CO^2 sensors
- Water leaks alarm

SOCIAL/COMMUNITY

- Charity and social campaigns
- Pet-friendly activities
- Introduction of utility services
- Christmas craft charity events
- Eurocommercial Retail Academy®
- Community events

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Home Goods
- Telecom & Electrical
- Hypermarket
- Books & Toys

TOP BRANDS

PIAZZA ITALIA, Bata, OVS, CALZEDONIA, intimissimi

Sweden country report

€791.3m
Property value

7
Number of properties

-4.2%
Valuation change (12 months)

479
Number of shops

7.8%
Average uplift from relettings & renewals

269,900m²*
Gross lettable area

9.9%
Rental growth

Property locations

1 Bergvik, Karlstad (Värmland)
2 Hallarna, Halmstad (Halland)
3 Grand Samarkand, Växjö (Småland)
4 Valbo, Gävle (Gästrikland)
5 Ingelsta Shopping, Norrköping (Östergötland)
6 Elins Esplanad, Skövde (Västergötland)
7 C4, Kristianstad (Skåne)

"Our shopping centres continued to perform well with significantly higher levels of retail sales and footfall resulting in low vacancy and full rent collection.

Patrik Sörnell and Jonas Gustavsson
Co-Directors, Eurocommercial Sweden

* Also includes parts of shopping centres not owned by Eurocommercial.

Sweden country report (continued)

In Sweden, our seven shopping centres showed a strong performance during 2023 with increasing footfall and retail sales which, compared to 2022 were up 2.5% and 5.2% respectively. Most sectors performed well, particularly F&B, health & beauty, services, home goods, telecom & electrical and hypermarkets. Our shopping centres have all benefitted from their dominant market position in their regions, and from their strong provision of essential and everyday goods, particularly hypermarkets and Systembolaget (the state alcohol monopoly).

Leasing

2023 saw a continuation of the trend for the largest retail groups present in Sweden to rationalise their store portfolios, concentrating on a reduced number of profitable units in prime retail locations. During the year, the leasing team completed 87 lease renewals and relettings producing an overall uplift of 7.8%. 19 of these lease transactions were new lettings producing an uplift of 22.7% including new stores for KappAhl, Newbie, Hemtex and Rituals. In C4, KappAhl doubled their surface, relocating to a new location and adding their successful children's fashion brand Newbie. Stadium expanded with over 150m² and Hemtex nearly tripled the size of their leased space following their move to their unit in February 2024. Rituals made C4 one of their three premium store units in Sweden, expanding from 125m² to 350m². In Bergvik, Gina Tricot expanded by 111m², adding their teens fashion assortment, while in Hallarna IKEA increased the size of their planning studio unit.

The Danish men's fashion brand Wagner continue to increase their presence in our portfolio by establishing in Samarkand, while the strong omnichannel retailer Kjell & Co opened in Elins Esplanad and are now present in all seven of our shopping centres. Bestseller opened another store with their brand Only in Valbo where Brothers opened their third store in our portfolio. The jewellery retailer Albrekts Guld opened two stores, in Samarkand and in C4. Hunkemöller relocated to C4 and Specsavers, the optician retailer, added another unit in Hallarna where Clas Ohlson opened a new flagship store in time for Easter 2024.

Opening of the new Rituals store in C4.

Valuations

Valuations decreased by 4.2% over twelve months and by 1.6% over six months. Increased interest rates during the year was the main reason cited by valuers who raised exit yields by an average of around 50 bps over the year.

The valuers generally commented on the strong retail offer in our centres, particularly groceries and everyday goods generating regular footfall, increasing net operating income, strong retail sales growth and the low vacancy rate, which have all resulted in full rent collection throughout the year.

ESG activities

We continue to focus on sustainability in our project work and last year reduced our consumption of electricity by over 7.0% including the tenants' electrical consumption, and reduced district cooling by 16.8%. During 2023 we also finalised our re-lamping projects and all common areas in our shopping centres now effectively operate fully on LED only.

Our seven Swedish centres are all equipped with solar panels following the last installations on the roofs of Ingelsta Shopping, Valbo, Bergvik, Hallarna and C4 during summer 2021. We are now capable of producing around 3.4MKwh/year of green electricity on site, equivalent to around 10% of the annual electricity consumption in the Swedish portfolio. Furthermore, all of our Swedish shopping centres have multiple car chargers installed and we now have 127 car chargers up and running with another 82 chargers signed and due to be opened shortly. Our main provider of high speed car chargers is Tesla who have a total of 90 chargers open or signed to be open shortly on our sites. Their main supercharger station is at Hallarna where they have 28 car chargers operational and are looking to expand the station even further as demand is growing fast in Sweden. In Bergvik, we have updated the geothermal heating and cooling system to further improve efficiency and reduce energy consumption.

A Carbon Risk Real Estate Monitor evaluation (CRREM Due Diligence) as well as a comprehensive climate change risk assessment have been performed for all assets to assess the progress of our portfolio's carbon reduction performance against reduction targets (the developed "pathways") and make sure we can mitigate any climate change risks going forward.

During 2023, we actively engaged with our local communities by providing more services as well as organising events and local collaborations to establish long lasting engagement with our visitors, maintaining a helpful attitude and providing quality customer experience. We particularly support our elderly and senior communities such as the Pensioners Association in Gävle which has a long association with Valbo. Promoting health and well-being is also very important and we organised several local sporting events during 2023, including the popular Football Festival at Ingelsta Shopping which promotes good sportsmanship, and the handball referee event in Elins Esplanad. At Grand Samarkand, we have opened a new healthcare centre operated by Feel Good, the largest company providing company healthcare in Sweden, who opened in a previously unoccupied ancillary space above the shopping centre. We continue to promote professional development with the Eurocommercial Retail Academy® and also support young entrepreneurial initiatives.

Projects

In Valbo, the 1,000m² extension and new masterplan was finalised and opened to the public during October 2023 with a new visitor record. The project provides a new entrance to a renovated car park and improved tenant mix with seven new shops including further national brands in F&B and consumer electronics. Subway and Espresso House relocated into new units, and the food and beverage offer was complemented in the extension by two new restaurants, Chili & Wok and Baked & Grilled. The jewellery retailer Hallbergs Guld and health goods retailer Life also opened together with Telia and Jeansbolaget. Our focus is now on the project at Ingelsta Shopping where ICA have recently vacated their 10,000m² store and have relocated to a standalone hypermarket in the same retail zone. We have already relet 5,000m² to COOP, and are currently in advanced negotiations to lease the remainder of the vacant space to important retailers who will complement and add to the current retail mix.

Outlook

Footfall in January and February 2024 has started positively despite the negative effect of high interest rates and increased costs of living. With interest rates, inflation and energy prices now stabilising, we expect a year of stable retail sales and continued tenant demand for space in our shopping centres. Our 100% collection rate achieved in 2023 has continued during the first months of 2024 despite indexation of over 17% over the last two years, with 10.8% during 2023 and 6.5% during 2024, demonstrating the resilience and strong operations in our shopping centres.

Hallarna

HALMSTAD – OPENED 1991, Refurbished and extended in 2017

Hallarna is the dominant regional shopping centre in Halland with 83 shops, restaurants and a newly renovated hotel. Hallarna is located alongside the E6 motorway outside Halmstad, a popular west coast tourist destination. A major refurbishment and 16,000m² extension opened in 2017. Hallarna was awarded Best Shopping Centre of the year 2019 by NCSC.

40,700* Gross lettable area
40,700 ECP-owned GLA

270,000 Catchment

83 Number of stores
12 Medium units
8 Restaurants

95% Occupancy

* Includes hotel.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Loyalty Programme
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 2 & 3 from Halmstad
- Parking (1,500 spaces)

ESG

BREEAM®

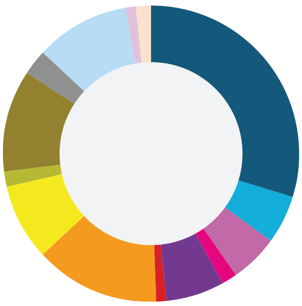
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- 100% renewable electricity
- LED relamping
- Fully LED equipped
- Car charging stations
- Photovoltaic panels
- BREEAM In-Use Very Good

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Health awareness
- Sports events
- Charity initiatives
- Sustainability promotion
- Tenant ambassadorship
- Junior Achievement

BROAD RANGE OF RETAILERS



TOP BRANDS

H&M, XXL, McDonald's, Normal, Systembolaget, Coop, Stadium, Rituals, Clas Ohlson, IKEA

KARLSTAD – OPENED 1982, Refurbished and extended in 2003, 2015 and 2016

Bergvik was refurbished and extended in 2015 and comprises 70 shops and two hypermarkets and adjoins an IKEA. Bergvik is strategically located alongside the E18 motorway to the west of Karlstad and is the largest shopping destination in Värmland with over six million visitors each year.

48,000* Gross lettable area
32,900 ECP-owned GLA

270,000 Catchment

70 Number of stores
8 Medium units
9 Restaurants

99% Occupancy

* Includes external units.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 1 & 4 from Karlstad
- Parking (2,200 spaces)

ESG

BREEAM®

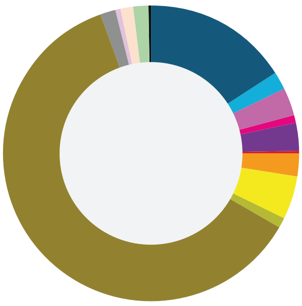
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- 100% renewable electricity
- Geothermal heating and cooling system
- LED relamping
- Car charging stations
- Beehives
- Photovoltaic panels
- BREEAM In-Use Very Good

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Health awareness
- Sports events
- Charity initiatives
- Sustainability promotion
- Tenant ambassadorship
- Dentist
- Junior Achievement

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Systembolaget
- Storage
- Books & Toys
- Fitness
- Other

TOP BRANDS

H&M, Kappahl, Nordic Wellness, Normal, Systembolaget, Coop, Maxi ICA Stormarknad, Lindex

C4

Kristianstad – OPENED 2018

C4 comprises a new shopping centre and an adjoining City Gross hypermarket located alongside the E22 motorway outside Kristianstad and serves a regional catchment of 300,000. An adjoining retail park and new residential developments strengthen the retail zone which has attracted most of Sweden's important retailers.

39,500 Gross lettable area
39,500 ECP-owned GLA

300,000 Catchment (within 20 minutes)

87 Number of stores
13 Medium units
10 Restaurants

92% Occupancy

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 545, 551 & 558 from Kristianstad
- Parking (1,700 spaces)

ESG

BREEAM®

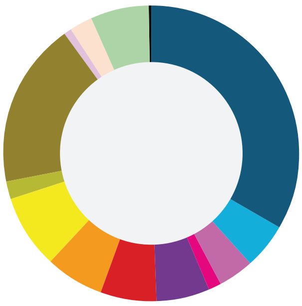
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- 100% renewable electricity
- Geothermal heating and cooling system
- LED relamping
- Car charging stations
- Beehives
- Photovoltaic panels
- BREEAM In-Use Very Good

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Health awareness
- Sports events
- Charity initiatives
- Sustainability promotion
- Tenant ambassadorship
- Junior Achievement
- Health care centre

BROAD RANGE OF RETAILERS

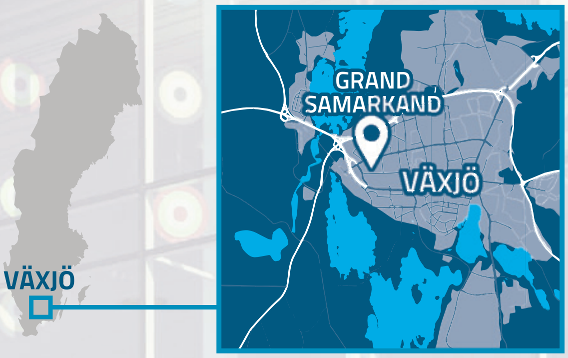


- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Storage
- Books & Toys
- Fitness
- Other

TOP BRANDS

H&M, stadium, Clas Ohlson, Normal, CITY GROSS, HEMTEX, LINDEX, RITUALS..., Kappahl

GRAND SAMARKAND



Växjö – OPENED 1973, Refurbished and extended in 2011

Grand Samarkand is located in the main external retail zone of Växjö and is the most popular shopping destination in Småland. The shopping centre was redeveloped in 2011 to provide 66 shops and restaurants and adjoins an ICA hypermarket.

35,400* Gross lettable area
23,300 ECP-owned GLA

240,000 Catchment

66 Number of stores
9 Medium units
9 Restaurants

100% Occupancy

* Includes external units.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 3, 4 & 8
- Parking (1,500 spaces)

ESG

BREEAM®

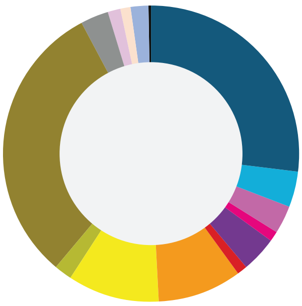
ENVIRONMENT

- BREEAM In-Use Very Good
- Green committee
- Beehives
- Geothermal heating and cooling
- 100% renewable electricity
- Solar panels
- Climate risk assessment
- LED relamping
- Car charging stations

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Dentist
- Health awareness
- Sports events
- Charity initiatives
- Junior Achievement
- Event promoting sustainability
- Tenant ambassadorship

BROAD RANGE OF RETAILERS



TOP BRANDS

H&M, Kappahl, Stadium, Normal, Systembolaget, Maxi ICA Stormarknad, Rituals, Lindex, IKEA

VALBO

Gävle – OPENED 1970, Refurbished in 2020 and extended in 2023

Valbo is located on the E16 motorway to the west of Gävle and is an established regional shopping centre having been inaugurated in 1970. Valbo comprises 37,000m² and is let to 80 retailers including a Coop hypermarket and part of the adjoining IKEA. An adjoining retail park further strengthens the retail zone. A major refurbishment, extension and improvement to the masterplan was recently completed to include new stores for New Yorker, Hemtex, Normal and a full-concept H&M.

54,500* Gross lettable area
37,800 ECP-owned GLA

250,000 Catchment

80 Number of stores
11 Medium units
8 Restaurants

98% Occupancy

* Includes retail park and external units.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus line 41 from Gävle
- Parking (1,800 spaces)

ESG

BREEAM®

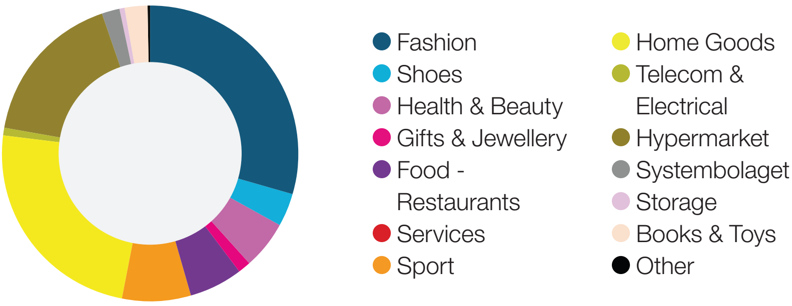
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- 100% renewable electricity
- LED relamping
- Car charging stations
- Photovoltaic panels
- BREEAM In-Use very good

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Health awareness
- Sports events
- Charity initiatives
- Sustainability promotion
- Tenant ambassadorship
- Elderly community
- Junior Achievement
- Car boot sales

BROAD RANGE OF RETAILERS



TOP BRANDS

H&M, Kappahl, Stadium, Normal, Systembolaget, Coop, IKEA, Lindex, New Yorker

ELINS ESPLANAD

Skövde – OPENED 1997, Refurbished and extended in 2020

Elins Esplanad provides 40 shops and an ICA hypermarket and is the first shopping choice in Skövde and the Skaraborg region, serving a catchment of 240,000 people. Recent store openings include H&M, Cassels and a Nordic Wellness gym. Planning approval for a further 5,000m² GLA has been obtained and could provide 13 additional shops and restaurants.

26,500
Gross lettable area
26,500
ECP-owned GLA

240,000
Catchment

40 Number of stores
10 Medium units
5 Restaurants

98%
Occupancy

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 2 & 6 from Skövde
- Parking (1,000 spaces)

ESG

BREEAM®

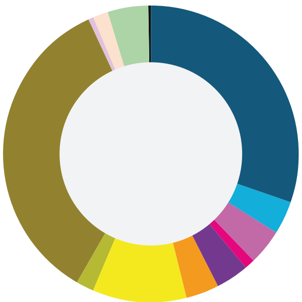
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- 100% renewable electricity
- LED relamping
- Car charging stations
- Photovoltaic panels
- BREEAM In-Use very good

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Health awareness
- Sports events
- Charity initiatives
- Sustainability promotion
- Tenant ambassadorship
- Junior Achievement

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Storage
- Books & Toys
- Fitness
- Other

TOP BRANDS

H&M Kappahl stadium LINDEX MAXI ICA STORMARKNAD Clas Ohlson NORDIC WELLNESS

ingelsta. shopping

NORRKÖPING – OPENED 1994, Refurbished in 2009 Extended in 2008 and 2018

Ingelsta Shopping is located in the main external retail area of Norrköping at the city's northern entrance from the E4 motorway. Ingelsta Shopping comprises around 50 shops and a recently renovated food court. The ICA hypermarket recently vacated and will be replaced by Coop in November 2024.

25,300* Gross lettable area
25,300 ECP-owned GLA

280,000 Catchment

53 Number of stores
7 Medium units
6 Restaurants

100% Occupancy

* Includes external units.

SERVICES

- Free Wi-Fi
- Click and Collect
- Gift card
- Electric car charging
- Digital Signage/ Advertising

ACCESSIBILITY

- Bus lines 12 & 13 from Norrköping (stop Tennagatan)
- Parking (1,200 spaces)

ESG

BREEAM®

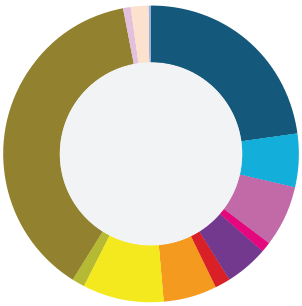
ENVIRONMENT

- Climate risk assessment
- CRREM audit
- 100% renewable electricity
- LED relamping
- Car charging stations
- Photovoltaic panels
- BREEAM In-Use very good

SOCIAL/COMMUNITY

- Eurocommercial Retail Academy®
- Health awareness
- Sports events
- Charity initiatives
- Sustainability promotion
- Tenant ambassadorship
- Junior Achievement

BROAD RANGE OF RETAILERS



- Fashion
- Shoes
- Health & Beauty
- Gifts & Jewellery
- Food - Restaurants
- Services
- Sport
- Home Goods
- Telecom & Electrical
- Hypermarket
- Storage
- Books & Toys
- Office
- Other

TOP BRANDS

H&M, Kappahl, Stadium, Lindex, Coop, Clas Ohlson, IKEA

Corporate Governance

In accordance with the Dutch Corporate Governance Code (the Code), a broad outline of the corporate governance structure of the Company is presented in this section, including any departures from the Code's best practices. The full text of the Code can be found on the website www.mccg.nl. In the following paragraphs the above broad outline is presented.

General Meeting of Shareholders

The General Meeting of Shareholders has overriding powers on such matters as changes to the Company's Articles of Association, adoption of the accounts and result allocation. It also has powers regarding the appointment, suspension, dismissal and remuneration of members of the Board of Management and the Supervisory Board. Shareholders are entitled to attend and to vote at the General Meeting of Shareholders. Each share confers the right to cast one vote at the General Meeting of Shareholders. Resolutions are adopted with a simple majority of votes cast without any quorum requirements, unless Dutch law or the Articles of Association prescribe a larger majority or a quorum.

Every year, at least one General Meeting of Shareholders must be held within six months after the end of the financial year. Additional General Meetings of Shareholders may be held throughout the year. General Meetings of Shareholders are convened by the Board of Management or the Supervisory Board. Furthermore, upon written request by shareholders who solely or jointly represent at least 10% of the issued share capital, which request must specify the items to be considered, the Board of Management and the Supervisory Board shall be required to convene a General Meeting of Shareholders. If the Board of Management and Supervisory Board fail to do so in a timely manner, those shareholders can be authorised by a competent Dutch court to convene a General Meeting of Shareholders themselves.

The notice calling a General Meeting of Shareholders must specify the agenda for the meeting. The agenda shall contain such items as the persons convening or requesting the meeting decide. Furthermore, shareholders whose shares solely or jointly represent at least (i) 1% of the issued share capital, or (ii) a value of EUR 50 million, may request the Board of Management and Supervisory Board in writing and no later than on the sixtieth day prior to the date of the General Meeting of Shareholders, to include certain items on the agenda.

General Meetings of Shareholders are held in Amsterdam, Rotterdam, The Hague or the municipality of Haarlemmermeer (Schiphol Airport). The meetings are chaired by the Chairman, in principle being the chairman of the Supervisory Board. The Secretary appointed for the meeting will take minutes of the proceedings at the meeting. The minutes will be signed by the Chairman of the meeting and by the Secretary. In principle, the minutes will be published on the Company's website within three months after the meeting.

Supervisory Board

In the year under review, the Supervisory Board comprised Mr. Bas Steins Bisschop, Chairman of the Supervisory Board, Mrs. Emmanuèle Attout, Mrs. Karin Laglas and, as from the Annual General Meeting of Shareholders held on 13 June 2023, Mr. Bernard Roelvink.

The Supervisory Board's primary task is to supervise the Board of Management's policies and the general course of affairs and activities of the Company and to provide advice and guidance to the Board of Management. In pursuing these responsibilities, the Supervisory Board acts in the best interests of the Company and its business enterprise, while taking into account the interests of all stakeholders. Supervision focuses on the vision of the Board of Management on sustainable long-term value creation for the Company, the related strategy and policies, and the achievement of corporate goals. In addition, the Supervisory Board supervises the proper management of internal risks and execution of control structures, the property, financial and sustainability reporting process, and legal and regulatory compliance. Furthermore, the Supervisory Board prepares the remuneration policy of the Board of Management and Supervisory Board and proposes the individual remuneration of the Board of Management members according to the policy and remuneration proposals approved by the General Meeting of Shareholders. Under powers granted to it by the General Meeting of

Shareholders for the period to 12 December 2024, the Board of Management, subject to the approval of the Supervisory Board, is authorised to issue new shares up to a maximum of 10% of the issued share capital and to determine the terms of issue, including the power to limit or exclude the pre-emptive rights of existing shareholders. Mutatis mutandis the same applies to the granting of rights to subscribe for shares.

The Supervisory Board determines the number of Managing Directors and Supervisory Directors of the Company. The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination drawn up by the Supervisory Board. The General Meeting of Shareholders may overrule the binding nature of this nomination with a majority of at least two/thirds of the votes cast, representing more than half of the issued share capital, following which the General Meeting of Shareholders will be free in its appointment. The General Meeting of Shareholders is also authorised to suspend and dismiss Supervisory Directors. A resolution by the General Meeting of Shareholders to dismiss or suspend a Supervisory Director can be passed with a simple majority of the votes cast, representing at least one half of the issued share capital.

Pursuant to the Articles of Association, the Supervisory Directors retire under a rotation scheme. Any proposal for appointment or reappointment to the General Meeting of Shareholders shall be properly explained. In the case of a reappointment, account will be taken of the candidate's performance and functioning as a Supervisory Director. The rules and regulations of the Supervisory Board stipulate that the maximum term in office is 12 years. The Code provides for the basic principle that Supervisory Directors are appointed for a period of four years and can be reappointed for another four-year period. After that, reappointment is possible for a maximum term of two-years, which may be extended by another two-year term.

The General Meeting of Shareholders determines the remuneration of members of the Supervisory Board. All members of the Supervisory Board are independent in accordance with the Code.

The Supervisory Board meets according to a fixed schedule of meetings. In the financial year under review, the Supervisory Board met ten times. There are special meetings including those dedicated to a discussion – without the Board of Management being present – of the Supervisory Board's own functioning, the functioning of its committees, the relationship with the Board of Management and the composition, assessment and remuneration of the Board of Management. The Supervisory Board profile to which the members of the Supervisory Board are expected to comply will be evaluated annually and, where necessary, revised.

In the year under review, no business transactions took place in which conflicts of interest could have played a role. Any business transactions between the Company and the members of the Boards are published in the Annual Report. The profile, rules and regulations of the Supervisory Board and the resignation rota for members of the Supervisory Board are published on the Company's website.

The Supervisory Board has established two permanent committees from among its members: the Audit Committee and the Nomination and Remuneration Committee. The charters for these committees are attached to the rules and regulations of the Supervisory Board. In addition to these permanent committees, the Supervisory Board may establish ad hoc committees.

The Audit Committee consist of all members of the Supervisory Board. The Audit Committee, among other things, monitors the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems, the functioning of and relationship with the external auditor and the functioning of the internal audit function. The Audit Committee prepares the Supervisory Board's decision-making regarding the supervision of abovementioned subjects. Further information on the role and functioning of the Audit Committee can be found on page 185.

The Nomination and Remuneration Committee consists of all members of the Supervisory Board. The Nomination and Remuneration Committee, among other things, prepares the Supervisory Board's decision making regarding the selection and appointment of Managing Directors and Supervisory

Corporate Governance (continued)

Directors, their performance and succession as well the remuneration policy of the Board of Management and Supervisory Board and their renumeration. Further information on the role and functioning of the Nomination and Remuneration Committee can be found on page 186.

Board of Management

The Board of Management (consisting of Evert Jan van Garderen, Roberto Fraticelli and Peter Mills) is responsible for managing the Company and its subsidiaries. The Board of Management is responsible for the business continuity of the Company and sets the strategy and policies for the Company to achieve sustainable long-term value creation. It is accountable for the pursuit and achievement of corporate goals and objectives of the Company and its subsidiaries, its strategy and policies. In addition to determining strategy and its implementation, the Board of Management optimises the risk management and control of the Company, its financing and ensures that the Company and its subsidiaries comply with legal and other applicable regulatory requirements. In pursuing these responsibilities, the Board of Management acts in the best interests of the Company and its subsidiaries, while taking into account the interests of all stakeholders.

The members of the Board of Management are appointed by the General Meeting of Shareholders from a binding nomination drawn up by the Supervisory Board. The General Meeting of Shareholders may overrule the binding nature of this nomination with a majority of at least two/thirds of the votes cast, representing more than half of the issued share capital, following which the General Meeting of Shareholders will be free in its appointment. The General Meeting of Shareholders is also authorised to suspend and dismiss Managing Directors. A resolution by the General Meeting of Shareholders to dismiss or suspend a Managing Director can be passed with a simple majority of the votes cast, representing at least one half of the issued share capital. Managing Directors may also be suspended by the Supervisory Board.

Managing Directors are appointed for a maximum period of four years and may be renewed. The Board of Management's remuneration is determined in line with the remuneration policy set out in the Remuneration Report and as adopted by the General Meeting of Shareholders at the proposal of the Supervisory Board. Key indicators for their remuneration are based on aligning the Board of Management's interests with those of the stakeholders. The remuneration of the members of the Board of Management is determined by the General Meeting of Shareholders, with due observance of the remuneration policy. The amount of compensation that a member of the Board of Management may receive on termination of his or her employment may not exceed one year's base salary. The Supervisory Board annually prepares a Remuneration Report which is posted on the Company's website.

Evert Jan van Garderen, Chief Executive Officer

Evert Jan van Garderen (62) joined Eurocommercial in 1994 after experience in a major law firm and an international investment group. He held the position of Chief Financial Officer from 1994 until he was appointed Chief Executive Officer in November 2020. Mr van Garderen, a graduate of Erasmus University Rotterdam, is both a Chartered Accountant and a qualified lawyer.

Roberto Fraticelli, Chief Financial Officer

Roberto Fraticelli (52) joined Eurocommercial in 1998. He was appointed Chief Financial Officer in November 2020 and holds the position of Head of Italy since 2016. Mr Fraticelli holds a university degree in Business Administration from the LUISS University (Rome), a degree in Political Science from the University of Amsterdam and an Executive MBA from the Erasmus University Rotterdam. He is also a Chartered Surveyor.

Peter Mills, Chief Investment Officer

Peter Mills (65) joined Eurocommercial in 1993 after experience at major international property consultants covering the UK and European retail markets. Mr Mills was responsible for the Company's operations in Sweden until he was appointed Chief Investment Officer in November 2020. Mr Mills is a Chartered Surveyor and read Land Economy at Cambridge University.

External auditor

The external auditor is appointed by the General Meeting of Shareholders. The external auditor attends the meeting of the Supervisory Board and the Board of Management at which the annual and half-year figures are discussed and adopted. The Supervisory Board also meets with the external auditor without the presence of the Board of Management. The quarterly, half-year and annual figures presented in press releases are discussed with the external auditor prior to publication. The annual accounts are audited by the external auditor.

The General Meeting of Shareholders may question the external auditor about their report on the fairness of the annual accounts. The external auditor will address the meeting in respect of this matter.

KPMG Accountants N.V. were reappointed as the Company's auditors by the General Meeting of Shareholders in June 2022 for the financial year 2023. In 2023, KPMG Accountants N.V. were reappointed for the financial year 2024. The reappointment of the Company's auditors for the financial year 2025 will be tabled at the 2024 Annual General Meeting.

Corporate governance best practice

The Code is based on the "comply or explain" principle. In case of non-compliance with the Code, the reasons for and extent of such non-compliance must be explained. The only principles and best practice provisions of the Code with which the Company does not fully comply and which require an explanation are:

Principle 3.2 of the Code

Principle 3.2 of the Code provides that the Supervisory Board determines the remuneration of the members of the Board of Management. However, in accordance with the Dutch Civil Code and as provided in the Articles of Association of the Company, the remuneration of the individual members of the Board of Management is determined and adopted by the General Meeting of Shareholders.

Provision 4.3.3 of the Code

Members of the Board of Management and the Supervisory Board are appointed to and removed from office by the General Meeting of Shareholders. This is in line with the Code. Pursuant to the Articles of Association of the Company, the Supervisory Board has the right to make binding nominations for the appointment of members of the Board of Management and the Supervisory Board. The Code considers as best practice in provision 4.3.3 that the General Meeting of Shareholders may cancel the binding nature of a nomination by an absolute majority of the votes cast with a quorum requirement of not more than one third of the issued share capital. The Articles of Association of the Company are aligned with art. 2:133(2) of the Netherlands Civil Code and provide that the General Meeting of Shareholders may cancel the binding nature of a nomination by a two-thirds majority of the votes cast, representing more than one half of the issued share capital. Also, the Articles of Association of the Company provide that no new meeting can be convened if the required quorum is not met. The Supervisory Board and the Board of Management are of the opinion that these deviations from provision 4.3.3 of the Code will enhance the continuity of the Company and contribute to the long-term value creation by the Company.

Corporate responsibility

Shopping centres play a major role within the local community as places for people not only to shop in, but also to relax and interact with each other. The Company therefore strives to integrate itself as much as possible into its surrounding environment. Reference is made to the ESG section of the Annual Report.

The Company is committed at both the corporate and operational level to minimising the impact of its business activities on the environment. The Company discloses its energy and water consumption, waste production and greenhouse gas emissions on an annual basis. This information can be found on page 81 and 82.

At the corporate level, the Company uses video conferencing systems to lower internal travel costs. In addition, the offices have recycling programmes in place.

The Company understands that its employees are its most important asset. To this end, it actively encourages and supports employees to further

Corporate Governance (continued)

their professional training and development, where appropriate. The Company prides itself on being a good employer, which is epitomised in the lengthy average tenure of employment and very low personnel turnover.

Organisation, culture and long-term value creation

Eurocommercial has offices in Amsterdam, Milan, Paris and Stockholm. The French, Italian and Swedish teams are responsible for in-house functions such as leasing, rent collection, technical supervision and administration. The French team is also responsible for Woluwe Shopping in Brussels.

The Board of Management and Country Directors, responsible for the respective countries, keep the Supervisory Board of the Company fully informed of operations through formal management reports and informal discussions as necessary.

Investment in property is a local and long-term business. The country teams therefore comprise mainly nationals and residents of the country in which investments are made. The teams consist of skilled professionals with relevant experience who understand the importance of local values and practices to avoid errors and mistakes. There is a significant number of employees who have been employed for more than ten years.

At the same time an international organisation requires high standards of transparency, reporting and accountability. The Company is promoting clear and open communication and taking responsibility. Complying with high standards of good business practices is fundamental for sustainable long-term value creation. A good long-term relationship with tenants, local communities and governments requires diligent staff who adhere to proper business ethics and are fully aware that reputational risk for the Company and its employees is a very important risk factor which needs to be carefully managed. Training of management and staff in these areas and cross-country meetings and visits by management and staff members therefore take place regularly, so that there is good internal knowledge sharing and a good understanding of how Eurocommercial management and staff should act and perform. The Code of Conduct of the Company provides the core rules for management and staff to adhere to and provides guidance on behaviour and on maintaining the Eurocommercial values. During the financial reporting period no violation of the Code of Conduct has been reported or established.

Every employee under a permanent labour contract is entitled to the long-term incentive under the Group's Performance Share Plan, which is clearly aimed at linking remuneration to a long-term commitment of the individual employee and the performance of the Company. It is believed this Plan contributes to alignment of management and staff with the interests of the Company and its stakeholders and underlines the culture in the Group that each individual is considered to contribute to the success of the Company and is therefore also entitled to a long-term incentive.

Remuneration

The remuneration policy for Supervisory Directors and Managing Directors approved by the General Meeting of Shareholders on 14 June 2022. Supervisory Directors receive a fixed fee. Managing Directors may be entitled to cash bonuses in addition to their base salaries. These bonuses, like those of the senior managers, are directly linked to the annual growth in the Company's adjusted net asset value, the annual total return and annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as to two ESG key performance indicators. These growth percentages, if any, and ESG KPIs are used to calculate the variable income as a percentage of base salary. Since 2012, a Performance Share Plan has been in place for Managing Directors, regional directors and permanent staff of the Company. Under this scheme, conditional shares receipts may be granted from time to time, but these only vest after three years have lapsed from the date of granting, provided certain targets are met. After vesting, these shares are blocked for another two years. The remuneration policy is set out in the Remuneration Report posted on the Company's website. A summary of the Remuneration Report is included in the Report of the Board of Supervisory Directors on page 184.

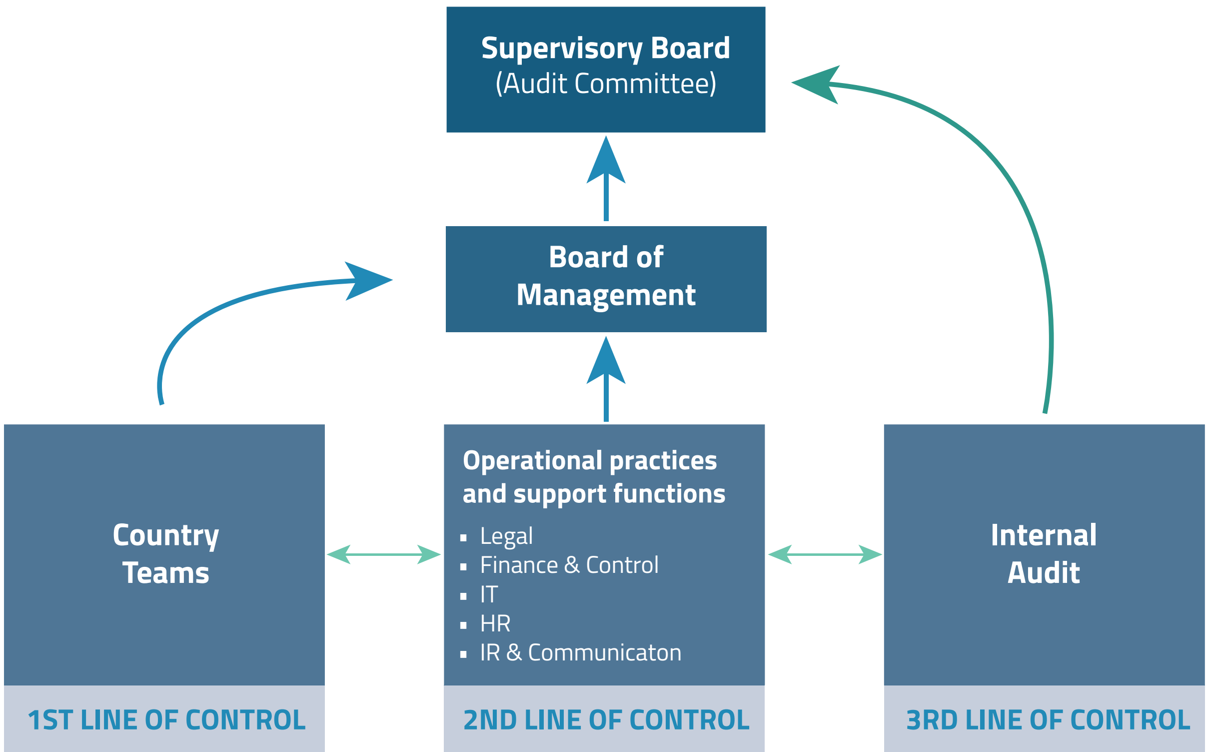
Risk Management

Internal risk management and control system

The Company's management structure and corporate strategy are designed to serve long-term value creation including maximisation of shareholders' value while minimising risks to the accepted risk appetite. The Company has a long-term investment horizon and carefully monitors and manage its exposure to risks deriving from its investment policies through its internal risk management control system. Established controls and procedures are in place covering the implementation of its policies and the monitoring of the related results and implications. Policies, guidelines, reporting systems and segregation of duties have been issued and are currently in place to enable the above-mentioned controls. The internal risk management and control system at Eurocommercial Properties is aimed at:

- clearly identify the risks linked to the activity of the Company, their probability of occurrence and their impact on Company's value, assets and reputation;
- set up and maintain an adequate control system to monitor and prevent the occurrence of the risks and to mitigate their impact;
- ensure that the corporate strategy is implemented;
- achieve effective and efficient corporate processes to meet the business objectives;
- safeguard the value of corporate assets;
- ensure the reliability and integrity of accounting and management data;
- ensure that operations comply with all existing rules and regulations.

The following table summarise the internal risk management and control system of the Company:



The Audit Committee prepares the Supervisory Board's decision-making regarding the supervision of the integrity and quality of the Company's financial and sustainability reporting and the design and operation of the Company's internal risk management and control systems. The Audit Committee currently includes all members of the Supervisory Board. Next to other duties the Audit Committee carries out the following:

- monitoring the financial and sustainability reporting process and drawing up proposals to safeguard the integrity of this process;
- monitoring the effectiveness of the internal control systems, the internal control function and risk management systems with regard to the Company's financial and sustainability reporting.

The Audit Committee approves the Internal Audit Plan and monitors its execution and the results of the controls performed. The Audit Committee meetings are held at least on a quarterly basis in the presence of all the members of the Supervisory Board and, upon invitation, of the Board of Management. During these meetings the progress on the execution of the annual audit plans and the internal and external auditors' findings on the Company's control system are also discussed.

The Board of Management ensures that the teams located in each country:

- have identified and assessed the risks that the Company faces in the regions where it operates;
- have established a risk management system to address these risks;
- have validated the level of control over each given risk;
- have set a proper segregation of duties and responsibilities;
- have clearly defined the risk-related responsibilities for each risk owner.

The teams located in the countries represent a first line of risk control. A comprehensive manual on the internal control has been approved and made available to the employees through the Company's intranet. The manual provides a detailed description of the procedures to be followed for any operation in the various countries, identifies the key controls and responsibilities and describes the segregation of duties and authorisation structures that have to be implemented and maintained. The procedures and the controls outlined in the manual concern both the business activities (signing and registering of new leasing contracts, managing of the shopping centres, valuation and execution of new investments, etc.) and corporate activities (approval and issuance of purchase orders, budgeting process, comparison between actuals and forecast, etc.). Specific attention is provided to the treasury and financial activities, mainly to minimise the risk of fraud. The payment procedures of the countries are very strict, requiring in most cases the involvement of the Amsterdam head office where all payments for the Group are finally authorised by at least two senior signatories.

A second line of control is represented by the operational practices and support functions such as Legal, Treasury Finance and Control, Information Technology, Human Resources, Investor Relations and Communications. Key elements of the internal control systems, are designed to enable effective and collegiate decision-making, monthly review of important indicators, such as turnover in shopping centres, rent collection, vacancy, arrears and doubtful debtors, and weekly meetings between the Board of Management and the Country Directors and senior staff to review each country's performance against budgets and long-term financial plans. All major corporate, property and financial decisions are discussed and reviewed at regular meetings of the Board of Management together with senior management comprising the heads of the Belgian, French, Italian and Swedish businesses, the Group Leasing Director, the finance team, the research department and the Group Economist. The teams discuss the chosen topics – be it an acquisition, renovation project, property management, leasing, extension/refurbishment, divestment, fundraising or financing issue – against a number of key criteria including financial implications, strategic fit and the impact it will have on the Company's long-term strategy.

Strict procedures are also observed for the periodic drawing up of monthly, quarterly and annual figures on the basis of the adopted policies. The

Risk Management (continued)

internal management reporting system is designed to directly identify developments in the value of investments and in income and expenses. For this purpose, use is made of specific data processing software within an automated, integrated information systems. A back-up and recovery plan is in place so that data can be easily and quickly restored. Professionally managing and controlling risks associated with safeguarding the continuity, availability, functioning and security of its IT systems is of vital importance to the Company. The Company invests in further digitalising its corporate processes, focusing extensively on the security of its data and other information, to prevent serious business interruptions and cybercrime attempts and to comply with the prevailing privacy legislation and market practice.

A third line of control is represented by the Internal Audit. The Internal Audit is an independent body, reporting to the Audit Committee. Due to its size, the Company has outsourced the internal audit function to a reputable audit firm. By executing the annual audit plan approved by the Audit committee, the Internal Audit checks the correct implementation of the procedures, evaluates the effectiveness of the existing risk management and control system and provides suggestions to its further strengthening and improvement.

MAIN RISK FACTORS

The Company identified 21 main material and specific risks, that are grouped in the following four macro categories:

- macro and strategic risks
- operational risks
- financial risks
- compliance and reputation risks.

These risks have been selected on the basis of their impact and probability, before taking into account risk management and internal control mechanisms put in place by the Company and are summarised in the table below.

Category	Risk Factor	
Macro and strategic risks	• Global economy/Occurrence of global events (i.e. a pandemic) • Climate and related risks • Evolution of retail market	• Country and sector weighting of assets • Timing of investments and divestments
Operational risks	• Asset selection • Counterparty risk • Tenant selection and credit risk • Physical condition of properties	• Property extension/ redevelopment risk • Business Ethics • Health and safety and Human capital • Cybersecurity
Financial and liquidity risks	• Credit risk • Interest rate risk • Access to capital resources	• Liquidity risk • Currency risk
Compliance and reputation risk	• Taxation • Reporting risk	• Compliance with national and European Regulations

For each risk identified, we have indicated a description of the risk, its impact on the Company and the risk mitigation measures taken.

Risk Management (continued)

Macro and strategic risk

Global economy/Occurrence of a global event (i.e. pandemic)

Description

Macroeconomic factors have a significant impact on the Company's activity. They can also be influenced by geopolitical changes. Negative macroeconomic trends and their impact on the labour market and purchasing power can affect footfall and retailers' sales within the Company's shopping centres. This could reduce the possibility to increase rents in renewals or relettings and lead to a decrease of the variable rents based on the retailers' sales.

Severe recessions could lead to bankruptcies of retailers and/or financing banks, requiring the Company to take compensative measures such as to grant temporary discounts.

COVID-19 or other pandemics can result in the (temporary) closures of shopping centres and further restrictions for visitors.

Impacts

Macroeconomic factors and global events, such as a pandemic, could significantly impact the financial results, the financial position and the value of the Company's share price as a consequence of:

- temporary or permanent closure of assets;
- rent concessions;
- decisions by tenants to reduce or cease their operations;
- retailers' insolvencies or bankruptcies;
- ongoing local or national operational restrictions, such as opening times restrictions, ongoing closure of assets.

Risk mitigation measures

The geographical diversification of the Company's portfolio in four European countries and the diversification of tenants mitigate the risk of averse macroeconomic changes and the impacts of global events such as a pandemic.

Furthermore the Company from the beginning decided to invest in properties located in wealthy areas and dominant in their catchment areas to reduce the potential impact on footfall and turnovers of economic downturns.

The risk of tenants' bankruptcy, in addition, is addressed by a strict tenants' selection before the signing of a lease contract and a regular monitor of their financial performance both at corporate and at asset level for the length of the lease.

Monthly reviews of turnovers and occupancy cost ratios of each tenant are performed to timely identify critical situations and implement case by case solutions.

Climate and related risks

Description

Climate change poses a risk to our assets, tenants, investors and local communities, potentially leading to an increase in number of extreme weather events like storms, floods, droughts, heat waves and fires. Climate change could moreover lead to more stringent regulations and legislations both at European and national level. It can increase, finally, also the expectations and the pressure of investors and other stakeholders to reach ambitious sustainability targets in the medium run.

Impacts

Climate change could have an impact on the earnings, cash flows and value of the properties as a result of:

- temporary or permanent closure of assets for natural events;
- higher cost for maintenance, refurbishment and construction capex to meet higher standard of efficiency of assets;
- higher operating costs for heating and air conditioning;
- higher cost for insurance premiums.

Risk mitigation measures

The Company's ESG and business strategies are aligned and the business decisions are approached with a long term view, carefully evaluating their environmental and socio-economic impact.

The Company set ambitious ESG targets for 2030 to demonstrate its commitment to address environmental concerns and ensuring compliance with both regulatory and societal expectations. Climate and related risks are carefully monitored and detailed action plans are approved and implemented to mitigate the risks identified. Physical climate risks are evaluated during our risk assessments at asset level, which are aligned with the international BREEAM In-Use framework. All our properties are in fact BREEAM certified. In 2023 we have completed a portfolio wide analysis conducted also through the support of external experts to identify potential physical climate change risks impacting the Company. Detailed reports were received outlining the strategies to mitigate these risks. Mitigation plans are now integrated into the property-level business plans. For more information, please refer to the Be Green chapter of the ESG section in this report.

Risk Management (continued)

Evolution of the retail market

Description

E-commerce has shown a steady increased over the past years in the countries where the Company operates its shopping centres. Although physical retail still forms the foundation of the retail business, the consumption habits can evolve in an adverse way for the physical distribution channels and the brick-and-mortar businesses.

Impacts

A significant growth of online retail could have a negative impact on footfall and retailers' sales, affecting the valuation of the assets and the earnings of the Company.

Risk mitigation measures

The Company owns shopping centres which have a good tenancy mix of shops and a strong supermarket/ hypermarket anchor for daily shopping needs. Notwithstanding the increased use of online shopping during the lockdowns, customers have returned to our shopping centres with a full recovery of retail sales. In addition a growing number of retailers have developed an omnichannel strategy, offering their products and services on all available channels, platforms and devices to provide their customers with a seamless purchase experience. The Company is actively supporting these retailers adapting their store formats and increasing the attractiveness of their shops. The Company in addition implemented a number of initiatives aimed at giving the customers more reasons to visit the centres and stay there longer, by adapting constantly the marketing mix to the communities' needs, increasing the food and entertainment offer and organising events. The Company also offers in its centres the possibility to shop on line and a pickup service in dedicated spaces. The Company is also using digital technology to collect and analyse data in order to monitor the evolution of the customers' needs and offer new services to better meet their expectations.

Country and sector weighting of assets

Description

The allocation of capital among countries and sector is crucial to assure a risk/rewarding profile of the portfolio coherent with the REIT nature of the Company and with the targets set by the Board of Management.

Impacts

In case of an unexpected economic downturn in a country or a change in the behaviour of local customers, a wrong asset allocation and/or an excessive geographical and sectorial concentration of investments could affect the internal return from some investments and have a negative impact on the value of the property portfolio and on the shares price of the Company.

Risk mitigation measures

The Company invests in a relatively predictable real estate sector (retail) and in relatively and stable economies (Belgium, France, Italy and Sweden) to minimise the economic and political risks. By limiting the number and types of sectors and countries in which the Company operates, management can maintain a high level of understanding and insight into how the assets perform, which in turn reduces risk. However, the diversification achieved by investing in these countries, both in provincial and major cities, further reduces risk, as well as the spread among a large number of tenants, with a relatively small exposure to any one single tenant (the largest exposure to one single tenant is 4% of total portfolio rent).

Timing of investments and divestments

Description

As timing is a fundamental factor in the investment and divestment process, management takes into account the broadest possible parameters, whether economic, political or fiscal to monitor the evolution of the local economies and markets.

Impacts

An incorrect timing in investment and divestment could result in a loss of opportunities, but also in a deterioration of results and in the occurrence of impairment losses negatively affecting the long term performance and the value of the shares of the Company.

Risk mitigation measures

The internal research team maintains a detailed database on the regions in which the Company is invested or those areas in which it is considering making an investment. Every effort is made to research the demographics and economics of these areas to evaluate suitable timings for an acquisition, extension or divestment. The management structure is such that timely and efficient decisions can be made on the basis of the information collected. The Company's property experts' detailed knowledge of relevant international property markets in which they have operated for many years also provides experience to help avoid serious errors. Data such as monthly retail sales of retailers, vacancies, arrears and doubtful debtors are also regularly reviewed to assist in the decision-making process.

Risk Management (continued)

Operational risk

Asset selection

Description

A correct asset selection enables the Company to optimise the performance of its portfolio and the return from investments in the long term.

Impacts

An incorrect assessment of the quality and/or of the potential of assets could lead to wrong investment decisions and affect the internal rate of return of the investments and the valuation of the Company's portfolio.

Risk mitigation measures

The Company seeks to minimise risks by investing in properties where rents are affordable, buffering a potential downturn in consumer spending and at a yield that provides an adequate return in light of financing costs. Management conducts a thorough due diligence on the assets before an acquisition is made, assisted by external parties including property consultants, lawyers, surveyors, tax advisers and accountants.

Counterparty risks

Description

The Company is exposed to the risk of doing business with parties that are found not to operate in good faith, are fraudulent or have a bad reputation. It also concerns the risk of our employees being part of a fraudulent transaction.

Impacts

Non-compliant or illegal behaviours of the counterparties and employees could have an adverse impact on the operations and cause a reduction of the stakeholders' trust with a negative impact on the reputation of the Company. They could also generate a negative impact on earnings as a consequence of possible litigations with the counterparties and the application of sanctions by public authorities.

Risk mitigation measures

The Company only wishes to do business with parties of good standing and reputation. A Know Your Counterparty (KYC) check is a standard element of the due diligence process for acquisitions and divestments, as well as for new lease contracts, new suppliers or for entering into new partnerships. The Company's Code of Business Conduct provides the core rules for management and staff exposed to counterparty risks.

Tenant selection and credit risk

Description

Leasing and rent collection are the core activities of the Company. They generate stable cash-flows which are essential in supporting the valuation of the properties' portfolio and for the remuneration of borrowers and shareholders. The ability of the Company to achieve rent and collection targets mainly depends on the solvency of the tenants, which is evaluated before the signing and during the life of the lease contracts.

Impacts

An unsatisfactory tenant selection and/or an ineffective monitoring of their performance can significantly impact the occupancy and the cash-flow generation of the centres and affect the earnings and the financial position of the Company.

Risk mitigation measures

The creditworthiness of tenants is researched thoroughly. Bank guarantees or deposits are always required in Belgium, France and Italy, but not in Sweden where this is not market practice. Property performance is reviewed by analysing monthly retail sales and visitor numbers, vacancies and arrears. Such information enables the Board of Management to make prompt judgement about how a tenant is performing and its impact on the performance of the rest of the centre. The credit risk associated with lease debtors is determined through a detailed analysis of the tenant's outstanding debt. The credit risk has also been reduced by investing in mature markets and by choosing major tenants on the basis of their financial strength.

Physical condition of properties

Description

Good physical conditions of the properties is fundamental to be able to offer high standard services to tenants and customers and to prevent casualties and accidents.

Impacts

A low level of maintenance and efficiency of the shopping centres could reduce the attractiveness of the properties portfolio and affect the Company's commercial reputation.

Poor maintenance conditions could also generate an interruption of the regular activities of the centres with a loss of income for the tenants or cause damages and injuries to visitors and employees that the Company could be obliged to indemnify.

A discontinued and irregular maintenance could also generate a failure to comply with relevant local health and security regulations and result in the application of fines and penalties from public authorities.

Risk mitigation measures

A technical director in each country, in conjunction with local centre managers, is responsible for the regular review and maintenance of the physical condition of the properties. Maintenance is carried out on a regular basis and the Company is insured against property damage and consequent loss of income that may arise from such events. Checks are frequently made to review security, fire, health and safety and environmental issues within each property.

Risk Management (continued)

Property extension/redevelopment risk

Description

The Company aims to increase the value for the shareholders also through the extension or the redevelopment of existing centres. In most countries the process for obtaining the administrative, building and lease authorisations takes many years and presents significant risks. A delay of a project due to the difficulty in obtaining all the necessary authorisation could generate construction costs increases and revenues reductions, due to the change in the economic or market conditions originally considered.

Impacts

A prolongment of the extension/redevelopment activities could negatively impact the yield on cost and generate a return on the investment lower that the one originally targeted. In certain circumstances a significant change of market conditions due to a delay in obtaining the permits could even induce the Company to abandon the project, with the write-off of the expenses already incurred and, potentially, the sale of the land area at a price lower than the acquisition cost.

Risk mitigation measures

Extensions and redevelopments will only be pursued if planning consent has been received, the financing is arranged, the majority of the project is pre-let and strong commitments have been received from anchor tenants. The Company is always guided and advised by an external project team but also employs in-house specialists. The building works are outsourced to a contractor with a sound reputation. During the works the Company takes out additional property and liability insurance policies.

Business Ethics

Description

As the Company does business with a big variety of stakeholders, including business counterparties and local and national institutions and authorities, a potential risk of corruption, bribery or fraud exists, as well as a risk of money laundering and of financing of terrorism.

The high number of stringent national and international regulations, in addition, expose the Company to a potential risk of non-compliance, with particular reference to:

- anti-trust regulations .
- non-transparency in the reporting of lobbying activities.
- breach of customers' personal data.

Impacts

Failure to prevent frauds or corruption events and the non-compliance with local, national or international legislation could impact negatively the reputation of the Company, affecting the stakeholders' trust and also lead to financial or administrative sanctions.

Risk mitigation measures

The Company applies a rigorous "zero tolerance" approach towards bribery, frauds and corruptions.

Detailed local control procedures are in place in each country to prevent and detect the fraud attempts and a dedicated training is provided to the employees on the general principles of business ethics and the prevention of corruption and bribery.

Fraud awareness is raised throughout the years and illustrated by real cases shared with all concerned employees.

Interactions with business partners are subject to the "KYC" procedure to evaluate third parties' exposure to corruption and/or sanctions.

The Company implemented a secure payment procedure and a secure procedure for the opening, changing and closing of bank accounts.

An anonymous alert system (whistleblowing) is available for employees.

Employees are regularly involved in training and refresher courses to be always updated with the latest legislation and regulations.

Risk Management (continued)

Health and safety/ Human capital

Description

The Company has the responsibility to provide a safe and healthy environment both in its shopping centres and in its working places.

As the shopping centres are open to the public, the Company is potentially exposed to risks of accidents affecting both clients and employees and it is also potentially exposed to terrorist acts.

Eurocommercial's employees are one of the most important assets of the Company for their knowledge, experience, skills and commitment. A risk exist therefore that the Company is not able to retain talents and to recruit new resources to prepare effective succession plans for the key roles.

Impacts

Failure to provide a healthy and safe environment to employees and clients could deteriorate the reputation of the Company, affect the attractiveness of the centres and consequently reduce footfall and tenant sales. It can also result in fines or other penalties applied by local and national bodies and in legal actions from persons injured.

The risk of riots, demonstrations or even terrorist attacks in the Company's centres could penalise their attractiveness and reduce the footfall with a negative impact on the valuations.

A low ability of the Company in attracting and retaining its employees could affect the Eurocommercial's reputation, generate excessive recruitment, training and onboarding costs due to a high employee turnover in the end reduce the effectiveness and the efficiency of its activity

Risk mitigation measures

The Company has in place detailed technical procedures aimed to anticipate and prevent the risk of accidents. The personnel of the Company and of the management companies are regularly involved in training and courses covering health, safety and security risks management.

Many internal and external controls on health and safety are in place, including the periodical inspections by local authorities and fire-brigades. Audits and surveys on these matters are performed on a regular basis.

An emergency response plan for each centre has been approved an implemented.

The security situation is strictly monitored by the centres managers and regular contacts with local public authorities are maintained to prevent robberies, violent crimes and eventually terrorists attacks or to quickly and adequately react against them.

Regarding the human capital, the Company is used to run effective onboarding programs to ensure a quick integration of new employees and to provide them with all the means necessary to fully develop their potential, including periodical internal and external training courses and dedicated development paths. High attention is also given to the internal working atmosphere and to the workload, in order to maintain an adequate work-life balance.

Cybersecurity

Description

The rapid technological advancements, the constant change in the cyber threat landscape and the increasing digitalisation of the economic and social environments, result in greater cybersecurity risks that may potentially have an adverse impact on the Company's organisation and the achievement of its business objectives.

Impacts

A cyber-attack could lead to a partial or complete unavailability of one or more IT critical systems, affecting the regular conduct of the activity and the integrity of the data. Incapacity to guarantee the integrity of data can generate impacts in terms of market regulation and personal data protection.

In addition, cyber techniques can be used to put in place frauds which can have a negative impact on the asset of the Company.

Risk mitigation measures

The Company has approved and implemented a specific policy to manage the cybersecurity risk.

According to the policy, the Company has at its disposal cyber risk management processes, which have been optimized, especially when taking into consideration its relatively small size.

The main processes utilised by the Company when conducting cybersecurity risk management, are:

- Identify potential threats and "what could go wrong" events that are often a result of malicious acts by threat actors.
- Classify the levels of cybersecurity threats the Company is exposed to. A good understanding of the risk levels enables the Company to dedicate adequate action and resources to deal with the highest priority and most urgent risks.
- Create a risk-aware culture within the organisation. Risk management is an iterative process that involves engaging employees to be more aware of technology risks and their potential impact on the business objectives.
- Cybersecurity risks are addressed by the Business – IT team. The team reports directly to both the Board of Management as well as the Audit Committee of the Supervisory Board. From a cybersecurity perspective this approach strongly enhances the risk awareness, also through risk management workshops, fraud workshops, and other instruments to the top management and to all employees company wide.

The Company's main focus on managing cybersecurity risks is on the administrative processes and those relative to the data necessary to maintain and manage its real estate portfolio.

To align the cybersecurity objectives with the business objectives, regular evaluations are conducted. These evaluations consist of a cybersecurity risk assessment for each new digital asset implemented, also through the analysis performed by external consultants assessing and reviewing possible security risks. In the case of newly introduced critical digital assets, as an extra security measure, a full review is conducted by external consultants or auditors shortly after the asset has been taken into production.

The Company in addition entered in a specific insurance policy against cybersecurity risks, which covers losses and liabilities linked to specified cyber-related events.

Risk Management (continued)

Financial risks

Counterparty risk

Description

The Company deals with many financial counterparties in relation to:

- borrowings
- interest rate swaps
- foreign currency contracts
- deposits

A risk exists that one or more of these counterparties goes in financial troubles or even in default.

Impacts

Due to financial troubles or events of default, a financial counterparty could not be able to settle its liabilities towards the Company arising from these contracts or to repay the deposits, with a negative impact on earnings and on the net financial position of the Company.

Risk mitigation measures

The Company minimises the risks related to the possible default of its counterparties by dealing with major financial institutions for all its borrowings, interest rate swaps, foreign exchange contracts and deposits and by diversifying them by country and by institutions/groups.

In addition a regular monitoring of the public rating of the financial counterparties and of their financial results is carried on a regular basis.

Thanks to these measures, the Company considers the risk of incurring losses as a result of default very low.

Interest rate risk

Description

As the Company's policy is to have long-term investments, the borrowings used to fund them are also long-term.

To remain flexible over the medium-long term and to avoid to incur significant breaking costs in case of early repayment of asset backed loan in case of disposal of the assets, the larger part of the Company's loans portfolio is composed by floating rate loans. The Company is then exposed to the risk of fluctuation of interest rate (Euribor and Stibor).

Impacts

An increase in interest rates would increase the financial expenses paid by the Company and have a negative impact on earnings and on the net financial position.

Risk mitigation measures

The Company uses fixed interest rate loans, interest rate swaps and other financial instruments to manage its interest rate risk. It is Company policy to operate a defensive interest rate hedging policy to protect the Company against increases in interest rates. The Company is hedged at an average interest rate of 2.0% and only 19% of the net total borrowings are exposed to the fluctuation of the market interest rates. An increase in interest rates of 1% would therefore only have a limited negative impact of an additional annual interest expense of €3.3million, or 2.6%, of the reported direct investment result.

The interest rate risk is also addressed by an active management of the hedging contracts, which residual average maturity of over five years is longer that the average maturity of the loan portfolio (almost three years) in order to separate the interest rate risk from the refinancing risk.

Risk Management (continued)

Access to capital resources

Description

A low appeal of the sector, also due to the perception of a high intrinsic risk of the retail real estate business, could reduce the demand and the price of the Company's shares, increase the gap with the net asset value per share and make more challenging the raising of new equity.

The raising of new equity, in addition, can be hindered also by difficult or even adverse conditions of the capital markets.

Impacts

Poor availability of new equity at acceptable prices could limit the ability of the Company to take the investments opportunities on the market without increasing its leverage and could generate a negative impact on its share price.

Risk mitigation measures

The Company adopted a prudent policy of capital allocation, deciding:

- to set the target LTV ratio at around 40%;
- to distribute a percentage of the Direct Investment Result between 65% and 85%, with a target of 75%.

To finance new investments, the Company can use the portion of the cash generated by the operating activity but non-distributed. In this last respect, the Company is used to offer its shareholders the opportunity to receive the dividends in shares instead of in cash, so increasing the amount of cash available for new investments.

In case of a large investment opportunity where market conditions do not allow an issuance of new equity at acceptable price, the Company could still evaluate to sell some assets or to enter into new joint venture agreements with other investors.

Refinancing and liquidity risk

Description

The Company's investments are financed by borrowings granted by banks with a three to ten years maturity, but preferably of ten years or more.

A tightening of credit conditions, liquidity crises or big economic downturns may affect the ability of the Company to refinance its debt at maturity.

Impacts

A difficult financial environment could oblige the Company to accept heavier conditions to refinance its debts at maturity and could require additional financial resources to repay part of its liabilities, with a negative impact on the earnings and on the value of its shares. A situation of market disruption could even affect the ability of the Company to continue its activity as a going concern.

Risk mitigation measures

The Company closely monitors the evolution of future cash flows in the short and in the medium term, both at consolidated and at local level, to fully comply with its financial commitments and maturities and to avoid the occurrence of any cash shortfall. In order to reduce liquidity risk the Company has adopted a strategy of spreading the debt maturity profile of its borrowings and the relative repayment dates. Moreover, in some cases the Company has at its disposal flexible long-term borrowings (which allow no penalty repayments and re-drawing of funds up to agreed amounts) and short-term committed and uncommitted lines. An analysis of the liquidity risk related to future cash flows due to interest payments, repayment of borrowings, rental deposits and payments to other creditors is provided in note 20 (financial instruments) of the consolidated financial statements.

Foreign currency risk

Description

The main part of Company's assets and transactions are denominated in Euro, which is also the functional value of its financial reporting.

The only significant foreign currency exposure for the Company is related to Swedish assets and transactions that are denominated in Swedish Krona (SEK).

Impacts

The fluctuations of the foreign exchange rate between Euro and SEK impact the value of revenues, costs, assets and liabilities of the Swedish operations when they are converted into Euros, affecting the earnings and the net asset value reported by the Company.

Risk mitigation measures

Due to SEK loan facilities with major financial institutions and currency swaps (if applicable), a hedging of the foreign currency is achieved up to 40%. The remaining exposure is relatively limited compared with the total size of the Company and will in principle not be hedged. Net SEK income may also be hedged from time to time by using defensive currency derivatives. A weakening of this currency by 5% would result, for example, in a decrease of shareholders' equity of 1.0% and in a decrease of 1.1% of reported direct investment result.

Risk Management (continued)

Compliance and reputation risk

Taxation

Description

The Company qualifies as a fiscal investment institution (FBI) under Dutch tax law and consequently is subject to corporate income tax at the rate of zero percent, provided it distributes its taxable profit to its shareholders. The Company is tax-exempt in France as a SIIC (Société d'investissements Immobiliers Cotée) and in Belgium, as the Company's subsidiary is subject to the special tax regime under which property revenues are tax exempt (FIIS/GVBF). In Italy and Sweden the Company's subsidiaries are subject to corporate income tax and are in a corporate income tax payable position.

Impacts

Change in tax regulations or incorrect applications of the existing tax regulations could have a negative impact on the Company's tax rate on its results, leading to lower earnings.

Risk mitigation measures

The local finance teams and the corporate accounting and finance Group closely monitor local regulations to limit the risk of non-compliance and to anticipate regulatory changes. The Company also actively contributes to the work of national and international bodies representing the commercial and retail real estate sector to keep a constant and effective dialogue with authorities and policymakers.

Reporting risk

Description

Being listed, the Company is subject to various stock market and legal regulations and requirements with respect of the disclosure of clear, real and objective information to the market.

There is a risk that the financial statements and the other reporting disclosed to the market is not accurate or wrong in some material aspects, providing the investors and the other stakeholders with a misleading picture of the earnings and the financial position of the Company.

Impacts

An inaccurate or not reliable reporting could:

- affect the reputation of the Company in the real estate and financial markets;
- induce the investors who took wrong investments decisions to file legal actions against the Company;
- expose the Company to penalties and fines applied by control and regulatory bodies.

Risk mitigation measures

The Company draws up an annual budget by country and individual asset, which is compared on a monthly basis with actual results. Furthermore, budgets for capital expenditure and liquidity forecasts are prepared. Quarterly figures are discussed with the external auditor prior to publication and then published to the market in the form of a press release. The annual accounts are audited by the external auditor.

Compliance with national and European Regulations

Description

The Company conducts its business in various countries and is then subject to complex and multi-jurisdiction legal and regulatory environments.

At corporate level the Company complies with the Netherlands Corporate Governance Code and the Netherlands Act on Financial Supervision (Wet op het financieel toezicht) as it is listed on Euronext Amsterdam, which is its home market. The Company has two secondary listings on Euronext Brussels and on Euronext Milan.

Impacts

Even small deviations from what is required under the standards and regulation of the Netherlands and of the other countries where the Company is active could put at risk the reputation of the Company and of its management and staff.

In addition failure to identify or comply with applicable legal and regulatory provisions could result in the application of criminal or financial penalties.

Risk mitigation measures

The Eurocommercial legal team monitors on a regular bases the evolution of laws and regulations applicable to the Company's activity. All employees are made aware of the existings laws and regulartions, and procedures are in place, in their own countries and at corporate level, to ensure that employees comply with the rules and are aware of the high standards of ethics applicable. The Company has an internal code of conduct and a whistleblower's code that all employees are required to read, understand and adhere to. The Country Directors are also responsible for complying with local laws and regulations.

Risk Management (continued)

Insurance

The Company operates a comprehensive insurance programme for those risks which can be effectively and efficiently insured. The Company is fully insured against property damage, liability and consequent loss of income for the period during which the property is rebuilt and relet. Terrorism, flooding and earthquake cover is limited by current market conditions, but the Company believes it has achieved a reasonable balance of risk cover and premium costs. The insurance programme is benchmarked against its peer groups on an annual basis.

In control statement

The Company has a description of the organisation of its business operations (Administrative

Organisation and Internal Control). During the financial year ended 31 December 2023, the Company has evaluated various aspects of the Company's Administrative Organisation and Internal Control and found nothing to indicate that the description of the structure of the Company's Administrative Organisation and Internal Control does not meet the requirements as included in the Code. Also, there have been no indications during the financial year ended 31 December 2023 that the Company's Administrative Organisation and Internal Control were ineffective and did not function in accordance with the description. The Board of Management therefore states with a reasonable level of assurance that the organisation of its business operations functioned effectively and in accordance with the description. It is not expected that during the current financial year a major change will be made to the design of the Company's administrative organisation and internal control. Due to its size, the Company has outsourced the internal audit function to a reputable audit firm.

Given the nature and size of the Company and its operations, inherent internal control limitations exist including limited possibilities to segregate duties, disproportionate control costs versus benefits, catastrophe and collusion risk etc. Absolute assurance cannot be provided as a result of these inherent limitations.

The Board of Management believes that the design of the internal controls for financial reporting provide a reasonable level of assurance: (i) to prevent material inaccuracies in the financial statements of the Company for the financial year ended 31 December 2023, as included in this Annual Report; and (ii) that the risk management and control systems as described above worked properly in the financial year ended 31 December 2023.

As required by provision 1.4.3 of the Code and on the basis of the foregoing, the Board of Management states that: (a) this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2 of the Code; (b) the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; (c) based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and (d) this report states those material risks, as referred to in best practice provision 1.2.1 of the Code, and the uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of this report.

Amsterdam, 17 April 2024

Board of Management

E.J. van Garderen

R. Fraticelli

J.P.C. Mills

Responsibility statement

With reference to the EU Transparency Directive and Article 5:25c, section 2 c sub 2 of the Acton Financial Supervision, we hereby state to the best of our knowledge that the financial statements for the financial year ended 31 December 2023 give a true and fair view of the assets, liabilities, financial position and results of the Group, and that the Report of the Board of Management includes a fair review of the development and performance of the business during the financial year and the position of the Group at the balance sheet date, together with a description of the principal risks associated with the Group.

Amsterdam, 17 April 2024

Board of Management

E.J. van Garderen

R. Fraticelli

J.P.C. Mills

Report of the Board of Supervisory Directors

To the General Meeting of Shareholders

Financial statements

We are pleased to present the Annual Report of Eurocommercial Properties N.V. for the financial year ended 31 December 2023, as drawn up by the Board of Management. The auditors, KPMG Accountants N.V., have audited the financial statements and have issued an unqualified report thereon. We recommend that you adopt the financial statements.

Dividend proposal

In 2022 the Company announced a new dividend policy starting from the financial year 2022. This policy provides for a cash dividend pay-out ratio ranging between 65% and 85%, with a target of 75% of the direct investment result per share. With effect from the financial year 2022, an interim dividend is payable in January and a final dividend is payable in July. The interim dividend is expected to be 40% of the total cash dividend paid in the previous financial year.

Having regard to the results of the Company for the financial year 2023, the aforesaid dividend policy and the guidance on the 2024 results provided by the Board of Management, the Supervisory Board supports the proposal of the Board of Management to declare a total dividend of €1.70 per share. An interim dividend of € 0.64 per share was already paid on 30 January 2024, representing 40% of the total cash dividend paid out the previous financial year (2022). The payment date of the final dividend of €1.06 per share will be Friday 5 July 2024. Holders of shares will also be offered the option of taking new shares from the Company's fiscal share premium reserve, instead of the cash dividend payable. The price of these new shares will be announced on Friday 7 June 2024.

Provision of information

During the financial year under review, there were formal meetings of the Supervisory Board which were also attended by the Board of Management. In the year under review there were frequent contacts between (members of) the Supervisory Board and (members of) the Board of Management to share information in respect of various subjects, such as the impact of the wars and geopolitical tensions, the high inflation levels and interest rates and other matters. In addition to the information provided in connection with these meetings and contacts, the Supervisory Board receives copies of the monthly management accounts which contain analyses of rental income, rent collection, liquidity, costs of maintenance and extensions, interest, financing, Company expenses, investment developments, relevant markets and various other operational and financial items during the month under review, set off against budget and previous relevant periods.

Monitoring and advisory roles

The Supervisory Board convened in total ten times in 2023. These meetings were mostly held at several of the Company's shopping centres or in the Amsterdam office or local offices. One meeting was held by videoconference. The members of the Supervisory Board have also visited several shopping centres in all four countries where the Company is active and were again able to meet the local staff and have valuable discussions with them on the business.

Among the topics discussed in the Board meetings were:

- Updated strategy and risks
- Property and financial markets
- Management and financial accounts
- Alternative performance measures
- ESG strategy and performance
- Climate Change risks
- Asset acquisitions and disposals
- Property valuations
- Interest rates, (re)financing and bank covenants
- Rent collection, cashflow forecast, liquidity and funding
- Dual listing in Milan
- Foreign currencies, hedging and derivatives
- Dividend policy
- System of internal controls, IT systems and cybersecurity
- Remuneration levels and corporate governance

The Board was also informed on and actively discussed with the Board of Management the implementation of the updated strategy of the Company, aimed at is long term sustainable value creation. The ongoing implementation resulted in an additional focus on ESG, digitalisation and communities. Furthermore, the contents of press releases, the Annual Report, the Interim Report and the quarterly reports and Internal Audit were discussed.

The Supervisory Board carried out a self-evaluation as well as an evaluation of the Board of Management during 2023.

All meetings held during the financial year were attended by all Supervisory Board members. There have been no conflicts of interest.

Stakeholder and relationship management

The Supervisory Board established that the Company has remained in intensive contact with retailers to keep the Company's shopping centres in line with tenants' needs. The Company actively addresses changes in customer behaviour and the resulting strategic consequences for further developing and expanding the function of shopping centres. The Company also makes careful analyses of the social characteristics, specific requirements and desires of the communities in the relevant catchment areas in order to optimise the services to the communities.

This policy has resulted in a well-managed tenant mix, high occupancy and footfall.

Through roadshows, investor conferences (in some case also by video) and one-on-one meetings, the relationship with the Company's shareholders has been maintained and strengthened. In June 2023, the Company organised a two-day Capital Markets event in Italy as the last time such an event took place was in May 2016. The Company also has an Investor Relations Policy, which is published on the website.

Through regular country visits, the Supervisory Board maintained direct contact with the country operational teams and discussed local challenges and opportunities with them.

Professional training

During the year, Supervisory Directors participated in seminars and courses provided by major audit and law firms and other institutions. The Supervisory Board has engaged in a number of activities relating to education and representation. These activities included following formal education programmes, contacts with professional service industry and sector associations, country visits and visits to shopping centres, meetings with shopping centre managers and various other individual activities.

Diversity

The Netherlands Corporate Governance Code requires the Supervisory Board to draw up a diversity policy. For the Supervisory Board this policy was included in the profile of the Supervisory Board. The Diversity Policy is published on the Company's website.

Gender diversity quota

The Company complies with the law as its Supervisory Board is composed of two male members and two female members since 13 June 2023 and was prior to that date composed of two female members and one male member.

Corporate governance

In accordance with the recommendations of the Netherlands Monitoring Committee of the Corporate Governance Code 2022, a broad outline of the corporate governance structure of the Company is presented in the Report of the Board of Management. In this Report, the Company reviews various corporate governance items in compliance with the Committee's recommendation.

Audit Committee

The Audit Committee is composed of all members of the Supervisory Board. Mrs Attout is Chair of the Audit Committee. The Audit Committee had three meetings with the auditors of the Company as well as two meetings with the auditors of the Company in the absence of the Board of Management. During those meetings, the Audit Committee discussed the financial statements, the report of the

Report of the Board of Supervisory Directors (continued)

auditors thereon, as well as the Annual Report and the Interim Report. The Audit Committee reviewed the new administrative organisation and internal control manual, as well as the cybersecurity risk management policy and the plan to mitigate the related risks. The alternative performance measures were also discussed.

The audit plan, materiality levels, findings, independence and complete reporting of the auditors were discussed with KPMG. The auditors succession plan and (re)appointment were also discussed.

The internal audit function is outsourced to the audit firm BDO. BDO has been able to examine and audit a number of business processes of the Company and the Company's set up and reporting on ESG matters in accordance with the audit plan for 2023. The Audit Committee has analysed and reviewed the work performed by BDO for the year 2023 and discussed the audit plan for the year 2024.

Nomination and Remuneration Committee

The committee is composed of all members of the Supervisory Board. Mrs Laglas is Chair of the Nomination and Remuneration Committee. Remuneration of the Board of Management was discussed in one meeting on the basis of the draft updated Remuneration Report. The final 2023 Remuneration Report will be posted on the website of the Company when this Annual Report is published. The Committee assessed and discussed the performance of the Board of Management based on self-evaluations by, and interviews with the Board of Management. The questionaires completed by the members of the Board of Management were discussed in one-on-one meetings and in a group meeting. There were no major findings and personal goals and focus points were identified and will be evaluated next year. The Committee also discussed various aspects of succession in the Board of Management and the Supervisory Board, including the Board of Management composition and succession plan. The Committee had also prepared the search for a successor of Mr Steins Bisschop, who will retire in the 2024 AGM. After a thorough process with the involvement of a reputable search firm, the Committee recommended Mr Roelvink to be nominated as a member of the Supervisory Board in the AGM to be held on 13 June 2023 and to succeed Mr Steins Bisschop as Chairman of the Supervisory Board. Mr Roelvink was subsequently appointed at the AGM held on 13 June 2023. The Committee also prepared the proposal for the reappointment of Mrs Laglas at the AGM which was held on 13 June 2023.

Summary remuneration report

The purpose of the remuneration policy is to attract, motivate and retain qualified executives and staff who will contribute to the success of the Company. The remuneration policy aims to reward management and staff for their contribution to the performance of the Company and its subsidiaries. The Supervisory Board proposes the remuneration policy, and any material adjustments to it, at the Annual General Meeting of Shareholders based on recommendations of the Board of Management. The Supervisory Board recommends to the Annual General Meeting of Shareholders decisions on all aspects of the remuneration of the members of the Board of Management, within the scope of the remuneration policy. The Annual General Meeting of Shareholders is invited to approve both the remuneration policy and the remuneration of the members of the Board of Management. At the end of each financial year, the Supervisory Board reviews and discusses the remuneration of the members of the Board of Management.

The Company's remuneration package for employees and members of the Board of Management comprises the following elements:

- Base salary – total annual gross fixed income including holiday allowance
- Short-term variable – annual performance-related gross cash bonuses
- Long-term incentives through a performance share plan

Variable cash bonuses may be granted each year in addition to the base salary. Variable cash bonuses for members of the Board of Management and senior staff are directly linked to the annual growth in the Company's net asset value, the annual absolute performance and the annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as two ESG key performance indicators. There is no minimum guaranteed bonus and variable cash bonuses are capped at 70% of one year's base salary. There are also claw-back possibilities for the Company.

Performance shares granted under the Performance Share Plan are also linked to the aforesaid metrics, are capped at 80% of one year's base salary and there is no minimum guaranteed number of performance shares.

Mr Mills joins a UK defined benefit pension scheme, which is limited by the applicable earnings cap. Mr Fraticelli joins an Italian defined contribution scheme and Mr van Garderen joins a Dutch defined contribution scheme with current annual premiums being capped using a maximum pensionable salary.

Supervisory Directors receive a fixed cash compensation only.

It is proposed for the financial year 2024 to maintain the remuneration of the Supervisory Directors unchanged at €47,000 for each member and at €61,000 for the Chairman and to maintain the base salaries for the members of the Board of Management. The General Meeting of Shareholders to be held on 11 June 2024 is invited to approve the proposed remuneration of Supervisory Directors and the members of the Board of Management.

Composition of the Supervisory Board

All members of the Supervisory Board are independent. The profile, role and responsibilities of the Supervisory Board are laid down in specific rules and regulations which are posted on the Company's website. At 31 December 2023, the Supervisory Board was composed as follows:

1. Bas Steins Bisschop (74), Chairman, of Dutch nationality, was appointed as member of the Supervisory Board in 2014 and reappointed in 2018 and 2022 for a period of respectively four and two years. As "advocaat" he practised law from 1975 until 2019 in The Netherlands and abroad. He is also a (em) professor of Corporate Law and Corporate Governance at Maastricht University and Nyenrode Business University.

2. Emmanuèle Attout (64), of Belgian nationality, was appointed as a member of the Supervisory Board in 2018 and reappointed in 2022 for a period of four years. She was a former senior audit partner of PwC Brussels until she retired in 2014. Mrs Attout is a non-executive board member of Atenor, Schréder and AG Insurance and she is a co-founder of the Belgian NGO "Women on Board", whose aim is to promote women in Boards of Directors.

3. Karin Laglas (65), of Dutch nationality, was appointed as a member of the Supervisory Board in 2019 and reappointed in 2023 for a period of four years. She was Chief Executive Officer of the largest Dutch affordable housing investor Ymere, active in the greater Amsterdam area, until she retired in June 2021 after a long career in real estate in several senior and board positions. She is a Supervisory Board member of Royal De Vries Yachtbuilders (part of Feadship), of Brink Groep, of TBI Holdings B.V., Chair of the Supervisory Board of Utrecht University and Board member of Stichting Cokopen.

4. Bernard Roelvink (61), of Dutch nationality, was appointed as member of the Supervisory Board at the AGM of 13 June 2023 for a period of four years. Mr Roelvink has more than 30 years of experience in corporate law, litigation and capital markets across various jurisdictions. He is currently Chief Legal Officer and member of the Management Team of Cofra Holding AG, the parent company of a major international retail, real estate and investments group. Mr Roelvink was previously a partner of the Dutch law firm De Brauw Blackstone Westbroek, where he was on the management board between 2000 and 2006.

Rotation scheme

Under a rota devised by the Supervisory Board, each Director will retire by rotation every four years. This

Report of the Board of Supervisory Directors (continued)

rotation scheme for the next few years is as follows:

2024: Mr Steins Bisschop will step down as member of the Supervisory Board as his term ends.

2025: No member is up for rotation.

Succession of the Chairman of the Supervisory Board

Mr Bas Steins Bisschop, Chairman of the Supervisory Board, will retire in the Annual General Meeting of June 2024. Mr Roelvink will succeed Mr Steins Bisschop as Chairman of the Supervisory Board.

Conclusion

We look back on a successful year which had many challenges for the Company and its Board of Management and staff. We take this opportunity to express our gratitude to the Management Team and all staff for their efforts during the financial reporting period.

Amsterdam, 17 April 2024

Board of Supervisory Directors

B.T.M. Steins Bisschop (Chairman)

E. Attout

K. Laglas

B.W. Roelvink

From left to right:

Bernard Roelvink
Karin Laglas
Bas Steins Bisschop
Emmanuèle Attout

Consolidated statement of profit or loss

(€'000)	Note	2023	2022
Rental income	4	215,279	199,307
Service charge income*	4	41,578	44,201
Total revenue		256,857	243,508
Service charge expenses	4	(43,700)	(46,152)
Property expenses	5	(35,588)	(31,958)
Total expenses		(79,288)	(78,110)
Net property income	2	177,569	165,398
Share of result of joint ventures	14	4,837	18,170
Investment revaluation and disposal of investment properties	6	(95,044)	(13,211)
Investment expenses	9	(2,717)	(2,459)
Company expenses	7	(12,922)	(12,124)
Other income*	10	1,562	1,424
Operating result		73,285	157,198
Interest income*	11	1,576	931
Interest expenses	11	(48,617)	(39,725)
Adjustment amortization put option	11	(4,789)	0
(Loss)/gain (derivative) financial instruments	11	(38,652)	133,989
Net financing result		(90,482)	95,195
Result before taxation		(17,197)	252,393
Current tax	12	(3,544)	(2,247)
Deferred tax	12	(5,355)	(43,632)
Total tax		(8,899)	(45,879)
Result after taxation		(26,096)	206,514
Result after taxation attributable to:			
Owners of the Company		(26,872)	200,737
Non-controlling interest	28	776	5,777
		(26,096)	206,514
Per share (€)**			
Result after taxation	29	(0.51)	3.80
Diluted result after taxation	29	(0.51)	3.80

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

* The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of parts of 'Other income' into 'Service charge income' and 'Interest income'.

** The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,060,280. The diluted average number of outstanding shares was 53,191,780.

Consolidated statement of comprehensive income

(€'000)	Note	2023	2022
Result after taxation		**(26,096)**	**206,514**
Foreign currency translation differences (subsequently reclassified to profit or loss)	27	**(312)**	**(36,282)**
Actuarial result on pension scheme (remeasurement of defined benefit liability/asset)	23/27	**(4,085)**	**6**
Total other comprehensive income (net of tax)		**(4,397)**	**(36,276)**
Total comprehensive income		**(30,493)**	**170,238**
Total comprehensive income attributable to:			
Owners of the Company		**(31,269)**	**164,461**
Non-controlling interest	28	**776**	**5,777**
		(30,493)	**170,238**
Per share (€)*			
Total comprehensive income		**(0.59)**	**3.11**
Diluted total comprehensive income		**(0.59)**	**3.11**

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

* The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,060,280. The diluted average number of outstanding shares was 53,191,780.

Consolidated statement of financial position

Assets	Note	31-12-23 €'000	31-12-22 €'000
Property investments	13	3,575,898	3,642,946
Investments in joint ventures	14	101,142	95,965
Tangible fixed assets	15	4,849	3,848
Receivables	16	1,084	137
Derivative financial instruments	20	33,275	62,006
Total non-current assets		3,716,248	3,804,902
Trade and other receivables	16	68,855	65,085
Prepaid tax	16	560	2,133
Cash and deposits	17	40,518	65,307
Total current assets		109,933	132,525
Total assets		3,826,181	3,937,427
Equity			
Issued share capital	25	537,817	533,492
Share premium reserve	26	260,117	263,774
Currency translation reserve	27	(84,124)	(83,812)
Other reserves	27	1,320,242	1,129,675
Undistributed income		(26,872)	200,737
Equity attributable to the owners of the Company		2,007,180	2,043,866
Non-controlling interest	28	0	67,305
Total equity		2,007,180	2,111,171
Liabilities			
Trade and other payables	18	13,984	14,070
Borrowings	19	1,319,526	1,322,723
Derivative financial instruments	20	22,560	13,345
Deferred tax liabilities	21	116,852	111,482
Put option liability non-controlling interest	22	0	63,448
Provisions for pensions	23	0	569
Total non-current liabilities		1,472,922	1,525,637
Trade and other payables	18	110,597	93,832
Tax payable	18	1,860	10,448
Borrowings	19	233,622	196,339
Total current liabilities		346,079	300,619
Total liabilities		1,819,001	1,826,256
Total equity and liabilities		3,826,181	3,937,427

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

Consolidated statement of cash flow

(€'000)	Note	2023	2022
Result after taxation		(26,096)	206,514
Adjustments:			
Movement performance shares granted	5/7/9	673	(74)
Investment revaluation and disposal of investment properties	6	90,183	15,633
Derivative financial instruments	11	38,652	(133,989)
Adjustment amortization period put option liability	11	4,789	0
Share of result of joint ventures	14	(4,837)	(18,170)
Interest income	11	(1,576)	(931)
Interest expenses	11	48,685	39,714
Deferred tax	12	5,355	43,632
Current tax	12	3,544	2,247
Depreciation tangible fixed assets	5/7	1,695	1,858
Other movements		(754)	681
Cash flow from operating activities after adjustments		160,313	157,115
Decrease/(increase) in receivables		(798)	(2,658)
(Decrease)/increase in creditors		15,817	(1,264)
		175,332	153,193
Current tax paid		(4,314)	(1,209)
Capital gain tax paid		(7,908)	(7,909)
Pension scheme		(4,600)	(564)
Borrowing costs		(1,093)	(1,654)
Interest paid		(41,988)	(34,402)
Interest received		1,576	1,019
Cash flow from operating activities		117,005	108,474
Capital expenditure		(27,464)	(25,240)
Acquisition of non-controlling interest		(69,600)	0
Sale of property		0	100,999
Investment in joint ventures		(340)	(105)
Decrease/(increase) loan to joint ventures		0	7,000
Additions to tangible fixed assets		(1,264)	(503)
Cash flow from investing activities		(98,668)	82,151
Proceeds from borrowings	19	381,531	145,215
Repayment of borrowings	19	(349,134)	(245,347)
Payments lease liabilities		(1,227)	(1,167)
Dividends paid		(74,166)	(78,222)
Proceeds from non-current creditors		348	7
Cash flow from financing activities		(42,648)	(179,514)
Net cash flow		(24,311)	11,111
Currency differences on cash and deposits		(478)	(1,422)
(Decrease)/increase in cash and deposits		(24,789)	9,689
Cash and deposits at beginning of year		65,307	55,618
Cash and deposits at end of year		40,518	65,307

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

The movements in shareholders' equity in the financial year ended 31 December 2023 were:

	Issued share capital €'000	Share premium reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Undistributed income €'000	Equity attributable to owners of the Company €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1-1-2023	533,492	263,774	(83,812)	1,129,675	200,737	2,043,866	67,305	2,111,171
Result after taxation	0	0	0	0	(26,872)	(26,872)	776	(26,096)
Other comprehensive income	0	0	(312)	(4,085)	0	(4,397)	0	(4,397)
Total comprehensive income	0	0	(312)	(4,085)	(26,872)	(31,269)	776	(30,493)
Transactions with owners of the Company								
Contributions and distributions								
Dividends distribution in cash	0	(6)	0	0	(74,166)	(74,172)	0	(74,172)
Dividends distribution in shares	4,325	(4,325)	0	10,381	(10,381)	0	0	0
Non-distributed result previous financial year	0	0	0	116,190	(116,190)	0	0	0
Performance shares granted	0	674	0	0	0	674	0	674
Total contributions and distributions	4,325	(3,657)	0	126,571	(200,737)	(73,498)	0	(73,498)
Changes in ownership interests								
Acquisition of non-controlling interest without a change in control	0	0	0	68,081	0	68,081	(68,081)	0
Total changes in ownership interests	0	0	0	68,081	0	68,081	(68,081)	0
Total transactions with owners of the Company	4,325	(3,657)	(312)	190,567	(227,609)	(36,686)	(67,305)	(103,991)
Total equity at 31-12-2023	537,817	260,117	(84,124)	1,320,242	(26,872)	2,007,180	0	2,007,180

The movements in shareholders' equity in the financial year ended 31 December 2022 were:

	Issued share capital €'000	Share premium reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Undistributed income €'000	Equity attributable to owners of the Company €'000	Non-controlling interest €'000	Total Equity €'000
Balance at 1-1-2022	526,539	263,853	(40,293)	1,102,916	104,687	1,957,702	61,528	2,019,230
Result after taxation	0	0	0	0	200,737	200,737	5,777	206,514
Other comprehensive income	0	0	(36,282)	6	0	(36,276)	0	(36,276)
Total comprehensive income	0	0	(36,282)	6	200,737	164,461	5,777	170,238
Transactions with owners of the Company								
Contributions and distributions								
Reallocation currency translation movements	0	0	(7,237)	7,237	0	0	0	0
Dividends distribution in cash	0	(4)	0	0	(78,218)	(78,222)	0	(78,222)
Dividends distribution in shares	6,953	0	0	15,295	(22,248)	0	0	0
Non-distributed result previous financial year	0	0	0	4,221	(4,221)	0	0	0
Performance shares granted	0	(75)	0	0	0	(75)	0	(75)
Total contribution and distribution	6,953	(79)	(7,237)	26,753	(104,687)	(78,297)	0	(78,297)
Total transactions with owners of the Company	6,953	(79)	(43,519)	26,759	96,050	86,164	5,777	91,941
Total equity at 31-12-2022	533,492	263,774	(83,812)	1,129,675	200,737	2,043,866	67,305	2,111,171

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. Principal accounting policies

Eurocommercial Properties N.V. (the Company) domiciled at De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands, is a closed end property investment company. The Company is registered with the Commercial Register under number 33230134 since 18 June 1991. The consolidated financial statements of the Company for the financial year starting 1 January 2023 and ending 31 December 2023 will comprise the Company and its subsidiaries (together referred to as the “Group”).

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) as per 1 January 2023 and Part 9 of Book 2, section 2:362(9) of the Netherlands Civil Code.
Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group’s accounting periods beginning on or after 1 January 2024. The Group has decided not to immediately adopt such standards, amendments and interpretations. Standards that are mandatory for the Group’s accounting periods beginning on 1 January 2023 are adopted as such by the Group. Additional information on new standards, amendments, interpretations and the relating effect on the financial statements, if material and applicable to the Company, has been disclosed in note 1c.

(b) Basis of preparation

The financial statements are presented in euros, rounded to the nearest thousand euros unless stated otherwise. They are prepared on the historical cost basis except for the following assets and liabilities which are stated at fair value: property investments, property investments under development, property investments held for sale and derivative financial instruments. Borrowings and non-current creditors are stated at amortised costs.

Going concern

The financial statements are prepared on a going concern basis and have been authorised for issue on 17 April 2024. The Group have put in place several measures to preserve liquidity, amongst others in February 2024, a new three-year loan of €17.5 million (€8.8 million group share) was signed with Banco BPM to refinance the previous loan on the retail park of Fiordaliso that expired in January 2024 and was repaid. In March 2024, the Group closed three five-year sustainability linked loans for a total amount of €100 million with ABN AMRO Bank on the centres of I Portali and Il Castello in Italy. In April 2024, the Group also entered into a five-year green loan for a total amount of SEK 700 million (circa €62.5 million) with Skandinaviska Enskilda Banken AB on the Hallarna shopping centre. Based on this, our current knowledge and available information, we do consider the preparation of the financial statements based on the going concern assumption appropriate.

(c) Change in accounting policies and reclassifications

Deferred tax related to assets and liabilities arising from a single transaction
The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. There was no material impact on the financial statements.

Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.
The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.
Management reviewed the accounting policies and made updates to the information disclosed in this note (in 2022: Change in accounting policies and reclassifications) in certain instances in line with the amendments.

The following new and amended standards, effective from 1 January 2024, are not expected to have a significant impact on the Group’s consolidated financial statements:
- Classification of Liabilities as Current or Non-Current and Non-current liabilities with covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

(d) Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revisions affect only that period or in the year of the revisions and future periods if the revisions affect both current and future periods.

1. Principal accounting policies continued

(e) Critical accounting judgements in applying the Group's accounting policies

The critical accounting judgements in applying the Group's accounting policies have been described in the property investment and financial instruments (accounting policy) notes. Most important is that all property investments and property investments under development are revalued every six months by qualified independent valuation experts. The Group uses a rotation scheme when instructing valuers. The fair value of the property portfolio is based upon the opinions of the external experts and not internal valuations made by the Company. The fair value of the derivative financial instruments is determined using a valuation model.

(f) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, the exposure, or rights, to variable returns from its involvement and the ability to use its power to affect the amount of the returns of the entities. In assessing control, potential voting rights that are presently exercisable are taken into account. Some entities are classified as joint ventures when there is joint control in these entities and whereby the Group has rights to the net assets, rather than rights to its assets and obligations for its liabilities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date when control ceases.

The consolidated financial statements include those of the holding company and its owned subsidiaries:

Holgura B.V., Amsterdam	AB Skövde K-mannen 2, Stockholm
Sentinel Holdings B.V., Amsterdam	Bergvik Köpet 3 KB, Stockholm
Eurocommercial Properties Belgium S.A., Brussels	C4 Shopping Fastighet 1 AB, Stockholm
Eurocommercial Properties Ltd., London	C4 Shopping Fastighet 2 AB, Stockholm
ECP Collestrada S.r.l., Milan	ECP Fastighet Köpet 1 KB, Stockholm
ECP CremonaPo S.r.l., Milan	ECP Kristianstad AB, Stockholm
ECP Curno 2022 S.r.l., Milan	ECP Moraberg Holding AB, Stockholm
ECP I Portali S.r.l., Milan	ECP Valbo Centrum AB, Stockholm
ECP Il Castello S.r.l., Milan	ECP Valbo Holding AB, Stockholm
ECP Service S.r.l., Milan	ECP Valboön-Fastigheten KB, Stockholm
Eurocommercial Management Italia S.r.l., Milan	Silvret Nio AB, Stockholm
Eurocommercial Properties Italia S.r.l., Milan	Eurocommercial Properties Sweden AB, Stockholm
Immobiliare 2011 S.r.l., Milan	Fastighets AB Juveleraren 11, Stockholm
Eurocommercial Properties Caumartin S.N.C., Paris	Fastighetsbolaget ES Örebro AB, Stockholm
Eurocommercial Properties France S.A.S., Paris	Lagergatan i Växjö AB, Stockholm
Eurocommercial Properties Taverny S.N.C., Paris	Premi Fastighets AB, Stockholm
S.N.C. Val Commerces, Paris	Samarkandfastigheter AB, Stockholm
S.N.C. Winter, Paris	SAR Degeln AB, Stockholm
AB Norrköping Silvret 1, Stockholm	Ugglum Fastigheter AB, Stockholm

Unless otherwise stated, these subsidiaries are wholly owned.

Furthermore, the consolidated financial statements include the joint venture Galleria Verde S.r.l. in Milan, Italy, reported as equity-accounted investee.

(ii) Transactions eliminated on consolidation

Intragroup balances and any (un)realised gains and losses arising from intragroup transactions are eliminated when preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency translations

The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency. Assets and liabilities denominated in foreign currencies are translated into euros at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the average monthly exchange rate. Foreign exchange differences arising on translation are recognised in the statement of profit or loss.

The functional currency of the Swedish and UK subsidiaries are SEK and GBP, respectively. As at the reporting date, the assets and liabilities of these Swedish and UK subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and their profit or loss accounts are translated at the average monthly exchange rates for the period. The exchange differences arising on the translation are taken through the other comprehensive income to equity (currency translation reserve). On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation will be recognised in the statement of profit or loss.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Property investments and property investments under development

Property investments and property investments under development are stated at fair value. Property investments and property investments under development are held to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. It is the Company's policy that all property investments and property investments under development be valued semi-annually by qualified independent experts. These experts are instructed to appraise in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). Both documents contain mandatory rules, best practice guidance and related commentary for all RICS members and appraisers undertaking property valuations. These revaluations represent the price, net of normal purchaser's costs, at which the property could be sold in the open market on the date of revaluation. At the balance sheet date the fair value of each property investment is based on comprehensive valuation reports from the independent experts. Valuations are prepared based on current prices for comparable investment properties in an active market. If, however, such information is not available, property valuations are prepared based on standard valuation techniques such as the capitalisation method and discounted cash flow method.

Movements in the fair value of property investments and property investments under development are recognised in the statement of profit or loss in the period in which they occur.

The carrying amount of accrued income from spreading of the lease incentives is reduced from the fair value of property investments or property investments under development.

Any realised gains or losses from the sale of a property investment or a property investment under development are recognised at closing date as the balance between the net sale proceeds and the latest published fair value in the statement of profit or loss. Depreciation is not provided on property investments and property investments under development since these are stated at fair value in accordance with IAS 40.
Property investments and property investments under development are initially brought to account at their full acquisition cost, including registration duties, legal and other consultants' fees until the first reporting date, when the fair value is presented. Any subsequent capital expenditure, including the aforesaid duties and fees and any directly attributable costs to bring the asset to working order for its intended use, is added to the cost of the property investment or the cost of the property investment under development respectively. The cost of financing the renovation or extension of property investments or the building of property investments under development is capitalised as part of the cost of the investment, the cost amount of which will be published in the notes in addition to the fair value.

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

A sensitivity analysis is carried out by the valuer with particular focus on the most important drivers, which are changes in the rental value and net initial yield, and their effect on the property investment valuation.

Property investments held for sale

Investment property is transferred to property investments held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale must be highly probable. On re-classification, investment property continues to be measured at fair value, less cost to sell and any movements in the fair value are recognised in the statement of profit or loss.

Investments in joint ventures

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investments in joint ventures are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date, measured in accordance with the Group's accounting policies. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the difference in the statement of profit or loss account. Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss. In case of a purchase of the remaining 50% of the shares of the joint venture during the financial year, the balance sheet items will be reported as a 100% subsidiary. With regard to the items in the statement of income and expense, the result up to and including the date of purchase of the remaining 50% of the shares will be reported as income joint ventures. The result after the date of purchase of the remaining 50% of the shares will be reported as a 100% shareholding.

1. Principal accounting policies continued

Non-controlling interests
Non-controlling interests (NCI) are initially measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. They are depreciated over the expected useful lives of the assets concerned varying from two to five years using the straight-line method taking into account the residual value of the respective assets. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Receivables
Receivables are recognised initially at fair value and subsequently at amortised cost, less allowance for expected credit losses.

Cash and deposits
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Issued share capital
The shares in the capital of the Company, are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds. When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from equity. Dividends are recognised as a liability in the period in which they are declared.

Borrowings
Borrowings are recognised initially at fair value, less attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the borrowings are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as net financing costs in the statement of profit or loss.

Creditors
Creditors are recognised initially at fair value and, for non-current creditors, subsequently at amortised cost basis using the effective interest method.

Derivative financial instruments
The Company and its subsidiaries use derivative financial instruments to hedge (part of) their exposure to foreign exchange (if any instruments at year end date) and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments will not be held or issued for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are on the balance sheet at their fair value and the value changes are recognised immediately in the statement of profit or loss. The Company does not apply hedge accounting.

Derivative financial instruments are recognised initially at trade date at fair value (cost price). Subsequent to initial recognition, derivative financial instruments are stated at their fair value. The gain or loss on measurement to fair value is recognised in the statement of profit or loss. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates, the current creditworthiness of the swap counterparties and the Group's own creditworthiness. Derivative financial instruments concern only derivative interest rate swap contracts. The fair value of the derivatives is estimated using a valuation technique and discounting expected future cash flows using current market interest rates and the yield curve over the remaining term of the instrument that are directly or indirectly observable market data. In connection with the non-current borrowings the derivative financial instruments are presented as non-current assets and non-current liabilities.

Put option liability non-controlling interest
The financial liability related to the put option non-controlling interest capitalized is recognized initially at the present value and subsequently measured at amortized cost using the effective interest rate method. Any subsequent changes in the measurement of the put option non-controlling interest capitalized are recognized in the statement of profit or loss. The discount rate used in the amortised cost calculations is 4.1%.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Put option liability non-controlling interest continued

If the Group has acquired a present ownership interest as part of a business combination, the present value of the redemption amount of the put option is recognised as a financial liability with any excess over the carrying amount of the non-controlling interest recognised as goodwill. In such a case, the non-controlling interest is deemed to have been acquired at the acquisition date and therefore any excess arising should follow the accounting treatment as in a business combination. All subsequent changes in the redemption value of the financial liability are recognised in the income statement and no earnings are attributed to the non-controlling interest.

However, where the Group has not acquired a present ownership interest as part of a business combination, the non-controlling interest continues to receive an allocation of profit or loss and is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognised directly in retained earnings.

Leases

(i) Leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in tangible fixed assets and lease liabilities in creditors in the statement of financial position. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office accommodation, office and IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Leases as a lessor

The Group has entered into commercial leases on its investment property portfolio and therefore refers to the accounting policy for the rental income.

Provisions

A provision is recognised in the consolidated statement of financial position when a legal or constructive obligation would exist, as a result of a past event and when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for pensions

The Company has various defined contribution pension plans and only one defined benefit pension plan for a limited number of employees. The net receivable or liability in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of the plan assets is deducted. The defined benefit obligation is calculated semi-annually by an independent external actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments or changes in assumptions are recognised in other comprehensive income. The majority of the Company's employees are members of a defined contribution scheme for which the annual premiums are an expense of the period.

Other assets and liabilities

Unless stated otherwise, assets and liabilities are shown at the amounts at which they were acquired or incurred.
Bad debts (expected credit losses) for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, if appropriate.

1. Principal accounting policies continued

Rental income

Rental income from property investments leased under operational leases is recognised in the profit or loss account on a straight-line basis over the term of the lease. Lease incentives, like rent-free periods, rent discounts and other rent concessions are recognised over the term of the lease, or over the period until the first break option if shorter, on a straight-line basis as a reduction of rental income. This applies mutatis mutandis for entry fees as an increase of rental income.

Service charge income and service charge expenses

Service charge is an integral, but separately identifiable, part of rental contracts. The Group has identified that the service charge is distinct from rentals and are therefore accounted separately. The service charge is priced and contracted based on market prices relevant for the region of operation. The service charge income is recognized evenly over time of the service rendered as the customer simultaneously receives and consumes the benefits from the provided service. Service charges for which the Company acts as a principal are presented in the profit or loss account. Therefore, for those property investments for which the Company is in full control of the service charges, the service charges invoiced to tenants and the corresponding expenses are shown separately on an accrual basis. In addition, service charge expenses also include charges related to vacant units and/or other irrecoverable service charges due to contractual limits or insolvent tenants.

Property expenses (direct and indirect)

These expenses include costs directly related to the leasing of investment property, such as maintenance, insurance, management, property tax etc. and are expensed as incurred. These expenses at a property level are referred to as direct property expenses. Letting fees, relocation expenses, certain dispossession indemnities and other outgoings when a lease is concluded are recognised over the term of the lease on a straight-line basis as indirect property expenses. Property expenses also include expenses associated with non-Netherlands property-holding companies and their staff and offices and some local taxes, accounting, audit and advisory fees, which are charged to the relevant buildings rather than the general expense pool. These expenses at a Group level are referred to as indirect property expenses.

Result in joint ventures

Result in joint ventures reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture. The aggregate of the Group's share of the result of a joint venture is shown in the profit or loss account and represents the result after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint ventures are prepared for the same reporting period as the Group.

Net financing income/cost

Net financing income/cost comprises interest payable on borrowings calculated using the effective interest rate method net of interest capitalised, interest income, debt extinguishment and fair value movements of derivative financial instruments that are recognised in the profit or loss account. Interest income is recognised in the profit or loss account as it accrues.

Company expenses and investment expenses

Company expenses comprise general overheads such as advisory fees, office expenses, personnel costs and Directors' fees. Expenses relating to the investigation of potential property investments and the valuation of property investments, including the part of staff bonuses linked to property value performance, are recognised as investment expenses.

Performance shares granted to employees

Since the financial year 2011/2012 a Performance Share Plan (PSP) has been in place for Managing Directors and all employees of the Company. The cost of performance shares granted under these plans is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model. The cost is recognised, together with a corresponding increase in shareholders' equity, over the period in which the performance and service conditions are fulfilled ending on the vesting date.

Current tax and deferred tax

As an Investment Institution under Netherlands tax law (fiscale beleggingsinstelling) the Company is subject to a nil rate of Netherlands corporate income tax, provided it meets certain conditions, notably the distribution of all taxable income (after permitted deductions) to shareholders within eight months of the end of each financial year. As of 1 July 2005, the Company has opted for the French tax regime applicable to "Sociétés d'investissements immobiliers cotées" (SIIC). As from that date the revenues and capital gains from the French portfolio of the Company are tax-exempt, provided it meets certain conditions, notably a listing at a stock exchange in an EU country and the distribution of at least 85% of French tax-exempt income and of at least 50% of tax-exempt capital gains to shareholders.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Current tax and deferred tax continued

In Belgium, the Company incorporated a wholly owned FIIS/GVBF ("Fonds d'investissement immobilier spécialisé"/"gespecialiseerd vastgoedbeleggingsfonds"). The FIIS/GVBF will be subject to corporate income tax, but its taxable basis will be limited to disallowed expenses and abnormal or gratuitous advantages received. Rental income, capital gains on real estate assets, and dividend and interest income will remain untaxed as a matter of principle, provided that the fiscal result is distributed by way of a dividend. However, corporate income tax may be payable on the fiscal results of Netherlands and foreign subsidiaries which do not have the aforesaid special tax status. This tax on taxable income for the year is recognised in the profit or loss account.

Tax on profit or loss for a year comprises current tax and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates prevailing at the balance sheet date and any adjustment to taxation in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the book value of assets and liabilities and their fiscal book value for tax purposes, taking into account the applicable taxation rate, any fiscal facilities available and recoverable tax losses which can probably be utilised. Deferred tax recognised in the profit or loss account is the movement in deferred tax assets and deferred tax liabilities, if any, during the period. Deferred tax assets and liabilities are netted if there is a legal enforceable right to offset, settlement dates are similar and tax is levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash flows in foreign currencies are translated at average exchange rates. Exchange rate differences affecting cash items are shown separately in the cash flow statement. Cash and deposits include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Segment information

Segment information is presented by country (Belgium, France, Italy, Sweden and The Netherlands). The segment information in the financial statements is in line with the segments used for internal reporting; however, joint ventures are presented in the internal reporting using proportional consolidation. The Netherlands represents assets and liabilities of Eurocommercial Properties N.V. and its office in Amsterdam.

ESEF Company information

Name of reporting entity or other means of identification	**Eurocommercial Properties N.V.**
Domicile of entity	**The Netherlands**
Legal form of entity	**Public Limited Liability Company**
Country of incorporation	**The Netherlands**
Address of entity's registered office	**De Boelelaan 7, 1083 HJ Amsterdam**
Principal place of business	**Amsterdam**
Description of nature of entity's operations and principal activities	**The Company is a closed end property investment company**

2. Segment information

For the consolidated statement of financial position all items are allocated to the respective segments, whereas for the consolidated statement of profit or loss the items net financing result, company expenses, investment expenses, other income and taxation are not allocated to the respective segments.

2023

For the 12 months ended 31-12-23 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	27,251	46,776	106,008	47,079	0	227,114	(11,835)	215,279
Service charge income	6,910	5,467	17,112	15,277	0	44,766	(3,188)	41,578
Service charge expenses	(7,608)	(5,403)	(15,870)	(17,746)	0	(46,627)	2,927	(43,700)
Property expenses	(2,746)	(12,526)	(14,822)	(6,339)	0	(36,433)	845	(35,588)
Net property income	23,807	34,314	92,428	38,271	0	188,820	(11,251)	177,569
Share of result of joint ventures	0	0	0	0	0	0	4,837	4,837
Investment revaluation and disposal of investment properties	(62,723)	(10,911)	17,750	(34,432)	205	(90,111)	(4,933)	(95,044)
Segment result	(38,916)	23,403	110,178	3,839	205	98,709	(11,347)	87,362
Net financing result						(94,620)	8,927	(85,693)
Company expenses						(12,922)	0	(12,922)
Investment expenses						(2,728)	11	(2,717)
Other income						914	648	1,562
Adjustment amortisation period put option liability						(4,789)	0	(4,789)
Result before taxation						(15,436)	(1,761)	(17,197)
Current tax						(3,711)	167	(3,544)
Deferred tax						(6,949)	1,594	(5,355)
Result after taxation						(26,096)	0	(26,096)

As per 31-12-23 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	522,460	802,280	1,655,690	791,328	0	3,771,758	(195,860)	3,575,898
Investment in joint ventures	0	0	0	0	0	0	101,142	101,142
Tangible fixed assets	0	1,927	539	458	1,925	4,849	0	4,849
Receivables	6,973	39,993	11,866	4,037	659	63,528	(1,029)	62,499
Loan to Joint Venture	0	0	0	0	0	0	8,000	8,000
Derivative financial instruments	2,205	0	38,779	1,874	0	42,858	(9,583)	33,275
Cash and deposits	2,527	4,113	18,568	20,158	3,235	48,601	(8,083)	40,518
Total assets	534,165	848,313	1,725,442	817,855	5,819	3,931,594	(105,413)	3,826,181
Creditors	15,129	38,232	31,130	29,140	2,660	116,291	(3,834)	112,457
Non-current creditors	1,284	9,045	2,795	400	871	14,395	(411)	13,984
Borrowings	285,695	210,818	810,241	319,191	25,000	1,650,945	(97,797)	1,553,148
Derivative financial instruments	0	0	19,957	3,423	0	23,380	(820)	22,560
Deferred tax liabilities	0	0	44,831	74,572	0	119,403	(2,551)	116,852
Total liabilities	302,108	258,095	908,954	426,726	28,531	1,924,414	(105,413)	1,819,001

For the 12 months ended 31-12-2023 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	7,220	3,504	8,515	10,317	0	29,556	(1,041)	28,515

* The Netherlands represents assets and liabilities of Eurocommercial Properties N.V.

Notes to the consolidated financial statements (continued)

2. Segment information continued

2022

For the 12 months ended 31-12-22 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	26,572	45,075	91,564	46,364	0	209,575	(10,268)	199,307
Service charge income**	7,427	5,888	17,891	16,261	0	47,467	(3,266)	44,201
Service charge expenses	(8,323)	(5,099)	(17,439)	(18,551)	0	(49,412)	3,260	(46,152)
Property expenses	(1,690)	(11,394)	(13,671)	(5,687)	0	(32,442)	484	(31,958)
Net property income	23,986	34,470	78,345	38,387	0	175,188	(9,790)	165,398
Share of result of joint ventures	0	0	0	0	0	0	18,170	18,170
Investment revaluation and disposal of investment properties	(4,712)	(5,745)	14,769	(14,738)	24	(10,402)	(2,809)	(13,211)
Segment result	19,274	28,725	93,114	23,649	24	164,786	5,571	170,357
Net financing result**						107,251	(12,056)	95,195
Company expenses						(12,128)	4	(12,124)
Investment expenses						(2,471)	12	(2,459)
Other income**						725	699	1,424
Profit before taxation						258,163	(5,770)	252,393
Current tax						(2,335)	88	(2,247)
Deferred tax						(49,314)	5,682	(43,632)
Profit after taxation						206,514	0	206,514

As per 31-12-22 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	578,090	810,280	1,629,850	814,626	0	3,832,846	(189,900)	3,642,946
Investment in joint ventures	0	0	0	0	0	0	95,965	95,965
Tangible fixed assets	0	2,148	790	592	318	3,848	0	3,848
Deferred tax assets	9,080	33,292	11,034	6,358	588	60,352	(997)	59,355
Receivables	0	0	0	0	0	0	8,000	8,000
Derivative financial instruments	7,567	0	64,457	4,102	0	76,126	(14,120)	62,006
Cash and deposits	2,229	13,749	21,199	31,286	2,573	71,036	(5,729)	65,307
Total assets	596,966	859,469	1,727,330	856,964	3,479	4,044,208	(106,781)	3,937,427
Creditors	11,204	32,215	34,468	28,521	2,733	109,141	(4,861)	104,280
Non-current creditors	1,222	9,664	3,131	513	(7)	14,523	(453)	14,070
Borrowings	285,486	217,953	793,498	322,564	0	1,619,501	(100,439)	1,519,062
Derivative financial instruments	0	0	13,345	0	0	13,345	0	13,345
Deferred tax liabilities	0	0	33,172	79,338	0	112,510	(1,028)	111,482
Put option liability non-controlling interest	63,448	0	0	0	0	63,448	0	63,448
Provision for pensions	0	0	0	0	569	569	0	569
Total liabilities	361,360	259,832	877,614	430,936	3,295	1,933,037	(106,781)	1,826,256

For the 12 months ended 31-12-2022 (€'000)	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	3,713	(75,021)	6,448	6,217	0	(58,643)	(2,505)	(61,148)

* The Netherlands represents assets and liabilities of Eurocommercial Properties N.V.

** The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of 'Other income' into 'Service charge income' and 'Interest income'.

3. Exchange rates

It is generally the Company's policy for non-euro investments to use debt denominated in the currency of investment to provide a (partial) hedge against currency movements. Exceptionally, forward contracts may be entered into from time to time when debt instruments are inappropriate for cost or other reasons. The only non-euro investment assets and liabilities of the Company are in Sweden. As at 31 December 2023, €1 was SEK 11.0959 (31 December 2022: SEK 11.1218). The average €/SEK exchange rate during 2023 was SEK 11.4670 (2022: SEK 10.6232).

4. Rental income and service charge income and expenses

Rental income

Rental income in the current financial year comprised:

€'000	2023	2022
Gross lease payments collected/accrued	215,191	205,420
Straight-lining of rent concessions	0	(2,309)
One off amortization of rent concessions	(150)	(4,064)
Entry fees received/accrued	238	260
	215,279	199,307

The Group leases out its property investments under operating leases of various expiry terms. The leases specify the space, the rent, the other rights and obligations of the landlord and the tenant, including notice periods, renewal options and service charge arrangements. In general, the rent is indexed annually over the term of the lease.

Entry fees are defined as non-recurring amounts received from a new or existing tenant in connection with a new or renewed lease. Such proceeds must be straight-lined over the term of the lease. This term is defined as the period to the first possible date the tenant can terminate the lease.

The future aggregated minimum guaranteed rent (turnover rent not included) receivable under non-cancellable operating leases and to the first possible tenant break option amounts approximately to:

€'000	2023	2022
– less than one year	185,214	188,147
– between one and five years	317,935	371,734
– more than five years	105,412	138,445
	608,561	698,325

Approximately 1.73% of the rental income for the financial year ended 31 December 2023 is turnover rent (2022: 1.69%).

Service charge income and expenses

Service charge income of €41.6 million (2022: €44.2 million) represents income from recharged service costs to tenants for the services of utilities, caretakers etc. when the Group acts as principal.

Service charge expenses of €43.7 million (2022: €46.2 million) represent costs related to the services of utilities, caretakers etc. which are rendered to tenants. The service charge expenses can be higher than the service charge income as costs are not always fully recoverable from tenants.

Notes to the consolidated financial statements (continued)

5. Property expenses

Property expenses in the current financial year were:

€'000	2023	2022
Direct property expenses		
Bad debts (expected credit loss)	2,957	2,372
Centre marketing expenses	2,792	2,411
Impairment on tenant receivables (COVID-19 rent concessions)	(358)	(1,114)
Insurance premiums	971	950
Managing agent fees	2,149	2,182
Property taxes	3,051	3,171
Repair and maintenance	929	1,096
Shortfall service charges	1,075	910
	13,566	11,978
Indirect property expenses		
Accounting fees	693	817
Audit fees	677	531
Depreciation fixed assets	372	457
Depreciation right-of-use assets	912	897
Legal and other advisory fees	2,423	1,920
Letting fees and relocation expenses	1,507	955
Local office and accommodation expenses	1,788	1,698
Pension contributions	202	198
Salaries, wages and bonuses	8,185	7,650
Employer's tax and social security charges	3,709	3,469
Performance shares granted (IFRS 2)	158	(22)
Travelling expenses	697	709
Other local taxes	613	667
Other expenses	86	34
	22,022	19,980
	35,588	31,958

Indirect property expenses include the expenses of the Brussels, Milan, Paris and Stockholm offices.

Depreciation right-of-use assets includes the depreciation of right-of-use assets related to operating leases for the Company's Group offices in Milan for €427,000 (2022: €408,000), in Paris for €286,000 (2022: €297,000) and Stockholm for €199,000 (2022: €192,000). These leases are standard lease contracts with no contingent rents and sublease payments and expire in February 2024, September 2028 and September 2025 respectively.

The depreciation of fixed assets for the financial year is €169,000 for the Paris office (2022: €171,000), €167,000 for the Milan office (2022: €262,000) and €36,000 for the Stockholm office (2022: €24,000). No depreciation is recorded for Brussels.

6. Investment revaluation and disposal of investment properties

Realised and unrealised value movements on investments in the current financial year were:

€'000	2023	2022
Revaluation of property investments	(90,183)	(14,681)
Revaluation of property investments under development	0	547
Divestment property sold	30	(1,499)
Elimination of accrued entry fees	314	(134)
Elimination of capitalised letting fees	(6,170)	(2,992)
Elimination of COVID-19 rent discounts	0	6,373
Movement long-term creditors	774	(183)
Foreign currency results	191	(642)
	(95,044)	(13,211)

The revaluation of property investments of negative €90,183,000 (2022: negative €14,681,000) relates to Belgium for an amount of negative €59,177,000 (2022: negative €2,587,000), Sweden for an amount of negative €34,360,000 (2022: negative €14,107,000), France for an amount of negative €8,577,000 (2022: negative €6,578,000) partially offset by a positive amount of €11,931,000 (2022: positive €8,993,000) in Italy.

7. Company expenses

Company expenses in the current financial year comprised:

€'000	2023	2022
Audit fees	453	458
Depreciation fixed assets	191	277
Depreciation right-of-use assets	223	227
Directors' fees	2,250	2,735
IT expenses	2,063	1,098
Legal and other advisory fees	1,064	970
Marketing expenses	588	193
Office and accommodation expenses	1,538	1,361
Pension contributions	442	585
Salaries, wages and bonuses	2,156	2,540
Employer's tax and social security charges	365	366
Statutory costs	484	358
Performance shares granted (IFRS 2)	102	(15)
Travelling expenses	307	251
Other expenses	696	720
	12,922	12,124

Depreciation right-of-use assets includes the lease for the Company's head office at Herengracht 469, Amsterdam for the first half of this financial year and De Boelelaan 7, Amsterdam for the second half of this financial year. This lease is a standard lease contract with no contingent rents and sublease payments and expires in June 2028. The depreciation of fixed assets for this financial year is €191,000 (2022: €277,000).

Notes to the consolidated financial statements (continued)

8. Personnel costs

Total personnel costs in the current financial year comprised:

€'000	2023	2022
Salaries and wages	10,982	10,474
Employer's tax and social security charges	4,777	4,540
Pension costs	813	1,023
Bonuses	2,451	3,108
Performance shares granted (IFRS 2)	673	(74)
	19,696	19,071

Total personnel costs are partly presented under (indirect) property expenses €12,254,000 (2022: €11,295,000), partly under company expenses (remuneration of the members of the Board of Management inclusive) €5,136,000 (2022: €6,056,000) and partly under investment expenses €2,305,000 (2022: €1,720,000). These expenses do not include the remuneration of the members of the Supervisory Board. The pension costs consist of €644,000 of pension contributions (2022: €783,000). In accordance with the Company's remuneration policy the bonuses paid to senior executives are directly linked to the annual growth in the Company's adjusted net asset value, the annual absolute and the annual relative performance, as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies as well as two ESG key performance indicators achieved for this financial year. For this financial year there was no growth of the net asset value per share. The Group employed an average of 92 full-time equivalent persons during the financial year (2022: 98), of whom 13 are resident in The Netherlands, 6 in the UK, 28 in France, 34 in Italy and 11 in Sweden. The Group staff (members of the Board of Management excluded) holds 75,673 shares, representing 0.14% of the issued share capital of the Company.

9. Investment expenses

Investment expenses in the current financial year comprised:

€'000	2023	2022
Aborted acquisition costs	22	315
Bonuses (included in the bonus amounts as part of Personnel costs)	1,522	1,421
Employer's tax and social security charges related to bonuses (included in the amounts as part of Personnel costs)	370	336
Performance shares granted (IFRS 2)	413	(37)
Property valuation fees	390	424
	2,717	2,459

10. Other income

Other income of €1,562,000 for the year ended 31 December 2023 (€1,424,000 for the year ended 31 December 2022) is related to advisory and management fees. In the financial year ended 31 December 2023, a reclassification from part of 'Other Income' to 'Service Charge Income' and 'Interest Income' was made. This reclassification was made to more accurately represent the nature of the accounting transactions. Correspondingly, the comparative figures for the financial year ended on 31 December 2022 have been adjusted for comparison purposes.

11. Net financing costs

Net financing costs in the current financial year comprised:

€'000	2023	2022
Interest income*	1,576	931
Gross interest expenses (excluding interest expenses related to lease liabilities)	(48,110)	(37,307)
Interest expenses on lease liabilities	(71)	(60)
Interest on put option non-controlling interest	(558)	(2,377)
Capitalised interest	122	19
Adjustment amortisation period put option non-controlling interest**	(4,789)	0
Fair value movement derivative financial instruments***	(37,847)	139,290
Movement in present value put option (other than interest)	(805)	(5,301)
	(90,482)	95,195

* The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of parts of 'Other income' into 'Service charge income' and 'Interest income'.

** The adjustment relates to the exercise of the put option for the minority interest in ECP Belgium.

*** The fair value movement of derivative financial instruments is based on the fair value of the underlying financial instruments, which consists mainly of interest rate swaps.

Gross interest expense consists of interest on lease liabilities, interest payable on loans calculated using the effective interest rate method and on derivative financial instruments. The interest payable to finance the extension/acquisition of an asset is capitalised until completion/acquisition date and is reported as capitalised interest. The interest rate used for capitalised interest during this financial year was 3.2% (2022: 2.1%).

The fair value derivative financial instruments was negative €37,487 (2022: positive €139,290). The negative movement is due to the change in the Euribor and Stibor curves.

12. Taxation

Total tax in the current financial year comprised:

€'000	2023	2022
Current tax Italy	1,876	920
Current tax Belgium	207	135
Current tax Sweden	1,454	1,183
Current tax United Kingdom	7	9
Current tax	**3,544**	**2,247**
Deferred tax on unrealized value movements investment property Italy and Sweden	12,050	15,302
Deferred tax on unrealized value movements derivative financial instruments Italy and Sweden	(8,300)	24,345
Movement tax losses recognized Italy and Sweden	1,605	3,985
Deferred tax	**5,355**	**43,632**
Total tax	**8,899**	**45,879**
Tax-exempt income (including effect of FBI, FIIS and SIIC)	(42,505)	45,212
Result before tax attributable to Swedish tax rate of 20.6%	(26,022)	10,787
Result before tax attributable to Italian tax rate of 24.0%	46,213	178,286
Result before tax attributable to UK tax rate of 19.0% (2022: 19.0%)	281	(62)
Result before taxation	**(22,033)**	**234,223**
Tax on result before tax attributable to Swedish taxable subsidiaries at a tax rate of 20.6%	(5,360)	2,222
Tax on result before tax attributable to Italian taxable subsidiaries at a tax rate of 24.0%	11,091	42,789
Tax on result before tax attributable to UK taxable subsidiary at a tax rate of 19.0% (2022: 19.0%)	(2)	(12)
Correction prior years	55	0
Non-taxable income/expense Belgium, Italy, Sweden and UK	3,115	880
Total tax	**8,899**	**45,879**

The result before taxation does not include the share of the result from joint ventures.

Notes to the consolidated financial statements (continued)

12. Taxation continued

As an Investment Institution under Dutch tax law (fiscale beleggingsinstelling), the Company is subject to a nil rate of Netherlands corporate income tax. In Belgium the revenues and capital gains are exempt as a “Fonds d’investissement immobilier spécialisé” (FIIS) and the revenues and capital gains from the French portfolio of the Company are tax-exempt as a “Société d’investissements immobiliers cotée” (SIIC).

In Italy and Sweden, the properties are held by taxable entities. In Italy, the nominal tax rate applied for deferred tax and corporate income tax is 24.0%, except a minor taxable amount for which the nominal tax rate is 27.9%. In Sweden the nominal tax rate of 20.6% has been applied for deferred tax. The nominal tax rate for the subsidiary in the United Kingdom is 19% (2022: 19%).

The Italian Tax Authorities issued two notices of assessment on the property depreciation and the following use of the fiscal losses carry forward for the fiscal years 2014/2015 and 2015/2016 of the Italian subsidiary Eurocommercial Properties Italia S.r.l.. In October 2020 and April 2021 respectively, the Italian tax court rendered a decision in the second degree confirming the first degree decision in favour of the Company. The Italian tax authorities have appealed to the final court for both the notices. No provisions have been accounted for in the financial statements.

13. Property investments, property investments under development and property investments held for sale

Property investments, property investments under development and property investments held for sale are stated at fair value. It is the Company’s policy that all property investments and property investments under development be revalued semi-annually by qualified independent experts. The independent valuation figures for the Company’s properties represent the net price expected to be received by the Company from a notional purchaser who would deduct any purchaser’s costs including registration tax. All properties in the Group are freehold.

The qualified independent valuers have prepared their appraisals in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). These standards require that valuers, among other activities, collect a variety of data, including general economic data, property-specific data and market supply and demand data. Property-specific data includes passing rent and future rent, expenses, lease terms, lease incentives, vacancies, rent concessions, etc.

The Board of Management reviews the valuation reports and determines that the source data provided by the Company is processed correctly. The data and valuation methodologies used are set out in the independent valuation reports. All properties were revalued at 31 December 2023.

Purchasers’ costs

The total purchasers’ costs including registration tax, which are excluded from the fair value of the property investments, property investments under development and property investments held for sale, for the financial year ended 31 December 2023 were as follows:

	31-12-2023					31-12-2022				
	Belgium	France	Italy	Sweden	Total	Belgium	France	Italy	Sweden	Total
Purchasers’ costs (%)	2.5%	6.9%-7.5%	1.0%	1.0%	2.6%	2.5%	6.9%-7.5%	1.0%	1.0%	2.6%
Purchasers’ costs (€’000)	13,060	56,076	14,526	7,913	91,575	14,456	56,745	14,326	8,148	93,675

In France the purchasers’ costs varies mainly from 6.9% to 7.5%. A percentage of 1.8% is applied as purchaser’s costs on lands acquired in France.

Fair value hierarchy

Property investments, including property investments under development and property investments held for sale are at level 3.

Property portfolio

The current property portfolio is:

	31-12-23 Net value €’000	31-12-22 Net value €’000	31-12-23 Costs to date €’000	31-12-22 Costs to date €’000
Belgium	522,460	578,090	664,174	658,953
France	802,280	810,280	605,622	602,119
Italy	1,459,830	1,439,950	1,058,552	1,051,079
Sweden	791,328	814,626	771,892	761,575
Property investments	3,575,898	3,642,946	3,102,240	3,073,726

13. Property investments, property investments under development and property investments held for sale continued

Assumptions and sensitivity analysis

The assumptions and sensitivity analysis of the valuations are made by the valuers and represent the property investments, excluding land and property held for development. The following assumptions were applied as per 31 December 2023:

	31-12-23				31-12-22			
	Belgium	France	Italy	Sweden	Belgium	France	Italy	Sweden
Passing rent per m² (€; average)	639	404	348	234	614	373	325	224
Estimated rent value per m² (€; average)	638	421	354	253	586	397	331	224
Net initial yield (%; average)	5.2	5.3	6.2	5.9	4.7	5.0	6.0	5.6
Reversionary yield (%; average)	4.9	5.9	6.2	5.9	4.4	5.5	5.8	5.6
Inflation rate (%; min/max)*	n.a.	n.a.	2.3	2.1	n.a.	n.a.	1.9/2.0	2.0/2.6
Long-term growth in rental value (%; min/max)*	n.a.	n.a.	2.3	2.0	n.a.	n.a.	1.8/2.0	2.0

* When DCF method is used.

The DCF valuation is used by all valuers, except in Belgium and France where the valuers use the capitalisation method. There were no changes in the valuation method compared to previous valuations.

A sensitivity analysis of the valuations is based on the assumptions of 1) the increase/decrease in net initial yield (NIY) and 2) the increase/decrease of the estimated rental value (ERV). The amounts reflect the increase or decrease of the net value of the respective property portfolio.

	31-12-23					31-12-22				
	Belgium €'000	France €'000	Italy €'000	Sweden €'000	Total €'000	Belgium €'000	France €'000	Italy €'000	Sweden €'000	Total €'000
Increase average NIY by 25 bps	(26,100)	(33,789)	(46,960)	(29,999)	(136,848)	(29,940)	(36,899)	(47,310)	(33,298)	(147,447)
Increase average NIY by 50 bps	(49,780)	(65,112)	(88,570)	(57,949)	(261,411)	(56,860)	(70,673)	(91,890)	(65,375)	(284,798)
Decrease average NIY by 25 bps	28,910	37,254	50,190	33,089	149,443	33,470	40,591	52,270	37,386	163,717
Decrease average NIY by 50 bps	61,130	78,157	91,920	68,529	299,736	71,150	72,406	108,230	77,678	329,464
Increase ERV of 5%	26,120	28,099	42,680	33,829	130,728	27,660	34,455	42,330	34,841	139,286
Increase ERV of 10%	52,250	55,260	88,450	68,568	264,528	55,310	68,756	84,680	68,519	277,265
Decrease ERV of 5%	(26,130)	(27,091)	(42,470)	(33,829)	(129,520)	(27,670)	(34,526)	(42,000)	(33,943)	(138,139)
Decrease ERV of 10%	(52,260)	(54,731)	(84,830)	(66,766)	(258,587)	(55,320)	(69,086)	(83,630)	(69,419)	(277,454)

Changes in property investments and property investments held for sale for the financial year ended 31 December 2023 were as follows:

	Property investments 31-12-23 €'000	Property investments held for sale 31-12-23 €'000	Property investments 31-12-22 €'000	Property investments held for sale 31-12-22 €'000
Book value at beginning of year	3,642,946	0	3,757,419	22,500
Capital expenditure – general	10,991	0	10,095	0
Capital expenditure – extensions and refurbishments	11,233	0	11,266	0
Capitalized interest	122	0	19	0
Capitalized letting fees/lease incentives/fit out costs*	12,627	0	8,281	0
Amortisation capitalized letting fees/lease incentives/fit out costs*	(6,457)	0	(5,288)	0
Capitalized rent concessions	0	0	(6,373)	0
Elimination of net capitalized letting fees	(6,170)	0	(2,993)	0
Elimination of net capitalized rent concessions	0	0	6,373	0
Revaluation of property investments	(90,183)	0	(14,681)	0
Reallocation from property investments under development	0	0	7,000	0
Book value divestment property	0	0	(57,000)	(22,500)
Exchange rate movement	789	0	(71,172)	0
Book value at end of year	3,575,898	0	3,642,946	0

* The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes.

Notes to the consolidated financial statements (continued)

13. Property investments, property investments under development and property investments held for sale continued

Changes in property investments under development for the financial year ended 31 December 2023 were as follows:

	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	0	6,100
Capital expenditure	0	353
Revaluation property investments under development	0	547
Reallocation to property investments	0	(7,000)
Book value at end of year	0	0

14. Investments in joint ventures

Investments in joint ventures amounted to €101.1 million (€95.7 million at 31 December 2022) and refers to the Company's 50% stake in the Italian company Galleria Verde S.r.l. which owns the shopping centre Fiordaliso and the adjacent retail park in Milan. Galleria Verde S.r.l. has the same calendar year end as the Group. There are no contingent liabilities or other post balance sheet events in the joint venture other than mentioned below and no unrecognised losses. The payment of cash dividends and the repayment of intercompany loans and advances are allowed, subject to the conditions provided in the loans with the financing banks. During this financial year no dividend was paid by the joint venture (2022: €0).

The Italian joint venture is financed at 31 December 2023 by four banks: a) ING and BNP Paribas, which granted a loan of €177 million, maturing in 2026 with a mortgage on the Fiordaliso gallery; b) Banca Intesa Sanpaolo, which granted a loan of €21 million with a mortgage on the retail park of Fiordaliso that has been fully repaid at the maturity date in January 2024; c) Banco BPM which granted in 2020 a loan of €21.5 million with a mortgage on the new portion of Fiordaliso gallery (ex-hypermarket) for a term of five years. Banco BPM had also provided in 2020 an unsecured facility (guaranteed by the Italian State) of €5.5 million that has been fully repaid at the maturity date on 30 June 2023. In addition, the two shareholders granted the joint venture two intercompany loans for a total amount of €16 million at 31 December 2022.

In March 2024, a new loan amounting to €17.5 million with a maturity of three years was granted by Banco BPM with a mortgage on the retail park of Fiordaliso and the proceeds have been used to partially repay the intercompany loans provided by the two shareholders (now outstanding for a remaining total amount of €3 million). At 31 December 2023, the loans of the joint venture were hedged with interest rate swaps for a notional amount of €160 million.

14. Investments in joint ventures continued

Property	Fiordaliso	Fiordaliso
Country	Italy	Italy
ECP ownership	50%	50%
Company name	Galleria Verde S.r.l.	Galleria Verde S.r.l.
Summarised profit or loss account	Twelve months ended 31-12-23 €'000	Twelve months ended 31-12-22 €'000
Rental income	23,670	20,536
Property expenses	(1,690)	(968)
Service charge income	6,376	6,530
Service charge expenses	(5,854)	(6,520)
Investment revaluation	9,866	5,618
Net interest expenses	(7,138)	(3,888)
Net derivatives movements	(10,716)	29,646
Other expenses to Group companies	(1,296)	(3,042)
Financial and investment expenses	(22)	(32)
Deferred tax	(3,188)	(11,364)
Corporate income tax	(334)	(176)
Result after taxation	9,674	36,340
Total comprehensive income	9,674	36,340
ECP share of total comprehensive income	4,837	18,170

Property	Fiordaliso	Fiordaliso
Country	Italy	Italy
ECP ownership	50%	50%
Company name	Galleria Verde S.r.l.	Galleria Verde Srl
Summarised statement of financial position	31-12-23 €'000	31-12-22 €'000
Property investments	391,720	379,800
Cash and deposits	16,166	11,458
Debtors	2,058	1,994
Derivatives financial instruments (non-current)	19,166	28,240
Total assets	429,110	421,492
Creditors (current)	7,668	9,722
Borrowings (current)	20,984	5,944
Loan from Group companies (current)	16,000	16,000
Creditors (non-current)	822	906
Borrowings (non-current)	174,610	194,934
Deferred tax liabilities	5,102	2,056
Derivatives financial instruments (non-current)	1,640	0
Total liabilities	226,826	229,562
Net assets	202,284	191,930
ECP share of net assets in joint ventures	101,142	95,965

Notes to the consolidated financial statements (continued)

15. Tangible fixed assets

Tangible fixed assets represent office equipment and inventory for the Company's head office at De Boelelaan 7, Amsterdam and the Group offices at 200, rue Saint-Lambert, Brussels; Via della Moscova 3, Milan; 107, rue Saint Lazare, Paris and Kungsgatan 48, Stockholm as well as the right-of-use assets related to the lease of these offices. The costs for office equipment and inventory are depreciated over the expected useful lives of the assets concerned varying from two to five years. The movements in the current financial year and the previous financial year were:

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Book value at 1 January 2022	2,499	848	3,347
Additions	1,942	504	2,446
Disposals	(49)	(1)	(50)
Depreciation	(1,124)	(734)	(1,858)
Exchange rate movement	(33)	(4)	(37)
Book value at 31 December 2022	3,235	613	3,848
Additions	1,522	1,284	2,806
Disposals	(146)	(20)	(166)
Depreciation	(1,135)	(560)	(1,695)
Exchange rate movement	(13)	69	56
Book value at 31 December 2023	3,463	1,386	4,849

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Cost at 31 December 2023	8,477	9,145	17,622
Accumulated depreciation	(4,982)	(7,778)	(12,760)
Accumulated exchange rate movement	(32)	19	(13)
Book value at 31 December 2023	3,463	1,386	4,849

During the financial year ended 31 December 2023, tangible fixed assets with a total cost price of €1,241,000 were disposed of or out of use (31 December 2022: €1,271,000).

16. Receivables

	31-12-23 €'000	31-12-22 €'000
Trade receivables		
Rents receivable	36,252	43,063
Provisions for bad debts (expected credit losses)	(13,541)	(11,649)
Provisions for bad debts (expected credit losses) – COVID-19 rent concessions	(412)	(1,195)
	22,299	30,219
Other receivables		
Funds held by managing agents	16,558	9,697
Loan to joint venture	8,000	8,000
Prepaid acquisition costs	3,762	1,893
VAT receivable	3,663	2,414
Settlement service charges	511	674
Deposit gift cards	3,801	3,577
Escrow account sale Grenoble	1,900	1,900
Loan interest receivable	3,838	1,407
Other receivables and prepayments	5,607	5,441
	47,640	35,003
Total trade and other receivables	69,939	65,222
Prepaid Tax		
Other prepaid tax	560	1,414
COVID-19 government support	0	719
	560	2,133

16. Receivables continued

Under IFRS 9, the lease receivables are subject to impairment testing. When the landlord has invoiced the rent as defined according to the existing contract and the tenant does not pay, the (expected) risk related losses are fully recognised in property expenses.

The loan to joint venture is the shareholder loan granted to the joint venture Galleria Verde S.r.l.

Receivables at 31 December 2023 include an amount of €1,084,000 (31 December 2022: €137,000) which is due after one year.

17. Cash and deposits

Cash and deposits consist of amounts held as bank balances and other liquid assets. All bank balances and deposits are freely available.

	31-12-23 €'000	31-12-22 €'000
Bank balances	40,461	56,119
Deposits	57	9,188
	40,518	65,307

18. Trade and other payables and tax payable

	31-12-23 €'000	31-12-22 €'000*
Current liabilities		
Interest payable	14,826	8,612
Lease liabilities	1,039	1,169
Local and property tax payable	1,623	1,149
Payable on purchased property/extensions	8,887	14,006
Rent received/invoiced in advance	32,816	27,983
Service charge accruals	8,987	4,833
VAT payable	4,343	4,393
Gift card debts	3,801	3,577
Amounts payable related to personnel	6,383	5,541
Trade payables and other credtors	27,892	22,569
	110,597	93,832
Non-current liabilities		
Lease liabilities	2,502	2,165
Tenant rental deposits	11,482	11,905
	13,984	14,070
Tax payable		
Current liabilities corporate tax payable	1,860	10,448
	1,860	10,448

19. Borrowings

	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	1,519,062	1,645,779
Drawdown of funds	381,531	145,215
Repayments	(349,134)	(245,347)
Exchange rate movement	603	(27,519)
Movement prepaid borrowing costs	1,086	934
Book value at end of year	1,553,148	1,519,062

83% of the borrowings are at a floating interest rate (31 December 2022: 73%), rolled over for a period of generally three months. The interest rate risk is managed by using interest rate swaps and other derivatives. 17% of the borrowings are at a fixed interest rate and the interest rate risk is managed by fixing the interest to maturity at the drawdown date (31 December 2022: 27%).

Notes to the consolidated financial statements (continued)

19. Borrowings continued

	Borrowings €'000	Borrowing cost €'000	31-12-23 €'000	Fair value €'000	31-12-23 %	31-12-22 €'000	Fair value €'000	31-12-22 %
Borrowings with floating interest rate	1,293,886	(4,800)	1,289,086	1,289,086	83	1,105,630	1,105,630	73
Borrowings with fixed interest rate	265,775	(1,713)	264,062	260,472	17	413,432	404,102	27
Total borrowings	1,559,661	(6,513)	1,553,148	1,549,558	100	1,519,062	1,509,732	100

The fair value of the borrowings with a fixed interest rate from drawdown date to maturity is based on a model taking into account the appropriate interest rate curve of the underlying loan. The fair value of the floating interest rate loans is considered equal to the relevant carrying value, as the impact of the margin of the loans is not material.

The borrowings are all directly from major banks, with an average committed unexpired term of almost three years. Borrowings of €1,493 million are secured on property (31 December 2022: €1,516 million).

The average interest rate during the financial year ended 31 December 2023 on non-current borrowings including hedges was 2.9% (2022: 2.2%). The average interest rate is calculated as the weighted average interest rate over the remaining principals until the respective interest maturity dates. There have been no defaults during the financial year in respect of any of the borrowings at 31 December 2023.

	31-12-23				31-12-22
Borrowings maturity profile	Secured €'000	Unsecured €'000	Total borrowings €'000	Average interest rate as at 31 December %	Total borrowings €'000
Current borrowings	173,614	60,008	233,622	3.0	196,339
Non-current borrowings:					
One to two years	405,940	0	405,940	n.a.	173,476
Two to five years	708,207	0	708,207	n.a.	931,602
Five to ten years	211,892	0	211,892	n.a.	225,245
More than ten years	0	0	0	n.a.	0
Total non-current borrowings	1,326,039	0	1,326,039	2.8	1,330,323
Borrowing costs	(6,513)	0	(6,513)		(7,600)
Total borrowings	1,493,140	60,008	1,553,148	2.9	1,519,062

Currency and interest rate profile	Fixed rate borrowings €'000*	Floating rate borrowings €'000**	Total borrowings €'000	Average interest rate at 31 December %	Average interest maturity in years	Average maturity of borrowings in years
2023						
Euro	212,468	1,026,986	1,239,454	4.7	5.7	2.9
Swedish krona	53,307	266,900	320,207	5.4	2.7	2.4
Borrowing costs	(1,713)	(4,800)	(6,513)	n.a.	n.a.	n.a.
	264,062	1,289,086	1,553,148	4.8	5.1	2.8
2022						
Euro	219,892	983,844	1,203,736	2.6	5.7	4.0
Swedish krona	195,517	127,409	322,926	2.7	2.0	1.4
Borrowing costs	(1,977)	(5,623)	(7,600)	n.a.	n.a.	n.a.
	413,432	1,105,630	1,519,062	2.6	5.4	3.4

* Fixed rate borrowings consist of ten fixed rate loans and external floating interest rate financing for which fixed interest rate swaps are in place with a remaining term of more than one year.
** Floating rate borrowings consist of all external financing with a remaining interest period of less than one year taking into account the effect of interest rate swaps.

The table above shows the average interest rate of the Group at December 2023 excluding the effect of the interest rate swaps (4.8%). The average interest rate at December 2023 including the effect of interest rate swaps was 3.2%.

At 31 December 2023 the Group had in total green and sustainability loans for a nominal amount of €602.0 million (€522.8 million group share). There are four green loans for a total amount of €385.5 million (€306.3 million group share), three sustainability linked loans for a total amount of € 100 million and two green and sustainability linked loans for a total amount of €116.5 million. The Group aims to further increase the number of its green and sustainability linked loans, by upgrading the loans expiring at maturity.

20. Financial instruments

Financial risks

In the normal course of business the Group is exposed to credit risks, liquidity risks, interest rate risks and foreign currency risks. The overall risk management policy focuses on the unpredictable nature of the financial markets with emphasis on minimising any negative impact on the financial performance of the business. The Group closely monitors its financial risks linked to its activities and the financial instruments it uses. However, as the Group is a long-term property investor, it believes that the funding of its investments should also be planned on a long-term basis, reflecting the overall risk profile of the business.

Credit risk

The credit risk is defined as the unforeseen losses on assets if counterparties should default. The credit risk associated with lease debtors is determined through a detailed analysis of the outstanding debt and mitigated by requiring deposits, upfront payments or bank guarantees from tenants to cover rents for a limited period. The risk is further reduced by investing in mature markets and by choosing major tenants also on the basis of their financial strength. The carrying amounts of the financial assets represent the maximum credit risk and were made up as follows:

Carrying amounts of financial assets	Note	31-12-23 €'000	31-12-22 €'000
Receivables	16	69,939	65,222
Derivative financial instruments		33,275	62,006
Cash and deposits	17	40,518	65,307
		143,732	192,535

The ageing analysis of the receivables on the balance sheet date was as follows:

	31-12-23				31-12-22			
	Rents receivable €'000	Provision for bad debts (expected credit loss) €'000	Other receivables €'000	Receivables €'000	Rents receivable €'000	Provision for bad debts €'000	Other receivables €'000	Receivables €'000
Not due	21,582	(584)	0	20,998	24,213	0	0	24,213
Overdue by 0–90 days	606	(2,648)	47,370	45,328	5,263	(2,747)	35,003	37,519
Overdue by 90–120 days	1,506	(1,760)	0	(254)	1,205	(1,092)	0	113
Overdue by more than 120 days	12,558	(8,691)	0	3,867	12,382	(9,005)	0	3,377
	36,252	(13,683)	47,370	69,939	43,063	(12,844)	35,003	65,222

With respect to the rents receivable, the Group holds rental deposits from its tenants totalling €13.9 million (31 December 2022: €13.5 million) in addition to bank guarantees.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets at a reasonable price. In order to reduce liquidity risk, the repayment dates of borrowings are well spread over time and 85% of borrowings are long term, with 14% of borrowings with a remaining term of over five years. The Group aims to enter into long-term loans, preferably five to ten years or longer. At the balance sheet date the average maturity of the borrowings was almost over three years. Group net borrowings on a proportional consolidated basis will not exceed 60% of the fair value of the property portfolio on a proportional consolidated basis, which further mitigates risk. The ratios to which the Group has committed itself are monitored at regular intervals. The loan to value ratio at 31 December 2023 was 42.3% on IFRS basis and 42.5% on a proportional consolidated basis (31 December 2022: 39.9% and 40.4% respectively). Apart from these obligations and commitments, the Netherlands Fiscal Investment Institution status of the Company imposes borrowing limits and requires the Company to distribute its fiscal income as a dividend to the shareholders.

The risk related to the possible defaults of the Group's counterparties is minimised by dealing directly with a number of reputable banks for all its borrowings, interest rate swaps, foreign exchange contracts and deposits. These banks in their position as lenders have a credit rating AA- (14%), A+ (16%), A (23%), A- (19%) BBB (19%), BBB- (2%), BB (4%) and 3% have no rating according to Fitch; and Aa3 (48%), A3 (12%), Baa1 (29%), Baa3 (4%), and 5% have no rating according to Moody's.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and monitors rent collection and possible arrears.

For further disclosures on the liquidity risk, we refer to the going concern paragraph in note 1b. Basis of preparation of the consolidated financial statements.

Notes to the consolidated financial statements (continued)

20. Financial instruments continued

The following table shows the undiscounted contractual flows required to pay the Company's financial liabilities:

Undiscounted cash flows	31-12-23 Total cash flows €'000	31-12-23 Less than 1 year €'000	31-12-23 1–5 years €'000	31-12-23 More than 5 years €'000	31-12-22 Total cash flows €'000	31-12-22 Less than 1 year €'000	31-12-22 1–5 years €'000	31-12-22 More than 5 years €'000
Non-current borrowings	1,326,039	0	1,114,147	211,892	1,330,323	0	1,105,078	225,245
Current borrowings	233,622	233,622	0	0	196,339	196,339	0	0
Interest derivative financial instruments	(10,715)	(2,097)	(18,552)	9,934	(48,148)	(13,465)	(42,731)	8,048
Financial liability related to put option non-controlling interest	0	0	0	0	67,000	0	67,000	0
Interest on borrowings	154,643	66,276	80,278	8,089	185,463	52,015	119,791	13,657
Non-current creditors	13,816	1,369	10,299	2,148	13,541	6,631	4,672	2,238
Current creditors	109,558	109,558	0	0	92,663	92,663	0	0
Current tax payable	1,860	1,860	0	0	10,448	10,448	0	0
	1,828,823	410,588	1,186,172	232,063	1,847,629	344,631	1,253,810	249,188

Foreign currency risk

Foreign exchange risk is the risk that the profitability and shareholders' equity of the Group might be affected by currency fluctuations. Individual subsidiaries primarily execute their operating activities in their respective functional currencies which primarily comprise the euro and the Swedish krona. As a result, the Company has only a rather limited foreign currency exposure related to its day-to-day operations in the various countries. Since the financial reporting currency of the Company is the euro, the financial statements of those non-euro operating subsidiaries are translated so that the financial results can be presented in the Company's consolidated financial statements. Due to Swedish property investments, the Group is exposed to the Swedish krona, the only material foreign currency exposure for the Group. However, due to SEK loan facilities, this exposure is partly hedged. SEK borrowings amount to €319 million (31 December 2022: €323 million). The total property investments in Sweden are €791 million (31 December 2022: €815 million). Therefore, about 40% of this SEK exposure is hedged through these borrowings at 31 December 2023 (31 December 2022: 40%). The remaining exposure is relatively limited compared with the total size of the portfolio and will, in principle, not be hedged. A weakening of this currency by 5% would result, for example, in a decrease of shareholders' equity of only 1% and in a decrease of only 1.1% of direct investment result.

Interest rate risk

The Company operates a defensive interest rate hedging policy by using derivatives to protect the Company against increases in interest rates. The Company intends to hedge the majority of its loans outstanding for the medium to long term (five to 15 years). The fair value (mark to market) of the current interest rate hedge instruments as at 31 December 2023 is a positive value of €10,7 million (31 December 2022: positive €48.6 million).

The interest rate hedge instruments as at 31 December 2023 have a weighted average maturity of over five years and the Company is hedged at an average interest rate of 2.0% (31 December 2022: 1.6%). Only 21% (31 December 2022: 14%) of the total borrowings is at a floating rate without interest hedge. An increase in interest rates of 1% would therefore only have a limited negative impact of an additional annual interest expense of €3.3 million (31 December 2022: €2.1 million) or 2.6% (31 December 2022: 2%) of reported direct investment result.

If at 31 December 2023, the euro interest curve and the Swedish krona interest curve were 50 basis points higher, the fair value movement for derivative financial instruments would have increased the shareholders' equity by €20.0 million. If the interest curves were 50 basis points lower, the fair value movement for derivative financial instruments would have decreased the shareholders' equity by €21.2 million. Both calculations assume that all other variables were held constant and do not take into account the impact of deferred taxes.

Maturity profile derivative financial instruments	31-12-23 Notional amount €'000	31-12-23 Fair value €'000	31-12-22 Notional amount €'000	31-12-22 Fair value €'000
Up to one year	96,006	2,097	84,781	433
From one year to two years	140,400	4,922	135,911	5,093
From two years to five years	410,298	13,630	329,200	21,940
From five years to ten years	229,654	5,197	284,721	31,977
Over ten years	85,000	(15,131)	85,000	(10,782)
	961,358	10,715	919,613	48,661

20. Financial instruments continued

Derivative financial instruments comprise the fair value of interest rate swap contracts entered into to hedge the Group's interest rate exposure.

In addition to the notional amounts of the derivative financial instruments presented in the previous table, the financial instruments portfolio as per the balance sheet date includes forward starting interest rate swaps to extend existing interest rate swaps then maturing for a notional amount of €105 million (31 December 2022: €20 million). Although the notional amounts of the aforesaid financial instruments are not included in the previous table, the fair value of these financial instruments is included. Moreover, the IFRS reporting does not include the additional interest rate swaps of the 50% owned Italian joint venture company Galleria Verde for a total notional amount of €95 million (Group share). The Company accounts for the purchase/sale of an interest rate swap at its transaction date.

Changes in net derivative financial instruments for the financial year ended 31 December 2023 were as follows:

Net derivative financial instruments	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	48,661	(90,444)
Fair value movement derivative financial instruments	(37,847)	139,290
Exchange rate movement	(99)	(185)
Book value at end of year	10,715	48,661

Effective interest rate and ageing analysis

The following table shows the effective interest rate (variable rate is based on Euribor/Stibor as at 31 December 2023) on financial assets on which interest is receivable and liabilities on which interest is payable as at the balance sheet date. This table also includes an ageing analysis according to interest rate revision dates of these assets and liabilities.

	31-12-23				31-12-22			
	Borrowings floating rate	Borrowings fixed rate	Swaps fixed rate paid	Swaps floating rate received	Borrowings floating rate	Borrowings fixed rate	Swaps fixed rate paid	Swaps floating rate received
Effective interest rate (%)	5.42	1.87	1.37	4.00	2.86	2.00	1.13	1.53
Up to one year (€'000)	224,886	8,736	96,006	96,006	46,581	149,758	84,781	84,781
From one year to two years (€'000)	397,063	8,878	140,400	140,400	164,743	8,732	135,911	135,911
From two years to five years (€'000)	633,237	74,969	410,298	410,298	856,028	75,574	329,200	329,200
From five years to ten years (€'000)	38,700	173,192	229,654	229,654	43,900	181,345	284,721	284,721
Over ten years (€'000)	0	0	85,000	85,000	0	0	85,000	85,000
	1,293,886	265,775	961,358	961,358	1,111,252	415,409	919,613	919,613

The following table shows the periods in which the interest cash flows (variable interest is based on Euribor/Stibor as at 31 December 2023) on both borrowings and derivatives are expected to occur on the basis of the loan and interest rate swap agreements entered into by the Group, as per the balance sheet date:

Interest cash flows 31-12-23	Borrowings floating rate €'000	Borrowings fixed rate €'000	Swaps fixed rate €'000	Swaps floating rate €'000	Total €'000
Up to one year	61,343	4,933	12,904	(32,935)	46,245
From one year to two years	33,957	4,751	12,618	(16,784)	34,542
From two years to five years	30,266	11,304	30,598	(32,836)	39,332
From five years to ten years	1,384	6,705	19,020	(15,765)	11,344
Over ten years	0	0	37,328	(26,906)	10,422
	126,950	27,693	112,468	(125,226)	141,885

Fair value of financial instruments

The financial statements have been prepared on an historical cost basis, except for property investments, property investments under development, property investments held for sale and some of the financial instruments, which are carried at fair value. IFRS 9 contains the following principal classification categories for financial assets and liabilities: A. Financial assets and liabilities measured at amortised cost; and C. Financial assets at fair value through P&L.

Notes to the consolidated financial statements (continued)

20. Financial instruments continued

The carrying amounts of the financial instruments and their fair values were as follows:

	Note	Categories in accordance with IFRS 9	31-12-23 €'000 Carrying amount	31-12-23 €'000 Fair value	31-12-22 €'000 Carrying amount	31-12-22 €'000 Fair value
Receivables	16	A	**69,939**	**69,939**	65,222	65,222
Derivative financial instruments		C	**33,275**	**33,275**	62,006	62,006
Cash and deposits	17	A	**40,518**	**40,518**	65,307	65,307
			143,732	**143,732**	192,535	192,535
Creditors	18	A	**126,442**	**126,442**	118,348	118,348
Borrowings	19	A	**1,559,661**	**1,549,558**	1,519,062	1,509,732
Put option liability non-controlling interest	22	A	**0**	**0**	63,448	63,448
Derivative financial instruments		C	**22,560**	**22,560**	13,345	13,345
			1,708,663	**1,698,560**	1,714,203	1,704,873

The fair values of the financial instruments were determined as explained in the principal accounting policies (note 1) to the extent that for those borrowings with a fixed interest rate (carrying amount of €265,775,000), the fair value was based upon the relevant yield curves. For the borrowings with a floating interest rate (carrying amount of €1,293,886,000), the carrying amount is deemed to approximate the fair value because the floating interest rate approximates the market interest rate and own credit risk is not deemed material. Due to their short-term nature the carrying amount approximates to fair value for the other balance sheet items.

Fair value hierarchy

All derivative financial instruments are at level 2. For the level 2 derivative financial instruments the Group uses a model to determine the fair value with inputs that are directly or indirectly observable market data.

21. Deferred tax liabilities

Deferred tax liabilities are attributable to the following items in the current financial year:

	31-12-22 €'000	Recognized in profit or loss €'000	Release to profit or loss due to property sale €'000	Reallocation to tax payable €'000	Exchange rate movement €'000	31-12-23 €'000
Investment property	**(100,182)**	**(12,050)**	**0**	**0**	**(8)**	**(112,240)**
Derivative financial instruments	**(23,540)**	**8,300**	**0**	**0**	**(6)**	**(15,246)**
Tax value of loss carry-forwards recognized	**12,240**	**(1,605)**	**0**	**0**	**(1)**	**10,634**
Total deferred tax liabilities	**(111,482)**	**(5,355)**	**0**	**0**	**(15)**	**(116,852)**

As at 31 December 2023, the total amount of deferred tax liabilities of €116.9 million is for an amount of €74.6 million related to Sweden and for an amount of €42.3 million to Italy.

Deferred tax liabilities were attributable to the following items in the previous reporting period :

	31-12-21 €'000	Recognized in profit or loss €'000	Release to profit or loss due to property sale €'000	Reallocation to tax payable €'000	Exchange rate movement €'000	31-12-22 €'000
Investment property	(84,014)	(23,016)	0	0	6,848	(100,182)
Derivative financial instruments	(4)	(23,567)	0	0	31	(23,540)
Tax value of loss carry-forwards recognized	0	12,240	0	0		12,240
Total deferred tax liabilities	(84,018)	(34,343)	0	0	6,879	(111,482)

22. Put option liability non-controlling interest

Changes in put option liability non-controlling interest for the financial year ended 31 December 2023 were as follows:

Financial liability related to the put option non-controlling interest	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	(63,448)	(55,769)
Interest put option non-controlling interest	(558)	(2,377)
Movement of put option non-controlling interest Belgium	(5,594)	(5,302)
Exercise of put option non-controlling interest Belgium	69,600	0
Book value at end of year	0	(63,448)

In April 2023 AG Insurance, the minority shareholder of ECP Belgium, exercised the put option and Eurocommercial Properties N.V. purchased the remaining shares of ECP Belgium. As a result of the exercise of the put option and the settlement of the payment, the put option liability non-controlling interest no longer exists.

23. Provision for pensions

The provision for pensions is related to one defined benefit plan in the United Kingdom. The plan has no active members, neither for the comparative figures and no new members have entered the scheme since 2001. The scheme is based on a final salary plan with a pensionable salary cap and the Company expects no new members in the scheme in the near future.

In November 2023 the Trustee of the Scheme entered into a contract with Aviva Life & Pensions UK Limited for the purchase of a bulk annuity insurance policy to secure the benefits of all members of the Scheme with the insurance company. As a result of these transactions, the Scheme's assets as per 31 December 2023 consist of the bulk annuity policy from Aviva and a remaining cash amount of €330,000. A total amount of €4,085,000, consisting of the actuarial result (€3,080,000) and the effects of the asset ceiling (€382,000) recorded in the other comprehensive income in accordance with the actuarial report for the period ended 31 December 2023 and an amount of €623,000 for other movements including advisory fees are recorded in the Other Comprehensive Income. Reference is also made to note 27 Currency translation reserves and other reserves.

The major categories of plan assets are as follows:

	31-12-23 €'000	31-12-22 €'000
Insured annuity policy	7,418	0
Cash and cash equivalents	330	246
Unquoted investment funds – mixed	0	7,125
	7,748	7,371

Notes to the consolidated financial statements (continued)

23. Provision for pensions (continued)

Changes in the defined benefit obligation and fair value of plan assets in the current and previous financial reporting year/period:

	Fair value of plan assets 31-12-23 €'000	Defined benefit obligation 31-12-23 €'000	Benefit liability 31-12-23 €'000	Fair value of plan assets 31-12-22 €'000	Defined benefit obligation 31-12-22 €'000	Benefit liability 31-12-22 €'000
Book value at beginning of year	7,371	(7,940)	(569)	11,341	(12,503)	(1,162)
Interest income/(expenses)	459	(391)	68	202	(227)	(25)
Pension cost charged to profit or loss account	459	(391)	68	202	(227)	(25)
Return on plan assets	(2,967)	0	(2,967)	(4,167)	0	(4,167)
Actuarial changes arising from changes in assumptions	0	43	43	0	4,593	4,593
Experience adjustments	0	(156)	(156)	0	(420)	(420)
Actuarial result on pension scheme charged to OCI	(2,967)	(113)	(3,080)	(4,167)	4,173	6
Buy-in	3,970	0	3,970	564	0	564
Benefits paid	(72)	72	0	(62)	62	0
Effects of asset ceiling	0	(382)	(382)	0	0	0
Exchange rate movement	(24)	17	(7)	(507)	555	48
Book value at end of year	8,737	(8,737)	0	7,371	(7,940)	(569)

The principal assumptions used in determining the pension obligations for the Group's plan are set out as follows for the year ended 31 December 2023. The discount rate is 4.6% (31 December 2022: 4.8%) and pension increase is 3.1% (31 December 2022: 3.2%). The life expectancy for pensioners at the age of 60 is 25.9 years and 28.0 years for men and women respectively (31 December 2022: men 26.3 years and women 28.5 years). A quantitative sensitivity analysis for material assumptions as at 31 December 2023 is as shown below:

Year		Discount rate: 0.25% increase	Discount rate: 0.25% decrease	Rate of inflation: 0.25% increase	Rate of inflation: 0.50% increase	Life expectancy: 1 year increase
31 December 2023	Liabilities (€'000)	8,364	8,099	8,629	8,112	8,572

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The duration of the liabilities of the Scheme is approximately 18 years as at 31 December 2023 (31 December 2022: approximately 18 years).

24. Leases

A. Leases as lessor (IFRS 16)

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

For the recognised rental income and the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, reference is made to note 4 of these statements.

B. Leases as lessee (IFRS 16)

The Group leases office space and company cars.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as tangible fixed assets (see Note 15).

	31-12-23 €'000	31-12-22 €'000
Balance at the beginning of year	**3,235**	2,499
Additions to right-of-use assets	1,522	1,942
Disposal of right-of-use assets	(146)	(49)
Depreciation for the period	(1,135)	(1,124)
Exchange rate movement	(13)	(33)
Balance as at the end of year	**3,463**	3,235

ii. Lease liabilities

The current and non-current portions of the Company's lease liabilities are presented as current liabilities and non-current liabilities respectively (see Note 18).

	31-12-23 €'000	31-12-22 €'000
Balance at the beginning of the financial year	**3,334**	2,580
Lease payments for the period	(1,227)	(1,167)
Additions to lease liabilities	1,522	1,942
Disposal of lease liabilities	(146)	(49)
Interest expenses	71	60
Exchange rate movement	(13)	(32)
Balance as at the end of the financial year	**3,541**	3,334

During the financial year 2023, several additions or renewals of lease contracts have been taken up by Eurocommercial Properties N.V. to align with the prevailing market conditions, the IBR percentage was updated using the Country Risk Premium and an average company Credit Spread of 0.038%. The adjusted IBR percentage was implemented for leases which commenced in 2023. For leases that were previously recorded, the initial interest rate percentage remained at 2% as there were no substantial changes to the lease amounts or modifications to the lease terms. The Company uses a discount rate of 3% in France, 4.2% in Italy, 2.8% in Netherlands and 2.5% in Sweden.

iii. Amounts recognised in profit or loss

	Twelve months ended 31-12-23 €'000	Twelve months ended 31-12-22 €'000
Interest from lease liabilities	71	60
Depreciation right-of-use assets	1,135	1,124
Expenses related to short-term and/or low-value leases	261	27
Total	**1,467**	1,211

iv. Amounts recognised in statement of cash flows

	Twelve months ended 31-12-23 €'000	Twelve months ended 31-12-22 €'000
Lease payments of lease liabilities	1,227	1,167
Interest expenses on lease liabilities	71	60
Total cash outflow for leases	**1,298**	1,227

Notes to the consolidated financial statements (continued)

25. Issued share capital

Share capital comprises of 100,000,000 authorised shares of €10 par value, of which 53,781,691 shares are issued and fully paid as at 31 December 2023 and of which 506,924 were bought back as at 31 December 2023.
The weighted average number of shares in issue in the current financial year is 53,060,280. The number of shares in issue (after deduction of shares bought back) as per 31 December 2023 is 53,274,767. The Company's shares are listed on Euronext Amsterdam, Brussels and Milan. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	533,492	526,539
Dividend paid in shares	4,325	6,953
Book value at end of year	537,817	533,492

On 7 July 2023 the Company paid a final cash dividend of €1.00 per share and shareholders were offered the option to choose for stock dividend instead of cash dividend, which gave 1 new share for every 24 existing shares. As a result of the aforementioned stock dividend 432,529 shares were issued with a nominal value of € 10 each, which increased the nominal share capital of the Company with €4,325,290.

	2023 No. of shares	2022 No. of shares
Number of shares on issue at beginning of year	53,349,162	52,653,917
Shares issued for dividend paid in shares	432,529	695,245
Number of shares on issue at end of year	53,781,691	53,349,162
Number of shares bought back at beginning of year	(506,924)	(506,924)
Number of shares bought back at end of year	(506,924)	(506,924)
Number of shares at end of year after deduction of shares bought back	53,274,767	52,842,238

Net asset value per share

The net asset value per share is €37.68 at 31 December 2023 (31 December 2022: €38.68).

Shares bought back

During the current financial year no shares were bought back and as per 31 December 2023 the number of shares bought back remains 506,924.

Performance shares

The Performance Share Plan (PSP) provides for an annual grant of free long-term performance shares for all employees and members of the Board of Management and is conditional upon the meeting of Company performance targets and that the employee remains with the Company for more than three years from the grant date of the performance shares and holds them from that vesting date for a further two years. All permanent employees and Directors of the Company are entitled to the scheme. The calculation is based on a Black, Scholes and Merton option valuation model. The fair value of the performance shares is based on the share price at grant date and a number of assumptions to be made relating to the expected volatility, risk free interest rate, dividend yield and the remaining life of the instruments.

25. Issued share capital continued

Performance Share Plan (PSP)	PSP 2023	PSP 2022	Total
Grant date	15-06-2023	01-07-2022	
Vesting date	15-06-2026	01-07-2025	
Share price at grant date	€21.06	€20.22	
Dividend yield	7.32%	7.07%	
Fair value per performance share	€15.38	€16.36	
Performance shares granted	173,752	45,860	219,612
Performance shares forfeited	(1,428)	(2,713)	(4,141)
Outstanding performance shares at end of the year	172,324	43,147	215,471

Movements in the number of performance shares during the year	PSP 2023	PSP 2022	Total
Performance shares at beginning of year	0	45,860	45,860
Performance shares granted	173,752	0	173,752
Performance shares forfeited	(1,428)	(2,713)	(4,141)
Outstanding performance shares at end of year	172,324	43,147	215,471

The expenses for the performance shares granted (IFRS 2) are €799,029 positive (2022: €74,000 negative). The outstanding performance shares as per 31 December 2023: 215,381 (31 December 2022: 45,860). As at 31 December 2023, the outstanding performance shares represent 0.4% of the issued share capital (31 December 2022: 0.09%).

26. Share premium reserve

	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	263,774	263,853
Performance shares granted (IFRS 2)	674	(75)
Dividend paid in shares	(4,325)	0
Cost for dividends paid	(6)	(4)
Book value at end of year	260,117	263,774

27. Currency translation reserve and other reserves

Other reserves	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	1,129,675	1,102,916
Profit previous financial year	116,190	4,221
Acquisition of put-option non-controlling interest	68,081	0
Dividend paid in shares	10,381	15,295
Buy-in	(4,085)	6
Reallocation currency translation movements	0	7,237
Book value at end of year	1,320,242	1,129,675

Currency translation reserve	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	(83,812)	(40,293)
Foreign currency translation differences	(312)	(36,282)
Reallocation currency translation movements	0	(7,237)
Book value at end of year	(84,124)	(83,812)

Notes to the consolidated financial statements (continued)

28. Non-controlling interest

Non-controlling interest was related to the 25.63% stake in Eurocommercial Properties Belgium S.A. owned by AG Insurance as a result of the contribution in kind made in 2019 of the Inno department store, which is part of the Woluwe shopping centre.

	31-12-23 €'000	31-12-22 €'000
Non-current assets	0	578,090
Current assets	0	11,309
Non-current liabilities	0	(312,981)
Current liabilities	0	(11,204)
Net assets	0	265,214
Result after taxation	0	22,539
Total comprehensive income	0	22,539
Calculation value minority shares		
Balance at the beginning of the year	67,305	61,528
Profit after taxation contributable to non-controlling interest	776	5,777
Reallocation to equity after acquisition of non-controlling interest	(68,081)	0
Equity attributable to non-controlling interest at the end of the year	0	67,305

29. Earnings per share

Basic earnings per share

The Company's shares are listed on Euronext Amsterdam, Brussels and Milan.

The calculation of basic earnings per share of negative €0.51 at 31 December 2023 (2022: positive €3.80) was based on the result attributable to shareholders of negative €26.9 million (31 December 2022: positive €200.7 million) and the average number of shares on issue (after deduction of shares bought back) during the financial year was 53,060,280 as calculated below.

Result attributable to shareholders:

	31-12-23 €'000
Result for the year	(26,872)
Average issued shares (after deduction of shares bought back) at beginning of the year	52,842,238
Effect of number of shares issued (dividend in shares)	218,042
Average number of shares on issue (after deduction of shares bought back) over the year	53,060,280

Diluted earnings per share

The calculation of diluted earnings per share of negative €0.51 at 31 December 2023 (2022: positive €3.80) was based on the result attributable to holders of shares of negative €26.9 million (31 December 2022: positive €200.7 million) and the diluted average number of outstanding shares was 53,191,780 as calculated below.

Result attributable to shareholders (diluted):

	31-12-23 €'000
Result for the year	(26,872)
Average number of shares on issue (after deduction of shares bought back) over the year	53,060,280
Effect of issued and forfeited performance shares	131,500
Average number of shares (diluted) over the year	53,191,780

30. Commitments not included in the balance sheet

The Company is committed to contribute to its Italian joint venture company Galleria Verde S.r.l. a residual amount of €2.4 million for the refurbishment of shopping centre Fiordaliso. In addition, the Company is committed to complete some activities linked to the Curno extension project agreed with Municipality of Curno for an estimated residual amount €1.2 million.

31. Capital management

The primary objective of the Company's capital management is to ensure that capital is available for the long term. No changes have been made to these objectives, policies or processes during the financial year ended 31 December 2023. The Company monitors capital primarily using a loan to value ratio. The loan to value (LTV) ratio is defined as the (net) borrowings expressed as a percentage of the total value of property investments, property investments under development, property investments in joint ventures and property investments held for sale, calculated on a proportionally consolidated basis. The total values are net of any (estimated) purchasers' costs. The net debt will not exceed 60 per cent, which is also a covenant agreed with a number of banks financing the Group.

The calculation of the LTV is as follows:

Loan to value (on a proportional consolidated basis)	31-12-23 €'000	31-12-22 €'000
Net borrowings (total borrowings less cash and deposits)	1,602,344	1,548,465
Property investments	3,575,898	3,642,946
Property investments held by joint ventures	195,860	189,900
Total property investments	3,771,758	3,832,846
LTV (%)	42.5%	40.4%

All bank covenants are monitored at regular intervals. During the year the Company complied with its banking covenants. The most frequently agreed covenants in the loan agreements are a loan to value ratio and an interest cover ratio.

32. Related parties

Introduction

Subsidiaries, minority shareholders and joint ventures of the Company, members of its Supervisory Board, Board of Management and the UK pension scheme are related parties. No transactions have been entered into with them other than those disclosed in this report.

The Directors' fees recognised in the company expenses for the current financial year include an amount of €179,000 (2022: €155,000) in respect of gross remuneration paid to the members of the Supervisory Board to be specified as follows:

	31-12-23 €'000	31-12-22 €'000
B.T.M. Steins Bisschop	61	61
E. Attout	47	47
K. Laglas	47	47
B.W. Roelvink	24	0

The Directors' fees also include salaries, bonuses, pension premiums and social security charges for the members of the Board of Management.

The total remuneration for the members of the Board of Management for the current financial year can be specified as follows:

	E.J. van Garderen		R. Fraticelli		J.P.C. Mills	
	31-12-23 €'000	31-12-22 €'000	31-12-23 €'000	31-12-22 €'000	31-12-23 €'000	31-12-22 €'000
Salary	475	475	508	508	460	469
Housing allowance	0	0	0	0	13	14
Bonus	189	332	202	356	185	322
Pension premiums (defined contribution plan)	75	82	0	70	94	88
Employers tax and social security charges	11	10	289	309	99	123
Performance shares granted (IFRS 2)	55	(5)	58	(5)	55	(5)
	805	894	1,057	1,238	906	1,011

Notes to the consolidated financial statements (continued)

32. Related parties continued

In accordance with the Company's remuneration policy the bonuses paid to members of the Board of Management are directly linked to the annual growth in the Company's adjusted net asset value, the annual absolute and the annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as two ESG key performance indicators achieved for this financial year. For this financial year there was no growth of the adjusted net asset value per share. The total remuneration for the members of the Supervisory Board and the Board of Management for the financial year is €2,942,000 (2022: €3,298,000).

The members of the Board of Supervisory Directors and the members of the Board of Management of Eurocommercial Properties N.V. have no personal interest in investments made by Eurocommercial Properties N.V. now nor at any time in the past year. The Company has no knowledge of property transactions taking place in the financial year under review with persons or institutions which can be considered to stand in a direct relationship to the Company.

Performance shares

In 2023, 56,905 performance shares have been granted to the Board of Management under the Performance Share Plan. At 31 December 2023, the outstanding performance shares held by the Board of Management represent 0.11% of the issued share capital.
For more information about the Performance Share Plan, reference is made to note 25.
24.90% (€168,000) of the amount included in the consolidated statement of profit or loss (€674,000) as performance shares granted (IFRS 2) is related to the performance shares granted to the members of the Board of Management.

Shareholdings

As per 31 December 2023, E.J. van Garderen holds 35,000 shares, which includes 11,706 vested performance shares, in total representing 0.07% of the issued share capital of the Company. R. Fraticelli holds 31,637 shares, which includes 8,843 vested performance shares, in total representing 0.06% of the issued share capital of the Company. J.P.C. Mills holds 36,655 shares, which includes 12,602 vested performance shares, in total representing 0.07% of the issued share capital of the Company.
None of the members of the Board of Supervisory Directors has any holdings in the Company with the exception of B.W. Roelvink, who holds 2,006 shares in the capital of the Company.

Loans

There are no loans granted to members of the Supervisory Board or members of the Board of Management.

33. Auditor's fee

The following fees were charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated companies, as referred to in section 2:382a(1) and (2) of the Netherlands Civil Code.

	KPMG Accountants N.V. 2023 €'000	Other KPMG Network 2023 €'000	Total KPMG 2023 €'000	KPMG Accountants N.V. 2022 €'000	Other KPMG Network 2022 €'000	Total KPMG 2022 €'000
Audit of the financial statements	349	526	875	331	499	830
Other audit engagements	9	24	33	17	21	38
Total audit fees	358	550	908	348	520	868

34. Post balance sheet events

In February 2024, a new three-year loan of €17.5 million (€8.8 million group share) was signed with Banco BPM to refinance the previous loan on the retail park of Fiordaliso that expired in January 2024 and was repaid. In March 2024, the Company closed three five-year sustainability linked loans for a total amount of €100 million with ABN AMRO Bank on the centres of I Portali and Il Castello in Italy. In April 2024, the Company also entered into a five-year green loan for a total amount of SEK 700 million (circa €62.5 million) with Skandiviska Enskilda Banken AB on the Hallarna shopping centre.

35. Dividend distribution

The Board of Management and the Board of Supervisory Directors propose to the Annual General Meeting of Shareholders, to be held on 11 June 2024 at 13.30 hours (CET), to declare a total dividend of €1.70 per share for the financial year ended 31 December 2023. A cash interim dividend of €0.64 per share was already paid on 30 January 2024 (31 December 2022: €1.60 total cash dividend per share). The distribution date of the final dividend of €1.06 per share will be Friday 5 July 2024. Holders of shares will also be offered the option of taking new shares from the Company's fiscal share premium reserve, instead of the final cash dividend payable. The price of these new shares will be announced on Friday 7 June 2024.

Company financial statements

Company balance sheet

(before result appropriation)

Assets	Note	31-12-23 €'000	31-12-22 €'000
Investments in subsidiaries	3	1,976,291	1,906,915
Tangible fixed assets	4	3,776	2,457
Total non-current assets		1,980,067	1,909,372
Due from subsidiaries	5	229,029	295,639
Receivables	6	684	501
Cash and deposits	7	3,104	10,065
Total current assets		232,817	306,205
Total assets		2,212,884	2,215,577
Liabilities			
Creditors	8	5,157	6,355
Due to subsidiaries	9	172,762	99,095
Current lease liabilities	12	642	570
Borrowings	10	25,000	0
Total current liabilities		203,561	106,020
Provision for pensions	11	0	569
Long-term lease liabilities	12	2,143	1,674
Put option liability non-controlling interest	13	0	63,448
Total non-current liabilities		2,143	65,691
Total liabilities		205,704	171,711
Net assets		2,007,180	2,043,866
Shareholders' equity	14		
Issued share capital		537,817	533,492
Share premium reserve		260,117	263,774
Legal reserve subsidiaries		647,618	649,247
Currency translation reserve		(84,124)	(83,812)
Retained profit reserve		672,624	480,428
Undistributed income		(26,872)	200,737
		2,007,180	2,043,866

Company financial statements (continued)

Company statement of profit or loss

(€'000)	Notes	2023	2022
Company expenses	15	(6,489)	(4,784)
Operating result		**(6,489)**	**(4,784)**
Interest income*	16	8,819	7,733
Interest expenses	16	(1,423)	(2,478)
Movement of put option non-controlling interest	13	(5,594)	(5,301)
Other income and financing costs*	16	8,178	7,894
Net financing income	16	**9,980**	**7,848**
Result before taxation		**3,491**	**3,064**
Current tax		0	0
Result from subsidiaries after taxation	3	(30,363)	197,673
Result after taxation		**(26,872)**	**200,737**

* The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of parts of 'Other income' into 'Interest income'.

Notes to the company financial statements

1. General

The description of the Company's activities and structure, as included in the notes to the consolidated financial statements, also applies to the Company financial statements. The Company financial statements have been prepared in accordance with the financial reporting requirements of Part 9, Book 2 of the Netherlands Civil Code. In order to harmonise the accounting principles of the Company financial statements with the consolidated financial statements, the Board of Management has decided, from 1 July 2005 onward, to adopt the provisions of Article 2:362 paragraph 8 of the Netherlands Civil Code, whereby the accounting principles applied in the consolidated financial statements also apply to the Company financial statements. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) as per 1 January 2023 and Part 9 of Book 2 of the Netherlands Civil Code. The Company financial statements are prepared on a going concern basis. In this respect specific reference is made to Note 1(b) of the consolidated financial statements.

2. Principal accounting policies

The accounting principles as described in the notes to the consolidated financial statements also apply to the Company financial statements unless indicated otherwise.

Investments in subsidiaries

Group companies are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the group company ceases.

In accordance with Article 2:362 paragraph 8 of the Netherlands Civil Code, all subsidiaries are accounted for on a net asset value basis. For determining the net asset value all assets, liabilities and profits and losses are subject to the accounting principles as applied to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Shareholders' equity

The Company recognises a legal reserve subsidiaries in its Company financial statements. This legal reserve subsidiaries is based on Article 2:389 paragraph 6 of the Netherlands Civil Code.

Share of result in investments in subsidiaries

The share in the result of participating interests consists of the share of the Group in the results of these participating interests.

3. Investments in subsidiaries

The subsidiaries of the Company are listed in Note 1 Principal accounting policies in the consolidated financial statements. Movements in investments in subsidiaries for the financial year ended 31 December 2023 were as follows:

	31-12-23 €'000	31-12-22 €'000
Book value at beginning of year	**1,906,915**	**1,813,095**
Dividends from subsidiaries	(76,300)	(80,000)
Investments	175,295	18
Result from subsidiaries via reserves	744	(23,871)
Result from subsidiaries	(30,363)	197,673
Book value at end of year	**1,976,291**	**1,906,915**
Cost at end of year (less dividends received)	159,124	60,129
Cumulative result from subsidiaries via other comprehensive income	(34,985)	(35,729)
Cumulative profit from subsidiaries	1,852,152	1,882,515
Book value at end of year	**1,976,291**	**1,906,915**

Notes to the company financial statements (continued)

4. Tangible fixed assets

Tangible fixed assets represent office equipment and inventory for the Company's head office in Amsterdam and the Paris office and includes the Right-of-use assets of both offices. These costs are depreciated over the expected useful lives of the assets concerned varying from two to five years. The movements in the current and previous financial years were:

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Book value at 1 January 2022	1,448	458	1,906
Additions	1,272	284	1,556
Disposals	(37)	0	(37)
Depreciation	(520)	(448)	(968)
Book value at 31 December 2022	2,163	294	2,457
Book value at 1 January 2023	2,163	294	2,457
Additions	1,334	1,131	2,465
Disposals	(268)	(11)	(279)
Depreciation	(509)	(358)	(867)
Book value at 31 December 2023	2,720	1,056	3,776
Cost at 31 December 2023	4,844	6,313	11,157
Accumulated depreciation	(2,124)	(5,257)	(7,381)
Book value at 31 December 2023	2,720	1,056	3,776

During the financial year ended 31 December 2023, tangible fixed assets for an amount of €1,100,000 were out of use (31 December 2022: €64,000).

5. Due from subsidiaries

The balance of €229.0 million at 31 December 2023 represents mainly funds advanced to Eurocommercial Properties France S.A.S., Eurocommercial Properties Sweden A.B. and Eurocommercial Properties Belgium S.A. These balances are characterised as current accounts used for funding or reimbursing cash to Group companies as part of the cash management of the Company. Consequently, these balances have been presented as current assets in the Company balance sheet.
The average interest rate of these advances is 6.3% (31 December 2022 3.7%).

6. Receivables

	31-12-23 €'000	31-12-22 €'000
Prepayments	684	501
VAT receivable	0	0
	684	501

7. Cash and deposits

Cash and deposits of €3.1 million consist of amounts held as bank balances. All bank balances are freely available.

8. Creditors

	31-12-23 €'000	31-12-22 €'000
Interest payable	284	0
Remuneration payable	1,761	2,134
VAT payable	827	2,217
Other creditors and accruals	2,285	2,004
	5,157	6,355

9. Due to subsidiaries

The balance of €172.8 million at 31 December 2023 represents mainly funds advanced from ECP Service S.r.l. These balances are characterised as current accounts used for funding or reimbursing cash from Group companies as part of the cash management of the Company. Consequently, these balances have been presented as current liabilities in the Company balance sheet.

The average interest rate of these advances is 5.3% (2022: 2.0%).

10. Borrowings

	2023 €'000	2022 €'000
Book value at beginning of year	0	5,000
Drawdown of funds	25,000	0
Repayments	0	(5,000)
Book value at end of year	25,000	0

11. Provisions for pensions

The disclosure of the provisions for pensions is provided in Note 23 of the consolidated financial statements.

12. Lease Liabilities

As per 31 December 2023, right-of-use assets are reported as part of the Company's tangible fixed assets for an amount of €2.7 million. An analysis of the Company's right-of-use assets is provided in Note 4 of the Company financial statements.

The lease liabilities are reported as part of the current liabilities and non-current liabilities for amounts of €0.6 million and €2.2 million respectively.

	2023 €'000	2022 €'000
Book value at beginning of year	2,244	1,512
Additions	1,334	1,272
Disposals	(268)	(37)
Lease payments	(577)	(546)
Interest on lease liabilities	52	43
Book value at end of year	2,785	2,244

13. Put option liability non-controlling interest

The disclosure of the put option liability non-controlling interest is provided in Note 22 of the consolidated financial statements.

Notes to the company financial statements (continued)

14. Shareholders' equity

The movements in shareholders' equity in the current financial year were:

	Issued share capital €'000	Share premium reserve €'000	Legal reserve subsidiaries €'000	Legal currency translation reserve €'000	Retained profit reserve €'000	Undistributed income €'000	Total €'000
Balance at 1-1-2023	**533,492**	**263,774**	**649,247**	**(83,812)**	**480,428**	**200,737**	**2,043,866**
Non-distributed result previous financial year	**0**	**0**	**0**	**0**	**116,190**	**(116,190)**	**0**
Profit for the year	**0**	**0**	**0**	**0**	**0**	**(26,872)**	**(26,872)**
Dividend distribution in cash	**0**	**(6)**	**0**	**0**	**0**	**(74,166)**	**(74,172)**
Dividend distribution in shares	**4,325**	**(4,325)**	**0**	**0**	**10,381**	**(10,381)**	**0**
Performance shares granted	**0**	**674**	**0**	**0**	**0**	**0**	**674**
Actuarial gain on pension scheme	**0**	**0**	**0**	**0**	**(4,085)**	**0**	**(4,085)**
Acquisition of non-controlling interest without a change in control	**0**	**0**	**0**	**0**	**68,081**	**0**	**68,081**
Foreign currency translation differences	**0**	**0**	**0**	**(312)**	**0**	**0**	**(312)**
Movement of legal reserve	**0**	**0**	**(1,629)**	**0**	**1,629**	**0**	**0**
Total equity at 31-12-2023	**537,817**	**260,117**	**647,618**	**(84,124)**	**672,624**	**(26,872)**	**2,007,180**

The movements in shareholders' equity in the previous financial period were:

	Issued share capital €'000	Share premium reserve €'000	Legal reserve subsidiaries €'000	Legal currency translation reserve €'000	Retained profit reserve €'000	Undistributed income €'000	Total €'000
Balance at 1-1-2022	526,539	263,853	554,292	(40,293)	548,624	104,687	1,957,702
Non-distributed result previous financial year	0	0	0	0	4,221	(4,221)	0
Profit for the year	0	0	0	0	0	200,737	200,737
Dividend distribution in cash	0	(4)	0	0	0	(78,218)	(78,222)
Dividend distribution in shares	6,953	0	0	0	15,295	(22,248)	0
Performance shares granted	0	(75)	0	0	0	0	(75)
Actuarial gain on pension scheme	0	0	0	0	7	0	7
Reallocation currency translation movements	0	0	0	(7,237)	7,237	0	0
Foreign currency translation differences	0	0	0	(36,282)	0	0	(36,282)
Movement of legal reserve	0	0	94,955	0	(94,955)	0	0
Total equity at 31-12-2022	533,492	263,774	649,247	(83,812)	480,428	200,737	2,043,866

Both the retained earnings and the share premium reserve are available for distribution as dividend.

For further details on movements in shareholders' equity reference is also made to the consolidated financial statements and the notes thereto for movements in the components of shareholders' equity.

Statutory reserves

The statutory reserves in the Company balance sheet are reserves which must be retained pursuant to the Netherlands Civil Code and consist of the legal reserve subsidiaries and the legal reserve for foreign currency translation. The amounts recognised by these reserves amount to €648 million (31 December 2022: €649 million) and negative €84 million (31 December 2022: negative €83 million) respectively and are not freely distributable. For dividend distribution, however, both the retained profit reserve, share premium reserve and the undistributed income are available.

Legal reserve subsidiaries

The legal reserve subsidiaries for participating interests in subsidiaries, pertains to participating interests in subsidiaries that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of the company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the company has been entitled to since the first measurement at net asset value, and less distributions that the company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

14. Shareholders' equity continued

Legal currency translation reserve

The legal currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than that of the Company, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

The legal currency translation reserve of negative €84.1 million mainly relates to investments in Sweden.

15. Company expenses

Company expenses in the current financial year comprised:

	2023 €'000	2022 €'000
Audit fees	447	429
Depreciation fixed assets	869	972
IT expenses	2,732	1,739
Legal and other advisory fees	1,117	1,157
Marketing expenses	329	193
Office and accommodation expenses	1,184	1,152
Pension costs	566	716
Salaries, wages, bonuses and performance shares granted*	7,770	7,529
Social security charges*	2.503	2,320
Statutory costs	484	354
Travelling expenses	621	569
Other expenses	674	765
	19,296	17,896
Recharge of company expenses to subsidiaries	(12,807)	(13,112)
	6,489	4,784

* Including Directors' fees.

The Company employed an average of 47 full-time equivalent persons during the financial year (2022: 53), of whom 13 are resident in The Netherlands, 6 in the UK, 28 in France. An analysis of the Directors' fees is provided in note 32 of the consolidated financial statements.

16. Net financing income

The net financing income of €10.0 million (2022: €7.9 million) comprises interest income due from subsidiaries of €8.8 million (2022: €7.7 million); interest expenses from borrowings and put option non-controlling interest amounting to €1.4 million (2022: €2.5 million); net derivatives movement and put option liability non-controlling interest of 5.6 million (2022: €5.3 million) and other income and financing costs of €8.2 million (2022: €7.9 million). The other income and financing costs consist of €8.0 million positive (2022: €8.4 million positive) for guarantees in favour of financial institutions for debts incurred by Group subsidiaries and €0.2 million positive (2022: €0.5 million negative) for foreign currency results.

17. Commitments not included in the balance sheet

The Company has entered into guarantees in favour of credit institutions for debts and interest rate swaps incurred by its subsidiaries to an amount of €1.5 billion and €961 million respectively.
The Company has entered into guarantees in favour of credit institutions for debts and interest rate swaps incurred by its joint ventures to an amount of €176 million and €160 million respectively.

Amsterdam, 17 April 2024

Board of Management

E.J. van Garderen
R. Fraticelli
J.P.C. Mills

Board of Supervisory Directors

B.T.M. Steins Bisschop, Chairman
E. Attout
K. Laglas
B.W. Roelvink

Other information

Provisions in the Articles of Association concerning the appropriation of income

The appropriation of income is subject to the Provisions of Article 42 of the Articles of Association of the Company of which the major provisions are as follows:

(a) Out of the profit as shown in the adopted annual accounts in which all taxes due by the Company have been deducted, such amount may be reserved as the Board of Management shall determine, which reserve shall be at the disposal only of the Board of Management.
(b) The remainder of the profit shall be at the disposal of the General Meeting of Shareholders for distribution of dividend, either in cash or in shares in the capital of the Company, or a combination of both, or for reserves or such other purposes covered by the objects of the Company, as the General Meeting of Shareholders shall decide.
(c) Distribution of dividend shall take place after the adoption of the annual accounts which show that such distribution is permitted. (Interim) dividends may be paid in cash or in shares in the capital of the Company, or a combination thereof.

Financial calendar

10 May 2024	Announcement of first quarter results 2024
11 June 2024 at 13.30 hours	Annual General Meeting of Shareholders
13 June 2024	Ex-dividend date
5 July 2024	Dividend distribution date
30 August 2024	Announcement of half-year results 2024

Holders of shares with a holding of 3% or more

Under the Netherlands Act on Financial Supervision, the Netherlands Authority for the Financial Markets has received notification from four holders of ordinary shares with interests greater than 3% in the Company. According to the latest notifications these interests were as follows:

Mr A. van Herk (20.22% – notification 8 May 2019), BlackRock, Inc. (5.16% – notification 1 April 2024), PGGM Vermogensbeheer B.V. (3.13% - notification 4 December 2023) and ICAMAP Investments S.a.r.l. (3.06% – notification 20 February 2020).

Stock market prices and turnover

The Company is listed on Euronext Amsterdam, Brussels and Milan and is admitted to the Amsterdam Midcap (AMX).

For the year 01/01/2023 to 31/12/2023		High	Low	Average
Closing price 31 December 2023 (€; shares)	22.20	23.90	19.49	21.81
Average daily turnover (in shares)	41,917			
Average daily turnover (€'000,000)	0.9			
Total turnover over the past 12 months (€'000,000)	238.3			
Market capitalisation (€'000,000)	1,199			
Total turnover divided by market capitalisation	25.63			

Source: Euronext, Global Property Research

Shares listed on Euronext Amsterdam and Brussels have been accepted for delivery through the book entry facilities of the Netherlands Central Institute for Giro Securities Transactions (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) trading as Euroclear Nederland.

On 10 May 2023, Borsa Italiana S.p.A. has ruled, with notice number 8947, the admission to listing of the Company's shares (ISIN NL0015000K93), with a nominal value of € 10.00 each (the "Shares"), on the Italian regulated market Euronext Milan, organised and managed by Borsa Italiana (respectively, the "Dual Listing" and "Euronext Milan").

ISIN – Code: NL 0015000K93, symbol: ECMPA
Stock market prices are followed by Bloomberg:
Ticker: ECMPA NA (Amsterdam)
Ticker: ECMPA (Belgium)
Ticker: ECMPM (Milan)

Valuers

The following independent firms have valued the Company's properties (including the properties held by joint ventures) at 31 December 2023:

Belgium:	Cushman & Wakefield
France:	Cushman & Wakefield, JLL, Knight Frank, Savills
Italy:	CBRE, Cushman & Wakefield, JLL
Sweden:	Cushman & Wakefield, JLL

KPMG

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Eurocommercial Properties N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Eurocommercial Properties N.V. as at 31 December 2023 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of Eurocommercial Properties N.V. as at 31 December 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2023 of Eurocommercial Properties N.V. (the Company) based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of financial position as at 31 December 2023;

2 the following consolidated statements for 2023: the statements of profit or loss, comprehensive income, changes in equity and cash flows; and

3 the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1 the company balance sheet as at 31 December 2023;

2 the company statement of profit or loss for 2023; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Other information (continued)

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Eurocommercial Properties N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate related risks and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 25 million
- 0.65% of total assets
- Lower materiality for results from net property income: EUR 12.5 million

Group audit

- Full scope audit of all significant components performed by KPMG auditors
- Audit coverage of 100% of investment property
- Audit coverage of 100% of rental income

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate-related risks

- Fraud risks: management override of controls is a presumed fraud risk and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'.
- Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks identified.

- Going concern risks: no going concern risks identified
- Climate related risks: We have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matter
• Valuation of property investments

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 25 million (2022: EUR 20 million). The materiality is determined with reference to total assets at 0.65% (2022: 0.50%). We consider total assets as the most appropriate benchmark due to the nature of the business and as the asset value is likely the primary focus of the users of the financial statements when evaluating the performance of Eurocommercial Properties N.V. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

In addition, we applied a materiality of EUR 12.5 million (2022: EUR 10 million) for net property income, which is lower than the materiality for the financial statements as a whole. Net property income is an important measure of the performance of the Company's current portfolio, excluding the impact of changes in market value of investment property and derivatives and the result from the disposal of investment property.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 1,000,000 would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Eurocommercial Properties N.V. is the head of a group of components. The financial information of this group is included in the financial statements of Eurocommercial Properties N.V.

Our group audit mainly focused on significant components. The Group manages its investment property through its operating companies in Belgium, France, Italy, and Sweden. Each of these operations is significant in the context of the Group's financial statements and therefore we have used KPMG audit teams in each country to perform an audit of the financial information of the operating companies in these countries. The audits performed in these countries covered the entire investment property portfolio and the related rental income.

Because we are ultimately responsible for the audit opinion, we are also responsible for directing, supervising, and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for operating companies and issued audit instructions to local auditors. As group auditor we were involved in the full-scope audits performed by local auditors of the subsidiaries.

Other information (continued)

Our involvement included, amongst others, the following:

- issuing audit instructions to component auditors prescribing the scope of the audit procedures to be performed, our risk assessment, materiality to be applied and reporting requirements;
- participation in planning discussions with component auditors;
- attending (virtual) meetings with the component auditors to discuss the results of component audits and discussions on the valuation of investment property with independent appraisers engaged by the Company;
- follow up on reported audit findings, and
- review of the component audit files and verification that the audit work had been carried out in accordance with our instructions.

We have performed audit procedures ourselves at group level on the standalone figures of Eurocommercial Properties N.V. and account balances which are coordinated at group level such as the valuation of investment property and derivative financial instruments.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

The audit coverage as stated in the section summary can be further specified as follows:

- audit coverage of 100% of investment property; and
- audit coverage of 100% of rental income.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapters 'Corporate Governance' and 'Risk Management' of the annual report, the Board of Management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory board reflects on this in the chapter 'Report of the Board of Supervisory Directors'.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, amongst other things, assessing the Company's code of conduct, whistle blowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance (when applicable).

Furthermore, we performed relevant inquiries with the Board of Management and Supervisory Board and other relevant functions, such as the Group Director Legal. We have also incorporated elements of unpredictability in our audit such as a selection of items to be tested in non-significant accounts.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Anti-money laundering laws and regulations; and
- Anti-bribery and corruption laws and regulations.

Further, we assessed the presumed fraud risk on revenue recognition as irrelevant because the Company's main form of revenue relates to rental income which involves limited judgement as the revenue related to rental income is contractually agreed and with various individual tenants.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risk laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.
- We performed a data analysis of high-risk journal entries (adjustments to initially recorded changes in fair value of investment property above a threshold). Further we evaluated the key estimate valuation of property investments and other judgments for bias by the Board of Management. This included a retrospective review of prior years' estimates.
- Where we identified instances of unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Board of Management and the Audit Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As explained in note 1b of the financial statements, the Board of Management has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Management's assessment, we have performed, inter alia, the following procedures:

Other information (continued)

- we considered whether the Board of Management's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we considered whether the developments in share price indicate a going concern risk;
- we analyzed the financial position of the Company as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks; and
- we inspected the financing agreements on terms of conditions that could lead to going concern risks, including the remaining duration, and any covenants.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Management's going concern assessment.

Audit response to climate-related risks

The Company has set out its targets relating to climate change in the chapter 'Environmental, Social and Governance' of the annual report. The Company's target is carbon neutrality in all scope 1 and 2 emissions by 2030 and will establish a reduction target for scope 3 emissions in 2024.

The Board of Management has assessed, against the background of the Company's business and operations extensively how climate-related risks and opportunities and the Company's own targets could have a significant impact on its business or could impose the need to adapt its strategy and operations. The Board of Management has considered the impact of both transition and physical risks on the financial statements in accordance with the applicable financial reporting framework, more specifically the valuation of investment property, as described in the chapter 'Environmental, Social and Governance' of the annual report.

The Board of Management prepared the financial statements, including considering whether the implications from climate-related risks and targets have been appropriately accounted for and disclosed. As part of our audit, we performed a risk assessment of the impact of climate-related risk and the targets of the Company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

- Understanding the Company's processes: we held inquiries with the Board of Management and the chairman of the ESG Working Group who is responsible for the climate related risk assessment within the Company and inspected Board minutes, policies, and risk assessment documentation. The purpose is to understand the Company's assessment and plans to achieve carbon neutrality in scope 1 and 2 emissions by 2030. The Company has performed a physical climate risk assessment with the assistance of an external party. Further, the preparation of a climate roadmap is in progress. Further, we assessed the impact of the climate-related risk and opportunities on the Company's annual report and financial statements.
- We have evaluated climate related fraud risk factors such as pressure as a result of variable remuneration and expectations from external stakeholders to meet ESG/climate risk related targets.

- We have inquired with the external appraisers on how climate-risk factors are considered in the external appraisal process and inspected the external valuation reports on potential climate related impact on fair value of investment properties.

Based on the procedures performed above we concluded that climate related risks have no material impact on the 2023 financial statements under the requirements of EU-IFRS and no material impact on our key audit matters.

Furthermore, we have read the other information with respect to climate-related risks as included in the annual report and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.

Compared to last year the key audit matter with respect to real estate transactions is not included, as no acquisitions or disposals of investment property took place during 2023.

Valuation of property investments

Description

The property investments amount to €3.6 billion and represent 93% of the Group's total assets as at 31 December 2023. Property investments are valued at fair value; therefore, the Group has to make estimates and use assumptions to determine those fair values. The fair value is based on appraisal reports by independent appraisers, as explained in notes 1 and 13 to the financial statements.

Because the valuation of property investments is complex and highly dependent on estimates and significant assumptions (such as estimated rental value and yield/discount rate) and the availability of comparable transactions, we consider the valuation of property investments as a key audit matter in our audit.

Our response

With involvement of KPMG auditors in the Netherlands, Italy, France, Sweden, and Belgium, we performed the following procedures:

- assessment of the valuation process with respect to the investment property as at 31 December 2023, including an evaluation of the design and implementation of related internal controls and test of details;
- local audit teams verified whether lease data provided to the appraisers is consistent with the property management systems, and whether any significant changes have occurred since providing the data to the appraisers;

Other information (continued)

- assessment of the competence, capabilities, and objectivity of the external appraisal firms;
- involvement of our property valuation experts to verify the appropriateness of the valuation methodology and determine the mathematical accuracy of the valuation model;
- additionally, our property valuation experts verified the appropriateness of key assumptions in the valuation process, which consists of estimated rental values and yields/discount rates. This includes an assessment of the historical accuracy of the assumptions in previous periods, our understanding of the market and market developments and a comparison of assumptions and movements therein with publicly available data;
- discussion of the results of the valuation process and our findings and observations with the Board of Management and the appraisal firms; and
- evaluation of the adequacy of the related disclosures in note 1 and 13 in relation to the requirements of EU-IFRS.

Our observation

Overall, we assess that the assumptions and methodologies used, and related estimates resulted in a valuation of property investments which is deemed reasonable and concur with the related disclosures in the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. In addition, the other information includes the remuneration report.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of Eurocommercial Properties N.V. on 3 November 2015, as of the audit for the year ended 30 June 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Eurocommercial Properties N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Eurocommercial Properties N.V., complies in all material respects with the RTS on ESEF.

The Board of Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Board of Management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;

Other information (continued)

- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Management, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at eng_oob_01.pdf (nba.nl). This description forms part of our auditor's report.

Amstelveen, 17 April 2024

KPMG Accountants N.V.

W.L.L. Paulissen RA

Ten year financial summary*

Key financial information consolidated

For the financial year ended	30-06-14 €'000	30-06-15 €'000	30-06-16 €'000	30-06-17 €'000	30-06-18 €'000	30-06-19 €'000	31-12-20** €'000	31-12-21 €'000	31-12-22 €'000	**31-12-23 €'000**
Profit or loss account										
Net property income***	146,978	145,528	155,370	163,036	171,828	178,606	253,254	163,211	173,727	**188,820**
Net interest expenses***	(52,674)	(45,780)	(38,727)	(41,260)	(42,326)	(45,766)	(63,166)	(39,413)	(39,158)	**(50,120)**
Company expenses ***	(11,206)	(12,297)	(14,645)	(12,434)	(13,743)	(13,766)	(18,042)	(11,020)	(12,128)	**(12,922)**
Total direct investment result	82,870	87,400	102,785	108,044	115,729	120,208	170,416	110,597	119,544	**123,113**
Total indirect investment result	16,920	80,374	104,614	152,709	(43,665)	(45,622)	(55,049)	(5,910)	81,193	**(149,985)**
Result after taxation	99,790	167,774	207,399	260,753	72,064	74,586	115,367	104,687	200,737	**(26,872)**
Balance sheet										
Total assets***	2,807,083	3,112,410	3,656,361	3,963,635	4,170,783	4,325,165	4,196,825	4,127,815	4,044,208	**3,931,594**
Property investments***	2,688,603	2,907,726	3,489,358	3,835,195	4,078,285	4,201,185	4,036,648	3,970,519	3,832,846	**3,771,758**
Cash and deposits***	85,372	170,249	131,541	90,424	44,278	75,566	64,401	59,095	71,036	**48,601**
Borrowings***	1,173,236	1,160,222	1,496,210	1,595,263	1,835,349	1,995,139	1,833,591	1,737,710	1,619,501	**1,650,945**
Shareholders' equity	1,386,632	1,658,245	1,791,670	1,973,694	1,939,784	1,906,559	1,885,597	1,957,702	2,043,866	**2,007,180**
Number of shares in issue after deduction of shares bought back, if any, at balance sheet date	42,319,567	47,388,471	47,978,844	48,631,957	49,358,734	49,534,024	49,402,758	52,146,993	52,842,238	**53,274,767**
Average number of shares in issue	42,311,667	42,916,246	47,729,745	48,364,199	49,046,502	49,585,907	49,302,982	50,778,635	52,497,473	**53,060,280**

Per share (€)										
Net asset value (IFRS)	32.77	34.99	37.34	40.58	39.30	38.49	38.17	37.54	38.68	**37.68**
Adjusted net asset value	36.74	39.24	43.00	46.42	45.08	44.83	41.78	40.63	39.62	**39.55**
Direct investment result	1.96	2.04	2.15	2.23	2.36	2.42	3.45	2.18	2.28	**2.32**
Indirect investment result	0.40	1.87	2.19	3.16	(0.89)	(0.92)	(1.11)	(0.12)	1.54	**(2.83)**
Dividend	1.94	1.98	2.05	2.10	2.15	2.18	Scrip+€0.50	Scrip+€1.50	1.60	**1.70**

Property information – Geographical spread (%)* **										
Belgium	0	0	0	0	11	13	15	15	15	**14**
France	39	41	36	35	31	29	24	22	21	**21**
Italy	39	38	43	43	37	37	39	40	43	**44**
Sweden	22	21	21	22	21	21	22	23	21	**21**
	100	100	100	100	100	100	100	100	100	**100**
Stock market – Euronext										
Closing price at the end of period (€ per share:)	36.02	37.41	38.45	34.99	36.36	23.50	15.38	19.09	22.60	**22.20**
Market cap (€'000)	1,540,754	1,783,118	1,855,530	1,710,563	1,802,240	1,172,878	767,611	995,486	1,194,235	**1,182,700**

* This statement contains additional information which is not part of the IFRS financial statements.
** The figures are based on an eighteen month reporting period. These items have been reclassified for comparative purposes due to the reclassification of Italian local tax from property expenses to current tax (net property income) and reclassification of interest on the put option non-controlling interest from direct investment result to indirect investment result.
*** The items net property income, net interest expenses, total assets, property investments, cash and deposits, borrowings and property information are presented including the Group's share of the joint ventures (proportional consolidation).

Note

The Company's shares are listed on Euronext Amsterdam, Brussels and Milan. The calculation of the direct and indirect investment results per share is based on the weighted average of the shares in issue over the financial year.

Statement of consolidated direct, indirect and total investment results*

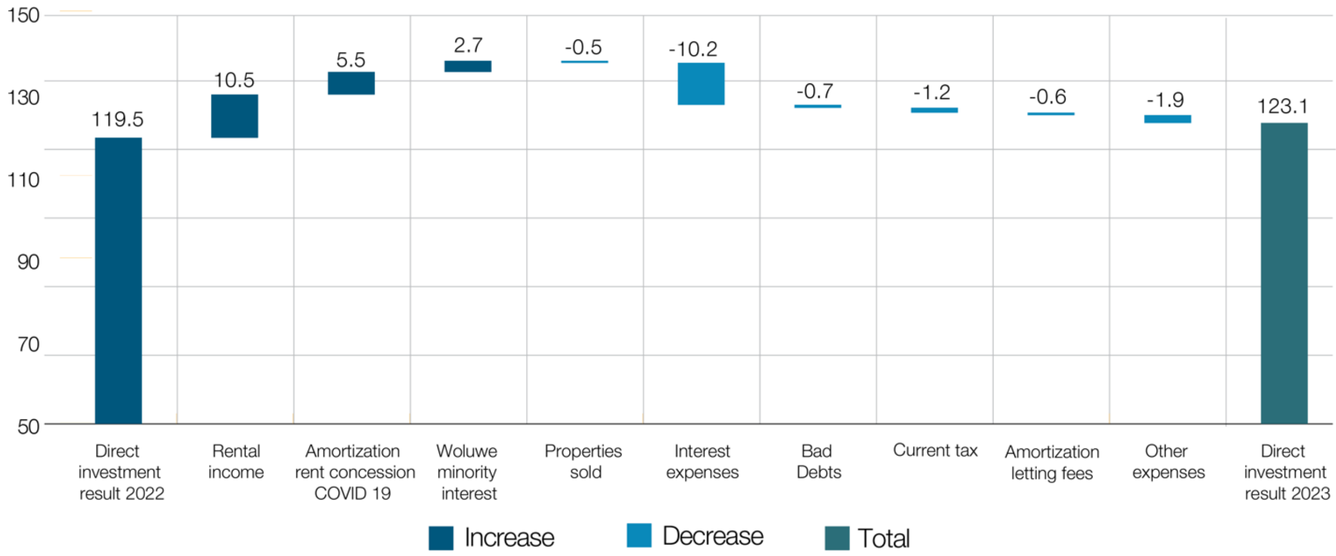
	Note	2023	2022
Rental income	4	215,279	199,307
Service charge income**	4	41,578	44,201
Service charge expenses	4	(43,700)	(46,152)
Property expenses	5	(35,588)	(31,958)
Interest income**	11	1,576	931
Interest expenses*** ****	11	(48,127)	(37,323)
Company expenses	7	(12,922)	(12,124)
Other income**	10	1,562	1,424
Current tax*****	12	(3,411)	(2,247)
Direct investment result including non-controlling interest		116,247	116,059
Direct investment result joint ventures	14	6,866	6,232
Direct investment result non-controlling interest	28	0	(2,747)
Total direct investment result attributable to owners of the Company		**123,113**	**119,544**
Investment revaluation and disposal of investment properties	6	(95,044)	(13,211)
Investment expenses****	7/9	(2,649)	(2,484)
(Loss)/gain derivative financial instruments ***	11	(43,999)	131,612
Deferred tax*****	12	(5,488)	(43,632)
Indirect investment result properties including non-controlling interest		(147,180)	72,285
Indirect investment result joint ventures	14	(2,029)	11,938
Indirect investment result non-controlling interest	28	(776)	(3,030)
Total indirect investment result attributable to owners of the Company		**(149,985)**	**81,193**
Total investment result attributable to owners of the Company		**(26,872)**	**200,737**
Per share (€)****			
Total direct investment result		2.32	2.28
Total indirect investment result		(2.83)	1.54
Total investment result		(0.51)	3.82

* These statements contain additional information which is not part of the IFRS financial statements.
** The comparative figures for the financial year ended 31 December 2022 have been adjusted for comparison purposes as a result of the reclassification of parts of 'Other income' into 'Service charge income' and 'Interest income'.
*** The difference between the interest expenses and the (loss)/gain derivative financial instruments in this statement and the consolidated profit or loss account is related to a different accounting policy for the interest on the put option non-controlling interest.
**** The interest expenses and investment expenses in the actuals of this year differ slightly from the amounts in the consolidated profit or loss account due to a different accounting policy for pension costs.
***** The difference between the Corporate Income Tax and the Deferred Tax in this statement and the consolidated profit or loss account is related to a different accounting policy for the Corporate Income Tax on Derivative Financial Instruments.
****** The Company's shares are listed on Euronext Amsterdam, Brussels and Milan. The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,060,280 (2022: 52,497,473).

In addition to the consolidated profit or loss account, the Company presents its direct and indirect investment results, enabling a better understanding of its performance. The direct investment result consists of net property income, net interest expenses, company expenses, other income and current tax. The indirect investment result consists of investment revaluation, disposal of investment properties, fair value movement of derivative financial instruments, investment expenses and deferred tax.

Statement of consolidated direct, indirect and total investment results* continued

Direct investment result 2023 vs 2022 (Net Values, Delta €m)



The direct investment result for the 12 months to December 2023 increased by 3% to €123.1 million, compared to €119.5 million for the same period in 2022. The higher net property income compared to 2022 is mainly related to higher rental income from the properties due to indexation and renewals and relettings (€10.5 million), the absence of the Covid-19 rent concessions related to IFRS 16 (€5.5 million) and the acquisition of the minority stake in Woluwe (€2.7 million). This more than compensated the increase in interest expenses (€10.2 million) and the higher current tax, mainly in Italy, (€1.2 million) derived from the strong increase in rental income.

Statement of adjusted net equity*

	31-12-23 €'000	31-12-22 €'000
IFRS net equity per consolidated statement of financial position	2,007,180	2,043,866
Net derivative financial instruments	(10,715)	(48,661)
Deferred tax	116,852	111,482
Net derivative financial instruments and deferred tax joint ventures and non-controlling interest	(6,211)	(13,092)
Adjusted net equity	2,107,106	2,093,595
Number of shares in issue after deduction of shares bought back	53,274,767	52,842,238
Net asset value – € per share (IFRS)	37.68	38.68
Adjusted net asset value – € per share	39.55	39.62
Stock market prices – € per share	22.20	22.60

* These statements contain additional information which is not part of the IFRS financial statements.

EPRA Performance measures*

The European Public Real Estate Association (EPRA) promotes, develops and represents the European public real estate sector. EPRA sets out best practice reporting guidelines on a number of financial and operational performance indicators relevant to the real estate sector. The definitions of the EPRA performance indicators can be found in the glossary of this annual report.

			Per share €	
	31-12-23	31-12-22	31-12-23	31-12-22
EPRA earnings**	119,763	114,671	2.26	2.17
EPRA NRV	2,211,290	2,201,489	41.34	41.63
EPRA NTA	2,117,751	2,105,890	39.59	39.82
EPRA NDV	2,010,769	2,053,196	37.59	38.82

	Belgium		France		Italy		Sweden		Total	
%	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
EPRA net initial yield	4.9	4.6	5.7	5.2	6.2	6.0	5.9	5.6	5.8	5.5
EPRA topped-up yield	5.2	4.9	5.8	5.3	6.3	6.1	6.0	5.8	6.0	5.7

	Belgium		France		Italy		Sweden		Total	
%	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
EPRA vacancy rate	2.1	1.7	2.3	2.9	0.2	0.6	2.9	1.7	1.5	1.5

Reconciliation EPRA earnings:

	2023	2022
IFRS result after taxation	(26,872)	200,737
Adjustments to IFRS profit after taxation:		
Investment revaluation and disposal of investment properties	95,044	13,211
Fair value movement derivative financial instruments	38,652	(133,989)
Adjustment amortisation put-option liability	4,789	0
Deferred tax	5,355	43,632
Share of result of joint ventures	2,019	(11,950)
Share of result of non-controlling interest	776	3,030
EPRA earnings	119,763	114,671
Average number of issued shares after deduction of shares bought back**	53,060,280	52,842,238
EPRA earnings per share (€) **	2.26	2.17

* These statements contain additional information which is not part of the IFRS financial statements.

** For the year 2022, the number of issued shares after deduction of shares bought back at 31 December 2022 was used due to the mandatory scrip dividend distributed in 2022.

EPRA Performance measures* (continued)

Reconciliation NAV, EPRA NRV, EPRA NTA and EPRA NDV:

	EPRA NRV		EPRA NTA		EPRA NDV	
	31-12-23 €'000	31-12-22 €'000	31-12-23 €'000	31-12-22 €'000	31-12-23 €'000	31-12-22 €'000
IFRS equity Eurocommercial shareholders	**2,007,179**	2,043,866	**2,007,179**	2,043,866	**2,007,179**	2,043,866
Diluted NAV and Diluted NAV at fair value	**2,007,179**	2,043,866	**2,007,179**	2,043,866	**2,007,179**	2,043,866
Exclude:						
Deferred tax assets and liabilities	**127,768**	123,877	**127,768**	123,877	**n/a**	n/a
Deferred tax assets and liabilities Joint Ventures	**2,551**	1,028	**2,551**	1,028	**n/a**	n/a
Fair value financial instruments	**(10,715)**	(48,761)	**(10,715)**	(48,761)	**n/a**	n/a
Fair value financial instruments Joint Ventures	**(9,032)**	(14,120)	**(9,032)**	(14,120)	**n/a**	n/a
Include:						
Fair value of fixed interest rate debt	**n/a**	n/a	**n/a**	n/a	**3,590**	9,330
Real estate transfer tax	**91,575**	93,674	**n/a**	n/a	**n/a**	n/a
Real estate transfer tax Joint Ventures	**1,964**	1,925	**n/a**	n/a	**n/a**	n/a
NAV	**2,211,290**	2,201,489	**2,117,751**	2,105,890	**2,010,769**	2,053,196
Fully diluted number of shares	**53,490,238**	52,888,098	**53,490,238**	52,888,098	**53,490,238**	52,888,098
NAV per share (€)	**41.34**	41.63	**39.59**	39.82	**37.59**	38.82

* This statement contains additional information which is not part of the IFRS financial statements.

For the assets owned by our local subsidiaries in Sweden, deferred tax liabilities (DTL) are reported in the Group IFRS financial statements adopting the initial recognition exemption of IAS 12 Income taxes; consequently the DTL is €27.0 million higher than reported in the Group IFRS balance sheet.

EPRA NRV: Deferred tax assets and deferred tax liabilities (DTA and DTL) for capital gains or losses from property investments, property investments under development, property investments held for sale and financial instruments are excluded from IFRS equity for this calculation.

EPRA NRV and EPRA NTA: Deferred tax assets and deferred tax liabilities (DTA and DTL) for capital gains or losses from property investments, property investments under development, property investments held for sale and financial instruments are excluded from IFRS equity for this calculation. In the previous reporting periods the Company adopted the option to reduce by 50% of the deferred taxes accounted for in the consolidated financial statements, but as it is the intention of the Company to keep these assets this option is no longer applied and the comparative figures have been restated accordingly.

Reconciliation EPRA net initial yield and EPRA topped-up yield:

	Belgium		France		Italy		Sweden		Total	
(€'000)	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
Property investments	522,460	578,090	802,280	810,280	1,459,830	1,439,950	791,328	814,626	3,575,898	3,642,946
Land and property held for development	0	(11,510)	(8,710)	(8,650)	(6,780)	(6,860)	(5,166)	(5,282)	(20,656)	(32,302)
Investments in joint ventures	0	0	0	0	195,860	189,920	0	0	195,860	189,920
Property investments completed	522,460	566,580	793,570	801,630	1,648,910	1,623,010	786,162	809,344	3,751,102	3,800,564
Purchasers' costs	13,060	14,169	55,920	56,585	16,489	16,235	7,849	8,096	93,318	95,085
Gross value property investments	535,520	580,749	849,490	858,215	1,665,399	1,639,245	794,011	817,440	3,844,420	3,895,649
Annualised net rents (EPRA NIY)	26,222	26,442	48,050	44,385	103,658	98,741	46,842	45,434	224,773	215,002
Lease incentives (incl. rent free periods)	1,488	1,824	812	1,110	1,393	1,762	774	1,891	4,467	6,587
Annualised rents (EPRA topped-up yield)	27,710	28,266	48,862	45,495	105,051	100,503	47,616	47,325	229,240	221,589
EPRA net initial yield %	4.9	4.6	5.7	5.2	6.2	6.0	5.9	5.6	5.8	5.5
EPRA topped-up yield %	5.2	4.9	5.8	5.3	6.3	6.1	6.0	5.8	6.0	5.7

* This statement contains additional information which is not part of the IFRS financial statements.

EPRA Performance measures* (continued)

Reconciliation EPRA vacancy rate:*

	Total (€'000) Estimated rental value of vacant space	Estimated rental value of the whole portfolio	EPRA vacancy rate
Belgium	532	25,671	2.1%
France	1,099	47,758	2.3%
Italy	257	103,938	0.2%
Sweden	1,430	49,979	2.9%
EPRA vacancy 31-12-23	**3,318**	**227,346**	**1.5%**
Belgium	422	25,255	1.7%
France	1,318	45,114	2.9%
Italy	585	94,248	0.6%
Sweden	795	47,557	1.7%
EPRA vacancy 31-12-22	3,120	212,174	1.5%

* This statement contains additional information which is not part of the IFRS financial statements.

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 the units that are under development or vacant for strategic reasons. The EPRA vacancy rate including units that are under development and strategic vacancies is 2.2% (2.0% in 2022).

Capital expenditure disclosure:*

	2023			2022		
	Group €'000	Joint Ventures** €'000	Total €'000	Group €'000	Joint Ventures** €'000	Total €'000
Investment properties						
– Incremental lettable space***	11,233	656	11,889	11,619	2,727	14,346
– No incremental lettable space****	10,991	460	11,451	10,095	115	10,210
– Tenant incentives/capitalised letting fees*****	12,614	120	12,734	7,434	176	7,610
Capitalised interest	122	0	122	19	23	42
Total capital expenditure	**34,960**	**1,236**	**36,196**	29,167	3,041	32,208
Conversion from accrual to cash basis	5,119	379	5,498	3,508	3,240	6,748
Total capital expenditure on cash basis	**40,079**	**1,615**	**41,694**	32,675	6,281	38,956

* This statement contains additional information which is not part of the IFRS financial statements.

** Joint ventures are reported on a proportionate share.

*** Capital expenditure due to Incremental lettable space is mainly related to major refurbishment and extensions. The 2023 balance of €11.9 million (€14.3 million in 2022) refers mainly to the extension of Valbo, Sweden.

**** Capital expenditure with no Incremental lettable space is mainly related to general capital expenditure and includes investments to maintain or enhance existing assets without creating additional leasing space. The 2023 and 2022 balances (respectively €11.5 million and €10.2 million) include the investments done on the properties in the various countries for technical maintenance and refurbishment of common areas and the costs incurred in connection with leasing initiatives to split and merge stores or to improve the technical standards of the shopping centres.

***** Capital expenditure due to tenant incentives/capitalised letting fees of €12.7 million refers to fit-out contribution granted to new tenants in the context of the reletting of existing spaces or to existing tenants to support shop transformation in the context of an expiring contract. The comparative figures for the financial year ended on 31 December 2022 have been adjusted for comparison purposes.

Reconciliation EPRA cost ratio:

	Twelve months ended 31-12-23 €'000	Twelve months ended 31-12-22 €'000
Operating and company expenses	47,612	43,322
Net service charge	2,121	3,411
Other income/recharge intended to cover overhead expenses less any related profits	(1,562)	(2,884)
Net expenses joint ventures	1,504	1,194
Exclude if part of the above		
Service charge and property expenses recovered through rents	(3,780)	(3,560)
Service charge and property expenses recovered through rents joint ventures	(451)	(462)
EPRA costs (including direct vacancy costs)	45,444	41,021
Vacancy costs	(1,984)	(1,641)
EPRA costs (excluding direct vacancy costs)	43,460	39,378
Rental income	215,279	199,307
Less: Service charge and property expenses recovered through rents	(3,780)	(3,560)
Share of joint venture rental income	11,835	10,268
Less: Service charge and property expenses recovered through rents joint ventures	(451)	(462)
Gross rental income	222,883	205,553
EPRA cost ratio (including direct vacancy costs)	20.4%	20.0%
EPRA cost ratio (excluding direct vacancy costs)	19.5%	19.2%

* This statement contains additional information which is not part of the IFRS financial statements.

The EPRA cost ratio is not directly comparable between companies due to the costs associated with different countries of operation, business models and accounting treatments. The EPRA cost ratio is very sensitive to which property sector the company is investing in. The retail sector is an example where property expenses are in general much higher than in other sectors. Therefore the EPRA cost ratio only works for comparison purposes, if pure play property companies are compared.

Another important factor is whether the property company is investing in higher yielding properties or in lower yielding properties (usually higher quality properties). Investment in higher yielding properties will in most cases lead to a lower EPRA cost ratio, which wrongly suggests that a company is more cost efficient.

Capitalised overhead and operating expenses do not form part of the EPRA cost ratio, although EPRA recommends an additional disclosure on capitalised items. The Company does not capitalise any of its overhead or local offices costs to extensions or developments in its IFRS financial statements with the exception of some capitalised costs for the Italian office (2023: €0.4 million). In the above EPRA cost ratio calculation, and only for better comparison purposes, an additional amount of €3.5 million (2022: €3.2 million) of overhead and other operating expenses has been capitalised for the financial year 2023, so a total amount of €3.9 million.

EPRA Performance measures* (continued)

EPRA LTV Metric:

(€'000) 31/12/2023	Group IFRS as reported €M	Share of Joint Ventures €M	Group Proportional Consolidation as reported €M	EPRA Adjustments *** €M	Share of Material Associates €M	Non-controlling interest €M	EPRA LTV Combined Interest €M
Include:							
Borrowings from financial institutions	1,553.1	97.8	1,650.9	0	0	0	1,650.9
Net payables**	0	0	0	67.2	0	0	67.2
Exclude:							
Cash and cash equivalents	40.5	8.1	48.6	0	0	0	48.6
Net debt (a)	1,512.6	89.7	1,602.3	67.2	0	0	1,669.5
Investment properties at fair value	3,576	195.9	3,771.9	0	0	0	3,771.9
Intangibles	0	0	0	3.5	0	0	3.5
Total Property Value (b)	3,576	195.9	3,771.9	3.5	0	0	3,775.4
LTV (a/b)	42.3%		42.5%				44.2%

(€'000) 31/12/2022	Group IFRS as reported €M	Share of Joint Ventures €M	Group Proportional Consolidation as reported €M	EPRA Adjustments **** €M	Share of Material Associates €M	Non-controlling interest €M	EPRA LTV Combined Interest €M
Include:							
Borrowings from financial institutions	1,519.1	100.4	1,619.5	0	0	(73.2)	1,546.3
Net payables**	0	0	0	127.4	0	(0.8)	126.6
Exclude:							
Cash and cash equivalents	65.3	5.7	71.0	0	0	(0.6)	70.4
Net debt (a)	1,453.8	94.7	1,548.5	127.4	0	(73.4)	1,602.5
Investment properties at fair value	3,642.9	189.9	3,832.8	0	0	(148.2)	3,684.6
Intangibles	0	0	0	3.2	0	0	3.2
Total Property Value (b)	3,642.9	189.9	3,832.8	3.2	0	(148.2)	3,687.8
LTV (a/b)	39.9%		40.4%				43.5%

* This statement contains additional information which is not part of the IFRS financial statements
** The net payables include the balances of long and short term trade, tax and other payables and receivables and the put option liability for non-controlling interest.
*** The EPRA Adjustments include the balances of right of use assets

Glossary

Adjusted net asset value (NAV):	IFRS shareholders' equity excluding the carrying amount of contingent capital gains tax liabilities and the fair value of financial derivatives (interest rate swaps). Adjusted NAV per share is calculated using the number of shares (basic) outstanding at the balance sheet date.
BREEAM (Building Research) Establishment's Environmental Assessment Method:	BREEAM is an assessment undertaken by independent licensed assessors using scientifically-based sustainability metrics and indices which cover a range of environmental issues. Its categories evaluate energy and water use, health and wellbeing, pollution, transport, materials, waste, ecology and management processes. Buildings are rated and certified on a scale of 'Pass', 'Good', 'Very Good', 'Excellent' and 'Outstanding'.
Boutique:	Retail unit 300m² or less.
CPI:	Consumer price index.
Direct investment result:	Net property income less net interest expenses and company expenses after taxation. Direct investment result per share is calculated using the weighted average number of DRs (basic) outstanding during the period.
Drive:	A drive-through collection point for hypermarket goods ordered online.
Entry premium:	One-off payment by a tenant, in addition to the MGR, to secure a lease on a particularly desirable retail unit.
EPRA:	European Public Real Estate Association.
EPRA cost ratio:	Administrative and operating costs (including and excluding costs of direct vacancy) including the share of joint venture overheads and operating expenses (net of any service fees) divided by gross rental income.
EPRA Earnings:	Recurring earnings from core operational activities. EPRA earnings per share is calculated using the same number of shares used for the calculation of Earning per share according to IFRS. Equivalent to the direct investment result less investment expenses and related costs.
EPRA (Non) Incremental lettable space:	Incremental lettable space: additional lettable area. If expenditure cannot be classified as incremental or no incremental lettable space, these expenses are allocated to incremental letting space if the total area is increased by at least 10% of the total lettable area. Non incremental lettable space: enhancement of the existing space.
EPRA NAV metrics:	EPRA Net Reinstatement Value (NRV): Assumes that entities never sell assets and aims to represent the value required to recreate the entity. EPRA Net Tangible Assets (NTA): Assumes that entities buy and sell assets, thereby crystallising certain levels of deferred tax. EPRA Net Disposal Value (NDV): Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. EPRA NRV, NTA and NVD per share is calculated using the number of shares (diluted) outstanding at the balance sheet date.
EPRA Net Initial Yield:	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. The following operating costs are not deducted in arriving at the EPRA NIY: letting and rent review fees, provision for doubtful debtors, marketing costs and eviction costs.
EPRA topped-up Net Initial Yield:	The EPRA net initial yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
EPRA sBPR:	The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. Each year, EPRA recognises companies which have issued the best-in-class annual sustainability performance report. Based on adherence to the EPRA sBPR in their public disclosure, companies are identified for Gold, Silver or Bronze Awards.
EPRA Vacancy Rate::	The ERV of vacant retail space expressed as a percentage of the ERV of the total property portfolio, excluding property investments under development.
ERV:	The estimated rental value of the whole portfolio if all space was let at current market levels at the balance sheet date.
FBI:	Fiscale Beleggingsinstelling (Dutch Fiscal Investment Institution). As a result of being an FBI all of Eurocommercial's income, whatever its source, is taxed at a zero rate at the corporate level if it is distributed to shareholders by way of a dividend.
FIIS/GVBF:	Fonds d'investissement immobilier spécialisé. Belgian tax-exempt regime available to property companies with assets in Belgium

Glossary (continued)

Gallery:	All retail units in a shopping centre excluding the hypermarket.
GRESB:	Global Real Estate Sustainability Benchmark.
Gross/total lettable area (GLA):	Total area of a property that can be leased to a tenant, including storage area.
ICC:	Indice du Coût de la Construction. Cost of construction index still used for some French retail leases although the majority have adopted the ILC index.
ILC:	Indice des Loyers Commerciaux. Index used for French retail leases derived 50% from the consumer price index, 25% from the cost of construction index and 25% from the retail sales index.
Interest cover ratio (ICR):	Net property income less company expenses divided by interest expenses less interest income, calculated on a proportionally consolidated basis.
Like-for-like:	Compares the gross rental income and/or the gross sales turnover of units which existed for the whole of the current and prior year period, i.e. excluding acquisitions, divestments and extensions. Entry premiums are not included in the like-for-like rental growth figures.
Medium Surface/Moyenne Surface/Media Superficies (MS):	A major unit occupying a large space within a shopping centre or retail park which serves as a draw to other retailers and customers. The total lettable area is usually greater than 600m^2.
Minimum guaranteed rent (MGR):	Contracted annual rent paid by a tenant, excluding indexation, turnover rent and entry premiums. Also referred to as base rent.
(Net) loan to value (LTV) ratio:	Total borrowings net of cash expressed as a percentage of the total value of property investments, property investments under development, property investments in joint ventures and property investments held for sale, calculated on a proportionally consolidated basis. The total values are net of any (estimated) purchasers' costs.
Net rental income:	Gross rental income for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and real estate management costs and other vacant property costs, calculated on a proportionally consolidated basis.
Net return on cost:	Net rental income generated by an extension/development as a proportion of the total cost of the development including financing costs.
Occupancy cost ratio (OCR):	Rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT.
Passing rent:	The annualised rental income at 31 December 2023 including 2023 turnover rent.
Pre-let:	A lease signed with a tenant prior to completion of a development.
Rental arrears:	Rent which is unpaid 90 days after the due date, expressed as a percentage of the total rent due.
Reversionary yield:	Estimated rental value (ERV) as calculated by the external valuers, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
Sales area:	Gross/total lettable area excluding storage area.
Sales turnover:	Sales income, including VAT, of retail tenants.
Scrip dividend:	Dividend in the form of shares.
Share(s):	See EPRA vacancy.
SIIC:	Société d'investissements immobiliers cotée. French tax-exempt regime available to listed property companies with assets in France.
Stock dividend:	Dividend in the form of shares charged to the fiscal share premium reserve.
Turnover rent:	Any element of rent received or to be received related to a tenant's sales turnover.
Vacancy:	See EPRA vacancy.

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Share information

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