

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:

(€'000)	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
Property investments	522,460	578,090	802,280	810,280	1,459,830	1,439,950	791,328	814,626	3,575,89	8 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	3,751,10	2 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	3,844,42	0 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%

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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

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** 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%

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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							
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							
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