

## 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 €			
	31-12-22	31-12-21	31-12-22	31-12-21
EPRA earnings**	<b>114,671</b>	107,848	<b>2.17</b>	2.04
EPRA NRV	<b>2,201,489</b>	2,240,736	<b>41.63</b>	42.96
EPRA NTA	<b>2,043,437</b>	2,092,087	<b>38.64</b>	40.11
EPRA NDV	<b>2,053,196</b>	1,930,770	<b>38.82</b>	37.02

%	Belgium		France		Italy		Sweden		Total	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
EPRA net initial yield	<b>4.6</b>	4.4	<b>5.2</b>	5.0	<b>6.0</b>	5.4	<b>5.6</b>	5.0	<b>5.5</b>	5.1
EPRA topped-up yield	<b>4.9</b>	4.6	<b>5.3</b>	5.0	<b>6.1</b>	5.6	<b>5.8</b>	5.1	<b>5.7</b>	5.2

%	Belgium		France		Italy		Sweden		Total	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
EPRA vacancy rate	<b>1.7</b>	1.0	<b>2.9</b>	2.5	<b>0.6</b>	1.3	<b>1.7</b>	1.2	<b>1.5</b>	1.5

Reconciliation EPRA earnings:

	Twelve months ended 31-12-22	Twelve months ended 31-12-21
IFRS profit after taxation	<b>200,737</b>	104,687
Adjustments to IFRS profit after taxation:		
Investment revaluation and disposal of investment properties	<b>13,211</b>	14,931
Fair value movement derivative financial instruments	<b>(133,989)</b>	(35,148)
Deferred tax	<b>43,632</b>	25,482
Share of result of joint ventures	<b>(11,950)</b>	(643)
Share of result of non-controlling interest	<b>3,030</b>	(1,461)
<b>EPRA earnings</b>	<b>114,671</b>	107,848
<b>Number of issued shares after deduction of shares bought back**</b>	<b>52,842,238</b>	52,842,238
<b>EPRA earnings per share (€) **</b>	<b>2.17</b>	2.04

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

\*\* The EPRA earnings per share for the previous financial periods are based on the number of shares in issue as a result of the scrip dividend paid on 1 July 2022, resulting in 52,842,238 shares outstanding (after deduction of shares bought back).

## Reconciliation NAV, EPRA NRV, EPRA NTA and EPRA NDV:

	EPRA NRV		EPRA NTA		EPRA NDV	
	31-12-22 €'000	31-12-21 €'000	31-12-22 €'000	31-12-21 €'000	31-12-22 €'000	31-12-21 €'000
IFRS equity Eurocommercial shareholders	<b>2,043,866</b>	1,957,702	<b>2,043,866</b>	1,957,702	<b>2,043,866</b>	1,957,702
Diluted NAV and Diluted NAV at fair value	<b>2,043,866</b>	1,957,702	<b>2,043,866</b>	1,957,702	<b>2,043,866</b>	1,957,702
Exclude:						
Deferred tax assets and liabilities	<b>123,877</b>	91,110	<b>61,938</b>	45,555	n/a	n/a
Deferred tax assets and liabilities Joint Ventures	<b>1,028</b>	(4,637)	<b>514</b>	(2,318)	n/a	n/a
Fair value financial instruments	<b>(48,761)</b>	90,445	<b>(48,761)</b>	90,445	n/a	n/a
Fair value financial instruments Joint Ventures	<b>(14,120)</b>	703	<b>(14,120)</b>	703	n/a	n/a
Include:						
Fair value of fixed interest rate debt	n/a	n/a	n/a	n/a	<b>9,330</b>	(26,932)
Real estate transfer tax	<b>93,674</b>	103,528	n/a	n/a	n/a	n/a
Real estate transfer tax Joint Ventures	<b>1,925</b>	1,885	n/a	n/a	n/a	n/a
<b>NAV</b>	<b>2,201,489</b>	2,240,736	<b>2,043,437</b>	2,092,087	<b>2,053,196</b>	1,930,770
Fully diluted number of shares	<b>52,888,098</b>	52,159,836	<b>52,888,098</b>	52,159,836	<b>52,888,098</b>	52,159,836
<b>NAV per share (€)</b>	<b>41.63</b>	42.96	<b>38.64</b>	40.11	<b>38.82</b>	37.02

\* 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 €28.0 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 NTA: The Company adopted the option to reduce 50 per cent of the deferred taxes accounted for in the consolidated financial statements.

## EPRA performance measures\* (continued)

Reconciliation EPRA net initial yield and EPRA topped-up yield:

(€'000)	Belgium		France		Italy		Sweden		Total	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
Property investments	<b>578,090</b>	579,000	<b>810,280</b>	867,300	<b>1,439,950</b>	1,423,600	<b>814,626</b>	893,619	<b>3,642,946</b>	3,763,519
Land and property held for development	<b>(11,510)</b>	(9,500)	<b>(8,650)</b>	(14,500)	<b>(6,860)</b>	(7,800)	<b>(5,282)</b>	(2,927)	<b>(32,302)</b>	(34,727)
Investments in joint ventures	<b>0</b>	0	<b>0</b>	0	<b>189,920</b>	184,500	<b>0</b>	0	<b>189,920</b>	184,500
Property investments held for sale	<b>0</b>	0	<b>0</b>	22,500	<b>0</b>	0	<b>0</b>	0	<b>0</b>	22,500
Property investments completed	<b>566,580</b>	569,500	<b>801,630</b>	875,300	<b>1,623,010</b>	1,600,300	<b>809,344</b>	890,692	<b>3,800,564</b>	3,935,792
Purchasers' costs	<b>14,169</b>	13,465	<b>56,585</b>	61,738	<b>16,235</b>	19,892	<b>8,096</b>	5,468	<b>95,085</b>	100,563
Gross value property investments	<b>580,749</b>	582,965	<b>858,215</b>	937,038	<b>1,639,245</b>	1,620,192	<b>817,440</b>	896,160	<b>3,895,649</b>	4,036,355
Annualised net rents (EPRA NIY)	<b>26,442</b>	25,493	<b>44,385</b>	46,813	<b>98,741</b>	88,203	<b>45,434</b>	44,816	<b>215,002</b>	205,325
Lease incentives (incl. rent free periods)	<b>1,824</b>	1,417	<b>1,110</b>	476	<b>1,762</b>	2,058	<b>1,891</b>	607	<b>6,587</b>	4,558
Annualised rents (EPRA topped-up yield)	<b>28,266</b>	26,910	<b>45,495</b>	47,289	<b>100,503</b>	90,261	<b>47,325</b>	45,423	<b>221,589</b>	209,883
EPRA net initial yield %	<b>4.6</b>	4.4	<b>5.2</b>	5.0	<b>6.0</b>	5.4	<b>5.6</b>	5.0	<b>5.5</b>	5.1
EPRA topped-up yield %	<b>4.9</b>	4.6	<b>5.3</b>	5.0	<b>6.1</b>	5.6	<b>5.8</b>	5.1	<b>5.7</b>	5.2

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

## Reconciliation EPRA vacancy rate:\*

	Total (€'000)	Estimated rental value of vacant space	Estimated rental value of the whole portfolio	EPRA vacancy rate
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%
<b>EPRA vacancy 31-12-22</b>		<b>3,120</b>	<b>212,174</b>	<b>1.5%</b>

Belgium	242	24,246	1.0%
France	1,212	48,160	2.5%
Italy	1,236	94,575	1.3%
Sweden	571	48,347	1.2%
<b>EPRA vacancy 31-12-21</b>	<b>3,261</b>	<b>215,328</b>	<b>1.5%</b>

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

## Capital expenditure disclosure:\*

	Twelve months ended 31-12-22			Twelve months ended 31-12-21		
	Group €'000	Joint Ventures** €'000	Total €'000	Group €'000	Joint Ventures** €'000	Total €'000
Acquisitions	0	0	0	47,926	0	47,926
Investment properties						
– Incremental lettable space	11,619	2,727	14,346	8,760	7,270	16,030
– No incremental lettable space	10,095	115	10,210	9,014	2,033	11,047
– Tenant incentives/capitalised letting fees	4,821	232	5,053	1,138	(144)	994
Capitalised interest	19	23	42	0	92	92
<b>Total capital expenditure</b>	<b>26,554</b>	<b>3,097</b>	<b>29,651</b>	66,838	9,251	76,089
Conversion from accrual to cash basis	3,508	3,240	6,748	7,912	4,053	11,965
<b>Total capital expenditure on cash basis</b>	<b>30,062</b>	<b>6,337</b>	<b>36,399</b>	74,750	13,304	88,054

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

\*\* Joint ventures are reported on a proportionate share.

## EPRA performance measures\* (continued)

Reconciliation EPRA cost ratio:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Operating and company expenses	43,322	50,080
Net service charge	3,411	2,154
Other income/recharge intended to cover overhead expenses less any related profits	(2,884)	(2,333)
Net expenses joint ventures	1,194	2,616
<b>Exclude if part above</b>		
Service charge and property expenses recovered through rents	(3,560)	(4,232)
Service charge and property expenses recovered through rents joint ventures	(462)	(458)
<b>EPRA costs (including direct vacancy costs)</b>	<b>41,021</b>	47,827
Vacancy costs	(1,642)	(1,690)
<b>EPRA costs (excluding direct vacancy costs)</b>	<b>39,378</b>	46,137
Rental income	199,307	198,344
Less: Service charge and property expenses recovered through rents	(3,560)	(4,232)
Share of joint venture rental income	10,268	10,324
Less: Service charge and property expenses recovered through rents joint ventures	(462)	(458)
<b>Gross rental income</b>	<b>205,553</b>	203,978
<b>EPRA cost ratio (including direct vacancy costs)</b>	<b>20%</b>	23.4%
<b>EPRA cost ratio (excluding direct vacancy costs)</b>	<b>19.2%</b>	22.6%

\* 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. Eurocommercial 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 (2022: €0.7 million). In the above EPRA cost ratio calculation, and only for better comparison purposes, an additional amount of €3.2 million (2021: €2.7 million) of overhead and other operating expenses has been capitalised for the financial year 2022, so a total amount of €3.9 million.

## EPRA LTV Metric:

(€'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
<b>Net debt (a)</b>	<b>1,453.8</b>	<b>94.7</b>	<b>1,548.5</b>	<b>127.4</b>	<b>0</b>	<b>(73.4)</b>	<b>1,602.5</b>
Net debt (a)							
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
<b>Total Property Value (b)</b>	<b>3,642.9</b>	<b>189.9</b>	<b>3,832.8</b>	<b>3.2</b>	<b>0</b>	<b>(148.2)</b>	<b>3,687.8</b>
Net debt (a)							
<b>LTV (a/b)</b>	<b>39.9%</b>		<b>40.4%</b>				<b>43.5%</b>

(€'000) 31/12/2021	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	1,645.8	91.9	1,737.7	0	0	(73.1)	1,664.6
Net payables*	0	0	0	114.9	0	(1.2)	113.7
Exclude:							
Cash and cash equivalents	55.6	3.5	59.1	0	0	(0.7)	58.4
<b>Net debt (a)</b>	<b>1,590.2</b>	<b>88.4</b>	<b>1,678.6</b>	<b>114.9</b>	<b>0</b>	<b>(73.6)</b>	<b>1,719.9</b>
Net debt (a)							
Investment properties at fair value	3,786.0	184.5	3,970.5	0	0	(148.4)	3,822.1
Intangibles	0	0	0	2.5	0	0	2.5
<b>Total Property Value (b)</b>	<b>3,786.0</b>	<b>184.5</b>	<b>3,970.5</b>	<b>2.5</b>	<b>0</b>	<b>(148.4)</b>	<b>3,824.6</b>
Net debt (a)							
<b>LTV (a/b)</b>	<b>42.0%</b>		<b>42.3%</b>				<b>45.0%</b>

\* 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.