
PRESS RELEASE

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FULL YEAR RESULTS 2022

Key highlights

- Consistently strong retail sales during the year resulted in overall sales turnover growth for the calendar year 2022 of 15.9% compared to 2021 and 5.0% compared to the pre-pandemic 2019.
- Solid like-for-like rental growth of 4.7% due mainly to rental indexation.
- Continued strong tenant demand resulted in 5.4% rent uplifts on renewals and relettings from 255 lease transactions signed during the 12-month period ended 31 December 2022.
- EPRA vacancy rate at 31 December 2022 remains around its long-term historically low level of 1.5%.
- Occupancy cost ratio (OCR) was 9.2% at 31 December 2022, the same level as at 30 June 2022.
- Property values decreased slightly by 0.3% over 12 months with the overall EPRA net initial yield increasing from 5.1% to 5.5%.
- Rent collection rate improved further in 2022 reaching 98% (93% in 2021).
- €79.5 million of disposals completed in Q1 2022 at or close to their latest valuations, finalising the €200 million disposal programme.
- Loan to value ratio (on the basis of proportional consolidation) at 40.4%. Net debt to EBITDA at 8.9x, and ICR at 4.1x.
- SEK 1.2 billion (circa €110 million) green loan with Nordea, secured in Q1 2023 on three properties in Sweden, extended by three years.
- Acquisition of remaining minority interest in Woluwe Shopping in Q2 2023, which will then be 100% owned by Eurocommercial.
- Eurocommercial maintained its GRESB 4 Star Rating, achieving its highest score to date, and also received an EPRA Gold Award for sustainability reporting for the ninth consecutive year (sBPR).
- Net earnings €2.28 (direct investment result) per share for the year 2022 compared to €2.18 for the previous year 2021.
- Proposed total dividend of €1.60 per share for the year 2022. In accordance with the Company's new dividend policy, an interim cash dividend of €0.60 per share was already paid in January 2023. A final cash dividend of €1.00 per share will be payable in July 2023. Shareholders will also be offered the opportunity to opt for a stock dividend instead of the final cash dividend.
- Direct investment result guidance for the full year 2023 ranging between €2.25 and €2.35 per share.

Board of Management's commentary

Retail sales increased by 15.9% compared to 2021 and by 5% compared to the pre-pandemic 2019, with all four of our markets showing positive growth over both periods. This growth was achieved despite the fact that 2022 started a little hesitantly when our business activities were impacted by the contagious Omicron variant. However, all our shopping centres remained fully open and once the comparatively light government restrictions were lifted by the early spring, retail sales rebounded strongly.

The major geopolitical and macroeconomic event during 2022 was the war in Ukraine which resulted in general supply chain disruption, increased living costs, particularly energy, rising inflation and higher interest rates. Governments have responded by providing generous energy support packages for both businesses and households and by successfully re-orientating their country's energy supplies in what has been a mild winter. These factors have helped support consumer spending during a period that has also seen low unemployment levels in tight labour markets.

The increase in interest rates changed the investment landscape particularly in the second half of the year creating a wider disparity in price expectations between buyers and sellers and a reduction in transaction volumes. Investment activity in the retail market held up reasonably well, particularly in Sweden and France and more generally for retail parks and investments containing a significant grocery component. Consequently, retail valuations have held up better than some other lower yielding sectors, and indeed our valuations were down by only 0.3% over the last year. Like-for-like rental growth over the year was considerably higher at 4.7%, due mainly to rental indexation. Consistently strong tenant demand supported the lease renewal and reletting programme and resulted in an overall rental uplift of 5.4% on the 255 lease transactions completed over the year. Meanwhile, rent collection rates improved considerably during 2022 reaching 98% of invoiced rent.

Our broad ESG vision and strategy built around the three strategic pillars, Be Green, Be Engaged, Be Responsible remains a focus of our daily operations, providing the opportunity to introduce standards and technologies to improve environmental quality while reducing both our imprint and operational costs. Eurocommercial is dedicated to creating shopping centres that go beyond just being retail destinations, but rather serve as social spaces that are essential to the local communities in which they are situated. By meeting the everyday shopping needs of our customers and their communities, we aim to provide a safe, enjoyable and service-oriented experience. We engage regularly with our tenants, customers and communities, taking into account their feedback to ensure that our centres remain relevant and adapt to the changing retail landscape. Our shopping centres contribute to enhancing social and environmental values, promoting local employment and procurement, improving local transport infrastructure, education, providing new services, and offering green spaces and amenities. Through our regular engagement and collaboration with our stakeholders, we promote a sustainable and socially responsible approach to business, creating shopping centres that are not just retail destinations, but also contribute to the social fabric of their communities.

During Q1 2022, we completed sales in France of €79.5 million at or close to their latest valuations and thereby also completed our €200 million disposal programme. The LTV ratio on a proportional consolidated basis has been maintained at 40.4% with minimal committed spending and no contractual commitments for new projects, although we continue our investigations, including planning, where potentially profitable and commercially viable extension opportunities are identified.

The expectation for significantly higher income growth in 2023 looks well founded with even higher levels of rental indexation due which, even allowing for some limited caps applied by government intervention in France and Belgium, is expected to average around 8.7% in our four markets. While these levels are unprecedented in recent years, inflation is expected to reduce throughout the year, while our retailers continue to produce solid sales growth from an affordable rental base with our overall OCR across the portfolio remaining around 9.2%. We were very encouraged by the retail sales achieved in January and

February 2023 which were 14.3% higher than the comparable months in 2022 and 10.3% higher than in 2019.

The results of the Company for the financial year 2022 allow us to propose to increase the cash dividend from €1.50 to €1.60, representing 70% of the direct investment result (€119.5 million). An interim dividend of €0.60 per share representing 40% of the total cash dividend distributed in the previous financial year (2022) was paid in January 2023, leaving €1.00 per share to be paid in July 2023. Shareholders will also be offered the opportunity to choose between a cash dividend and a stock dividend.

Assuming no major deterioration of the macro-economic environment, in particular further spikes in interest rates, we expect the direct investment result for the year 2023 to be between €2.25 and €2.35 per share.

Operational & financial review

Retail sales

During the early part of 2022, particularly in January, the highly contagious Omicron variant affected footfall and therefore retail sales in our shopping centres. However, once the comparatively light government restrictions were lifted, retail sales once again rebounded strongly, so that overall our 2022 retail sales were 15.9% above 2021 and 5.0% above the pre-pandemic 2019. We have also included H2 retail sales figures for 2022 compared to 2021, in order to provide more comparative data unaffected by COVID-19 trading restrictions. All countries and most sectors produced positive growth for the periods illustrated. Footfall was 12.9% higher in 2022 compared to 2021, although remaining at around 90% of 2019 levels. High conversion rates and high average basket sizes therefore continued to drive the increase in sales. Retail sales achieved in January and February 2023 were 14.3% higher than in the comparable months in 2022 and 10.3% higher than in 2019 with a further improvement in footfall.

Like-for-like retail sales by country*

	FY 2022/FY 2021	H2 2022/H2 2021	FY 2022/FY 2019
Overall	15.9%	6.2%	5.0%
Belgium	14.9%	12.9%	1.9%
France	22.5%	6.1%	0.9%
Italy	21.0%	8.4%	4.6%
Sweden	6.1%	1.7%	9.3%

* Excluding extensions/redevelopments.

Like-for-like retail sales by sector*

	FY 2022/FY 2021	H2 2022/H2 2021	FY 2022/FY 2019
Fashion/Shoes	17.1%	2.4%	-3.9%
Health & Beauty	20.7%	9.3%	8.2%
Gifts & Jewellery	15.8%	-1.3%	6.0%
Sport	19.2%	11.1%	16.0%
Home Goods	15.3%	12.1%	26.8%
Books & Toys	9.4%	2.4%	9.4%
Electricals	9.5%	3.6%	4.1%
F&B (Restaurants & Bars)	38.3%	18.9%	5.6%
Hyper/Supermarkets	1.2%	2.8%	11.4%
Services	21.9%	12.2%	-2.0%

*Excluding extensions/redevelopments.

Rental growth

Like-for-like (same floor area) rental growth for the twelve months ending 31 December 2022 was 4.7% resulting from rental indexation, an increase in turnover rents and the positive results of the lease renewal and reletting programme.

Rental growth

	Like-for-like rental growth (12 m to December 2021)	Like-for-like rental growth (12 m to June 2022)	Like-for-like rental growth (12 m to December 2022)
Overall	-0.3%	2.9%	4.7%
Belgium	-0.6%	1.4%	5.0%
France	-1.0%	3.0%	2.6%
Italy	-0.1%	3.2%	6.5%
Sweden	0.5%	2.7%	3.0%

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

Rental indexation

Estimated rental indexation for 2023 across the portfolio based on published indices for 2022 is expected to be around 8.7%, well above the 3.6% rent indexation collected during 2022. Figures remain an estimate for Belgium where indexation is calculated monthly on the adjusted health index (net of energy prices) as provided by the government decree. In France, the index allows for the cap (3.5%) for small (PME) companies affecting around 10% of our French rental income.

Rental indexation

	Index applicable in 2022	Index applicable in 2023
Overall	3.6%	8.7%
Belgium	5.6%	3.0%*
France	2.8%	4.2%
Italy	3.8%	11.3%
Sweden	2.8%	10.9%

*indexation estimate only for Belgium

Renewals and relettings

Strong leasing activity has been maintained over the last 12 months with 255 leases renewed or relet producing an overall uplift in rent of 5.4%. These leases represent €24.6 million equivalent to 13% of the annual minimum guaranteed rent. 81 of these transactions were new lettings to retailers entering our shopping centres, achieving a 6.9% rental uplift. The leasing activity was consistent all through the year, and the last six months alone saw 126 lease transactions completed, producing an overall uplift in rent of 6.7%, including 37 new lettings producing an uplift of 10.9%.

Renewals and relettings for the 12 months to 31 December 2022

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

In Woluwe Shopping, Belgium, 10 leases were renewed or relet over the last 12 months at an overall rent 2.7% below the previous level. Several new premium international brands have established stores including Mango, Pandora and Guess. During the early part of this summer, Fnac opened a flagship store in the former 2,600m² AS Adventure unit, who themselves have successfully relocated to a smaller store.

In France, 46 lease renewals and relettings were completed over the year producing an average uplift in rent of 4.1%. Of these transactions, 18 lease renewals produced an uplift of 5.2%, while 28 lease transactions were to new tenants producing an uplift of 3.4%. New merchandising has covered a broad range of sectors including Bonobo and Mango in Les Atlantes, Dr. Martens at Passage du Havre, Naf Naf at Grand A and Devred in Shopping Etrembières (fashion), Bouygues Telecoms at Les Atlantes (electricals), Comptoir de Mathilde at Les Portes de Taverny, La Cure Gourmande and Palais des Thés at Shopping Etrembières (food), Krys Audition at MoDo and Grand Optical at Centr'Azur (health and beauty). During the summer we opened KA Fitness in Les Atlantes, the first fitness centre in our French portfolio.

Italy produced the highest rental uplift of 8.8% from 114 lease transactions. 34 of these transactions were new lettings to retailers achieving an uplift of 17.7%, while 80 lease renewals produced an uplift of 4.8%. International brands establishing in Italy continue to want representation in our centres with recent examples including JD Sports, Adidas, Rituals, Bershka, New Yorker, Hollister, Gilly Hicks, Pull & Bear, Sephora, Miniso and Wagamama.

In Sweden, 85 lease renewals and relettings were completed during 2022 producing a rental uplift of 5.7%. 13 of these lease transactions were lettings to new tenants at rents 17.5% above previous levels, while 72 lease renewals produced an uplift of 4.8%. New lettings included Cassels, Hemtex, Kicks, Rituals and Normal, the expanding Danish value retailer who are now established in six of our shopping centres. Having successfully opened their new planning studio concept in Grand Samarkand, Ingelsta Shopping and Hallarna, IKEA have now signed extended leases on these stores. Three new leases were signed with the Bestseller group including two Vila stores (C4 and Hallarna) and Only (Hallarna).

EPRA vacancies

EPRA vacancy for the portfolio at 31 December 2022 remained very low at 1.5%, ranging from 0.6% to 2.9% in our four markets.

EPRA vacancies

	31 March 2022	30 June 2022	30 September 2022	31 December 2022
Overall	1.8%	1.5%	1.5%	1.5%
Belgium	1.0%	0.3%	1.7%	1.7%
France	3.4%	2.4%	2.2%	2.9%
Italy	1.5%	1.0%	0.8%	0.6%
Sweden	1.5%	2.2%	2.1%	1.7%

Out of more than 1,800 shops, there were only 15 tenants in administration occupying 34 units, representing 1.7% of total MGR. For the majority of these units, rent continued to be paid.

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 2022 was 9.2% overall, one of the lowest OCRs in the industry and providing a solid foundation for long term, sustainable rental income and low vacancy

Occupancy cost ratio

	31 December 2022
Overall	9.2%
Belgium	15.5%
France	10.3%
Italy	9.0%
Sweden	7.3%

Rent collection

Rent collection improved during 2022 and reached 98%, well above the 2021 collection rate of 93%.

Collection rate comparison

	% of 2021 invoiced rent collected	% of 2022 invoiced rent collected
Overall	93%	98%
Belgium	97%	100%
France	91%	95%
Italy	91%	98%
Sweden	98%	100%

Property valuations

All the Company's properties were independently valued as usual at 31 December 2022 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 and Knight Frank.

Overall, the property valuations decreased by 0.3% compared to December 2021. Despite higher net operating income (NOI), the 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 higher yields were a reflection of an uncertain economic outlook, higher interest rates, accelerating inflation and the war in Ukraine which together resulted in a market with reduced shopping centre transactions, particularly in the second half of the year, although there was more consistent activity in other retail segments, particularly external retail parks and retail investments with a significant grocery component. As a result, the overall EPRA net initial yield has increased from 5.1% to 5.5% since December 2021.

In their reporting, the valuers continued to identify 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.

While they identified the Company's 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 62% exposure to a broad range of essential and everyday retail including groceries.

Valuations at 31 December 2022*

	Net value (€M) 31 December 2022	Valuation change from Dec 2021	EPRA Net initial yield	EPRA Topped-up yield
Overall	3,833	-0.3%	5.5%	5.7%
Belgium	578	-0.4%	4.6%	4.9%
France	810	-0.5%	5.2%	5.3%
Italy	1,630	0.6%	6.0%	6.1%
Sweden	815	-1.7%	5.6%	5.8%

*Valuations are like-for-like, thus excluding the values of the properties sold.

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

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

Direct investment result: €119.5 million (€2.28 per share)

The **direct investment result** for the twelve months to 31 December 2022 was €119.5 million, compared to €110.6 million for the same period in 2021, an increase of €8.9 million (+8.0%). This increase is mainly due to higher net rental income.

An increase of €10.3 million in gross rental income was achieved through indexation and renewals and relettings (€8.4 million) and through the acquisition of the remaining 50% ownership of Étrembières (€1.9 million). This was partially offset by lower rental income as a result of the sales of properties in 2021 and in the first quarter of 2022 (€7.7 million) and higher depreciation of the Covid-19 capitalised rent concessions, treated according to IFRS 16, due to the full depreciation of their remaining balance as at 31

December 2022. The charge for 2022 was €2.3 million (€4.3 million in 2021) while the remaining balance to be amortized was €4.1 million leading to a total charge of €6.4 million (€ 2.1 million higher than in 2021).

Property expenses decreased with €9.1 million mainly as a consequence of lower bad debts and less Covid-19 rent concessions (€10.8 million). This amount was partially offset by a higher shortfall on service charges (€1.2 million), higher Company expenses (€1.1 million) and higher corporate income tax (€1 million).

The **direct investment result per share** increased 4.6% to €2.28 at 31 December 2022, from €2.18 for the 12 months to 31 December 2021.

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 **EPRA earnings** result for the 12-month reporting period to 31 December 2022 was €114.7 million, or €2.17 per share, compared to €107.8 million or €2.04 per share for the same period last year.

IFRS profit: €200.7 million

The **IFRS profit after taxation** attributable to owners of the Company for the 12-month reporting period to 31 December 2022 was €200.7 million (€3.80 per share) compared to €104.7 million (€1.98 per share) for the 12-month reporting period to 31 December 2021. This increase is related to a higher direct investment result, as explained before, but also to a €1.7 million positive difference in the investment revaluation of the properties (€13.2 million negative at 31 December 2022 compared to a €14.9 million negative at 31 December in 2021) and to a €98.9 million positive difference in the fair value of the derivative financial instruments (€134.0 million positive at 31 December 2022 compared to a €35.1 million positive at 31 December 2021) due to a rise and a steepening of the Euro and Swedish interest rate curves. These amounts were partially offset by a €18.2 million increase in the deferred tax provision compared to the previous year.

Gross rental income: €209.6 million

Gross rental income for the 12 months (based on proportional consolidation) was at €209.6 million, higher than the same period last year (€208.7 million) This increase, as mentioned above, is mainly due to a higher income from indexation, renewals and relettings and to the acquisition of the remaining 50% ownership of Étrembières, partially offset by the loss of income related to the properties sold and an extraordinary full depreciation of the remaining Covid-19 related IFRS 16 provisions (€4.4 million).

Net property income €173.7 million

Net property income, including joint ventures (based on proportional consolidation) for the 12 months to 31 December 2022, after deducting net service charges and direct and indirect property expenses (branch overheads), increased to €173.7 million compared to €163.2 million for the twelve months to 31 December 2021, for the reasons illustrated above.

EPRA Net Tangible Assets: €38.64 per share

The **EPRA Net Tangible Assets** (EPRA NTA) at 31 December 2022 was €38.64 per share compared with €39.54 at 30 June 2022 and €40.11 at 31 December 2021. EPRA NTA includes only 50% of contingent capital gains tax liabilities and does not consider the fair value of financial derivatives.

The reduction of the EPRA NTA per share is mainly due to the dividend distribution, the slight decrease of property values, the weaker Swedish krona and the increased number of shares in issue after the mandatory scrip dividend in July 2022. These negative impacts have been only partially compensated by the increase in direct investment result over the period.

The **adjusted net asset value** at 31 December 2022 was €39.62 per share compared with €40.71 at 30 June 2022 and €40.63 at 31 December 2021. 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 **IFRS net asset value** at 31 December 2022, after allowing for contingent capital gains tax liabilities if all properties were to be sold simultaneously and the fair value of the interest rate swap contracts, was €38.68 per share compared with €38.97 at 30 June 2022 and €37.54 at 31 December 2021.

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 April 2022, the Company entered into a new 5-year loan of €66.5 million with ING to refinance two existing loans on the Curno Shopping Centre, Italy. In June 2022, the Company entered into a new 3-year loan of €50 million with ABN AMRO bank to refinance an existing loan on the CremonaPo Shopping Centre, Italy. These new loans qualify both as green loans and also as sustainability linked loans.

In May 2022, the Italian joint venture Galleria Verde, 50% owned by Eurocommercial, signed a new 5-year mortgage loan of €21.5 million (€10.8 million Group share) with Banca Popolare di Milano on the Fiordaliso Shopping Centre, Milan.

At 31 December 2022 the net debt based on proportional consolidation stood at €1,548 million compared to €1,679 at 31 December 2021. The reduction is mainly a consequence of the utilisation of the proceeds of the sales, net of the dividend paid, and to a weaker Swedish krona (€1.00 = SEK 10.25 at 31 December 2021, €1.00 = SEK 11.12 at 31 December 2022). The loan to value ratio as per 31 December 2022, calculated after deducting purchaser's costs and on the basis of the proportionally consolidated net debt of the Company of €1,548 million, was 40.4% compared to 38.9% at 30 June 2022, due to the payment in July 2022 of the €78.2 million cash dividend for the year 2021, partially compensated by the cash generated in the period. The loan to value ratio at 31 December 2021 was 42.3%.

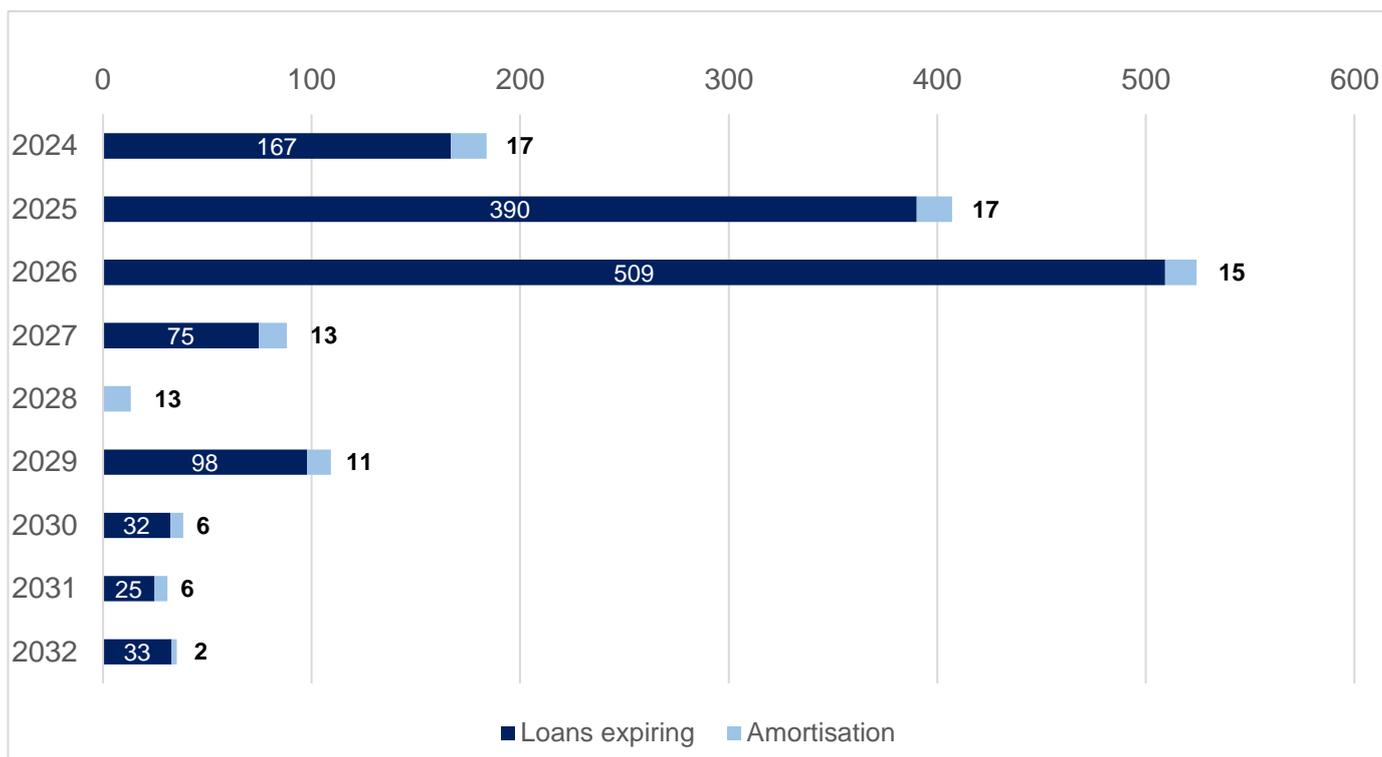
The Group covenant loan to value ratio agreed with the banks is 60%, the usual market practice ratio. For comparison purposes, our loan to value ratio adding back purchaser's costs as at 31 December 2022 was 39.4% and our loan to value ratio adding back purchaser's costs using the IFRS consolidated balance sheet was 37.9%.

As at 31 December 2022, about 86% of the Company's interest expenses are fixed for an average period of over five years and the average interest rate as at 31 December 2022 is 2.4%. As a result, our interest expenses are expected to increase only gradually for the coming period, despite the recent spike in interest rates and the current volatility in the (inverse) interest rate curves. The average committed unexpired term of the bank loans is over three years.

As of December 31, 2022, the net debt to EBITDA ratio, on the basis of proportional consolidation, stood at 8.9x (10.3x at 31 December 2021), while the interest coverage ratio was 4.1x, (3.7x at 31 December 2021).

Non-current borrowings maturity and amortisation schedule

Euro million



Of the loans maturing in 2023, the Company has already closed a three-year green loan for an amount of SEK 1.2 billion (circa €110 million) with Nordea Bank ABP on three properties in Sweden. Discussions have started for the financing of the remaining long-term loan maturing later in 2023 (€62 million).

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

The Company has so far entered into five sustainability linked loans for a total amount of €216.5 million. Three of these loans for a total amount of €117 million are also green loans. The Company has in total four green loans for an amount of €386 million (€306.5 million group share). Eurocommercial aims to further increase the number of its green and sustainability linked loans, by replacing the expiring borrowings or modifying the existing ones.

Dividend

Last year 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 2022, the aforesaid dividend policy and the guidance set out below, the Board of Management and the Supervisory Board propose to declare a total dividend of €1.60 per share. An interim dividend of € 0.60 per share was already paid on 27 January 2023, representing 40% of the total cash dividend paid out the previous financial year (2021). The payment date of the final dividend of €1.00 per share will be Friday 7 July 2023. 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 9 June 2023.

Guidance

Assuming no major deterioration of the macro-economic environment, in particular further spikes in interest rates, we set our guidance regarding the direct investment result for the year 2023 to be between €2.25 and €2.35 per share. The direct investment result is the basis for the applicable dividend policy providing for a cash dividend pay-out ratio ranging between 65% and 85%, with a target of 75% of the direct investment result per share. An interim dividend will be payable in January 2024 and a final dividend will be payable in July 2024.

Country commentary

Belgium

Government restrictions on the number of visitors in response to the Omicron variant continued to affect both footfall and to a lesser extent retail sales during Q1 2022. However, following the lifting of restrictions from early March, Woluwe Shopping rebounded strongly during 2022 with a sharp improvement in performances. Footfall levels increased significantly with 14.9% more visitors than in 2021, while retail sales generated by our tenants were also 14.9% higher, exceeding the pre-pandemic 2019 by 1.9%. All sectors performed well, with particularly strong growth in F&B, fashion, health & beauty, gifts & jewellery and home goods.

Important work completed in recent years by our leasing team has resulted in the strengthening of the merchandising mix thereby improving the customer experience, and Woluwe Shopping continues to demonstrate its ability to attract leading international brands establishing in Belgium who recognise Woluwe's strong market position. Over the last 12 months, ten lease renewals and relettings were completed showing a marginal decline in rents of 2.7%. During the year, Mango opened in May with its successful latest concept store which has already proved to be a successful addition to the fashion sector. The leading Belgian outdoor sports brand, AS Adventure opened a new compact store focusing on its popular core product range. After a successful pilot operating a concession inside Inno department stores, the Danish jewellery brand Pandora opened an independent store in Woluwe Shopping just after the summer. However, the most important letting during the year was the opening of a 2,600m² Fnac store at the end of May. As a reference player in the field of cultural products, electronics and small household appliances, Fnac quickly established itself in Woluwe, and is an important addition to the retail mix and the overall customer appeal of the shopping centre, particularly during the busy trading period at the end of year.

Although no major transactions were recorded in the shopping centre segment, 2022 was an active year for the Belgian retail investment market with more than 100 transactions, mainly in the high street and out of town segments with a total investment volume of €730 million. The December 2022 valuation of Woluwe Shopping showed a slight decrease of 1.2% over six months and 0.4% over 12 months, mainly resulting from a 15bps increase in initial yield applied by the valuer reflecting higher interest rates and repricing trends in the wider European retail market. The effect of this increase in yield was partly offset by the positive impact of indexation, increasing the rental base. The overall EPRA net initial yield of our Belgian flagship increased from 4.4% to 4.6% .

In June 2022, we resubmitted our planning application for the proposed retail extension (7,800m²) and residential development in consultation with the municipality and the Brussels region. The final stages of the administrative procedure are being completed and the planning approval is expected during Q2 2023.

Our ESG strategy with its Be Green, Be Engaged, Be Responsible pillars remains at the core of our operations, particularly during a period so impacted by rising energy costs due to the conflict in Ukraine. In the interests of social responsibility and economic rationalisation, a sobriety plan was launched to reduce primary energy consumption by modifying internal procedures related to energy use and by upgrading

technical equipment. These actions, combined with past investments including roof insulation, installation of solar panels and relamping of the common areas with smart LED technology have resulted in a substantial reduction in electricity and gas consumption. Further savings will be made during 2023 following the replacement of the Building Management System and the installation of additional solar panels.

2022 was not the year of normality we had envisaged after two years of the COVID-19 pandemic. The conflict in Ukraine disrupted economic conditions in Europe with pressure on energy prices and a sharp rise in inflation. Despite the turbulence, the Belgian economy has held up well during 2022 and the forecast for 2023 is encouraging. A slowdown in GDP is to be expected, but the predicted recession scenario is unlikely to materialise. At the same time, the unemployment rate is expected to remain at around 6% and consumer confidence is rising significantly as energy prices fall and purchasing power improves with automatic wage indexation. Consumers are therefore more confident on the macroeconomic outlook which should positively impact our retail sales.

AG Insurance NV/SA very recently exercised their put option under the shareholders agreement we have with them since September 2019 when they contributed part of Woluwe Shopping into our Belgian subsidiary, who is the owner of the Brussels shopping centre, in exchange for a minority stake of 25.63%. We will acquire this minority stake in April 2023, so that we will own 100% of Woluwe Shopping. The price to be paid is the exercise price of the put option and is based on the net asset value of the shares in the Belgian subsidiary. The price amounts to € 69.6 million and will be funded by available cash and credit lines.

France

Although our shopping centres remained opened during Q1 2022, both footfall and to a lesser extent retail sales were impacted by reduced visitor numbers resulting from government restrictions in response to the Omicron variant. With the lifting of restrictions, our eight shopping centres saw strong sales throughout the remainder of 2022, with overall growth 22% higher than 2021 and also ahead of the pre pandemic 2019. Visitor numbers also improved significantly for all centres following a very positive end to the year.

During 2022 we signed 46 leases generating a rental uplift of 4.1%. All shopping centres benefitted from the arrival of national and international retailers. The Beaumanoir Group with Bonobo, Morgan, Caroll, the Spanish brand Mango, the Etam Group and new brands such as Comptoir de Mathilde and La Cure Gourmande have all been active and taken advantage of market opportunities. During the year, we installed Palais des Thés and La Cure Gourmande in Shopping Etrembières, Etam in Portes de Taverny, Dr. Martens in Passage du Havre, Mango in Les Atlantes and Naf Naf in Grand A.

The valuations of the French portfolio decreased slightly by 1.1% over 6 months and by 0.5% over 12 months with enough transactional activity in the retail investment market to provide the valuers with sufficient comparable evidence that kept initial yields stable. The EPRA net initial yield on the portfolio is 5.2%.

We are continuing with our investigations into the costs and timing of our Val Thoiry project. Phase 1 includes the transfer of Leroy Merlin and the restructuring of their vacated building. 2022 marked the opening of Les 3 Brasseurs and Il Restorante restaurants in our new extension at Shopping Etrembières, Greater Geneva, while we also renovated the car park at Les Atlantes, Tours where the renovation of the façade will be launched during 2023. At Les Atlantes, we are also investigating the development of a “Gourmet Village” of around 4,000m² of restaurants and leisure facilities on an adjacent site in conjunction with remerchandising to improve the tenant mix in the existing gallery through the introduction of new brands in fashion and sport.

In compliance with the Tertiary decree, part of the “Elan” law which sets targets to reduce energy consumption in non-residential buildings by up to 40% by 2030, we are continuing the evaluation of further

installations of solar panels in our shopping centres. A new decree comes into effect in the summer of 2023 which will make it mandatory to install photovoltaic panels on car parks of more than 80 spaces. With rising inflation and cost of living, a programme providing energy sobriety recommendations was communicated to all tenants and we have implemented several procedures in the common areas including the reduction of temperature and lighting intensity, and the installation of motion sensors. All energy labels have now been renewed and improved following performance initiatives including LED relamping, insulation, new boilers and updated Building Management Systems.

The outlook is encouraging with contained inflation resulting from government support measures, higher indexation partly controlled by a capping mechanism and the provisions of the climate law limiting new shopping centre developments in France. These are all factors that should contribute to an improvement in the performance of our shopping centres in France during 2023.

Italy

The Italian portfolio performed well in 2022, although our business was affected by the Omicron variant in the first quarter. During the year, footfall and retail sales increased by 12.4% and 21% respectively compared to 2021. All sectors performed well, but the three sectors driving this growth were F&B, sport and health & beauty. Turnovers were very positive and also exceeded by 4.6% 2019 pre-pandemic levels.

Over the last 12 months, 114 relettings and renewals have produced an uplift in rent of 8.8%. New lettings, representing almost 30% of the lease transactions, provided a rental uplift of 17.7%. International brands continue their expansion in Italy and request further space in our centres. Examples over the last 12 months include JD Sports, who opened in Carosello, while Adidas, Bershka, New Yorker, Hollister and Gilly Hicks all opened in Fiordaliso's new Mall North. New lettings also included Calavera Fresh Mex, Wagamama, Miniso, Tedi and Snipes. Rituals opened their first store in Italy in Carosello. Sephora has reinforced its presence in our Italian portfolio opening a store in both Fiordaliso and Il Castello shopping centres. The vacancy rate reduced from 1% at the end of June 2022 to 0.6% at December 2022.

Valuations decreased by 0.9% over the last six months but increased by 0.6% over the year. The solid turnover performance provided the valuers with a positive indication about our business, but the uncertainty related to inflation and rising interest rates led to an increase in net exit yields from June 2022 by an average of 30 bps which had a negative impact on the final values.

In 2022 we had a special focus on our food courts. In June, we finalised the refurbishment and extension of the food court in Fiordaliso, introducing nine new restaurants, including Wagamama, Mexican restaurant Calavera and craft brewery restaurant Giusto Spirito. These new openings brought the overall number of F&B units in the centre to 31. In September, in time for the 50th Anniversary, we opened the refurbished food court in Carosello. This project has not only improved the appeal and design of the spaces but has also increased the number of seats available. The food court restyling works were performed according to our ESG standards, using 100% recyclable materials. In November, we refurbished the food court in the Cremona Po shopping centre on time for Black Friday. Our customers can now enjoy an improved space design, new furniture and a nicer atmosphere. The results of these investments in the food courts can be seen in the strong performance of the F&B sector in 2022.

The Italian government has extended up to 31 March 2023 the energy support packages introduced previous year both for low income households and for companies, in some cases also increasing the amount of the contribution with an important impact on consumer confidence, business sustainability and, therefore employment.

Sweden

In Sweden, our seven shopping centres showed a strong performance during 2022 with increasing footfall and retail sales which, compared to 2021, were up 4.2% and 6.1% respectively. Compared to the pre-pandemic 2019, retail sales were up by 9.2%. Most sectors performed well, particularly F&B, groceries, home goods, fashion and services. Our shopping centres have all benefitted from their dominant market

position in their regions and their strong provision of essential and everyday goods, particularly hypermarkets and Systembolaget (the state alcohol monopoly).

2022 saw a continuation of the trend for the largest Scandinavian retail groups to rationalise their store portfolios, concentrating on a reduced number of profitable units in prime retail locations. During the year, the leasing team completed 85 lease renewals and relettings, producing an overall uplift of 5.7%. 13 of these transactions were new lettings producing an uplift 17.5% and included new stores for Cassels, Hemtex, Kicks, Rituals and Normal, the expanding Danish value retailer who have now established in six of our shopping centres. The Danish retail group Bestseller (fashion) have opened three new stores for their Only and Vila brands. Two strong Scandinavian omnichannel retailers Kjell and Co (Electrical) and Lyko (health and beauty) have refurbished their units in our centres and Kjell and Co are now present in six of our seven shopping centres. In Bergvik, the COOP hypermarket (8,340m²) finalised phase one of their refurbishment during the autumn, resulting in turnover growth well above market average. During the year IKEA also decided to convert their three pop up planning studios in Grand Samarkand, Ingelsta Shopping and Hallarna into regular units let on standard term lease terms.

Valuations decreased by 1.7% over 12 months and by 4.0% over six months. Increased interest rates during the year was the main reason that the valuers raised exit yields by on average 35 bps. The valuers generally commented on the strong offer in groceries and everyday goods, including Systembolaget, providing regular footfall and a secure income base providing around 20% of our Swedish rental income. The valuers also commented on the increasing net operating income, strong retail sales growth and vacancy of only 1.7%, which have all resulted in full rent collection rates throughout the year.

On the project side, we continue to focus on sustainability and have reduced our consumption of district heating by 15% and district cooling by 27%. During 2023, we will finalise our relamping projects so that all common areas in the shopping centres effectively operate fully on LED only. Our shopping centres are all equipped with solar panels following the last installations on the roofs of Ingelsta Shopping, Valbo, Bergvik, Hallarna and C4 which became operational in the last quarter of 2021. We are now capable of producing around 3.4MKwh/year of green electricity on site which is equivalent to around 10% of the annual electricity consumption of the Swedish portfolio. In Bergvik, we have updated the rock heating and cooling system to further improve efficiency and reduce energy consumption. Phase III of the refurbishment and new masterplan of Valbo commenced during 2022 and when completed in the autumn of 2023, it will provide an additional 1,000m² and a new entrance to a renovated car park, thereby completing the masterplan and improving the tenant mix with seven new shops, including further national brands in F&B and consumer electronics.

Footfall in January and February 2023 has started positively despite the negative effect of high electricity costs, rising interest rates and inflation. The recently formed government has introduced two electrical support packages for households which has maintained consumer confidence and spending. The first package was distributed to consumers in our regions during February 2023, with a second package to be distributed during the spring. With electrical prices now reducing, we expect a year of stable retail sales and continued tenant demand for space in our shopping centres. Our 100% collection rate achieved in 2022 has continued into Q1 2023 despite indexation of over 11%, demonstrating the resilience and strong performance of the portfolio.

Environmental, Social and Governance

Eurocommercial aim to continue building a sustainable and resilient business and approach each business decision with a long-term view in order to evaluate its environmental and socio-economic impact, thereby ensuring that our ESG and business strategies are aligned. Each of our shopping centres offers its individual set of challenges and opportunities, yet we have developed a broad ESG vision and strategy so that we can meet global challenges and the future demands of our customers, tenants and employees while creating sustainable centres. Our approach is articulated around three strategic pillars: Be green, Be engaged, Be responsible. These pillars guide our efforts to reduce our environmental impact, engage with our stakeholders, and act with responsibility towards society and the environment.

- GRESB**

Eurocommercial has maintained its Global Real Estate Sustainability Benchmark (GRESB) 4 Star Rating, improving its GRESB score compared to 2021 and moving up to sixth place in its peer group (compared to tenth place in 2021). Eurocommercial maintained its "A" GRESB disclosure score for the ninth consecutive year.
- EPRA Best Practices Recommendations Awards 2022**

Eurocommercial has been awarded the EPRA Financial Best Practices Recommendations (BPR) and Sustainability Best Practices Recommendations (sBPR) Gold Awards 2022 which are based on the review of the 2021 Annual Report. EPRA sBPR is a sustainability reporting standard created by EPRA for listed Real Estate companies in Europe.
- Eurocommercial joins the Euronext AMX® and AEX® ESG indices**

Effective from 19 September 2022, Eurocommercial is now included in both Euronext's AMX® and AEX® ESG indices. The AEX® ESG index was launched in May 2022 and is designed to identify the 25 companies within the AEX® and AMX® indices demonstrating best Environmental, Social and Governance (ESG) practices and to facilitate the adoption of mainstream ESG investment approaches by institutional and private investors.
- Green Finance Framework**

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

The Green Finance Framework is established as a platform on which Eurocommercial intends to issue Green Finance Instruments which may include loans, bonds (including private placements), commercial paper, promissory notes and any other Green Finance Instruments in various formats and currencies, in order to finance and/or refinance green projects with an environmental benefit. Through its Green Finance Framework, Eurocommercial contributes to the development of the Green Financing market through different financial instruments and also responds to growing investor appetite to finance sustainable green buildings.
- Climate change risk assessment**

In 2022, Eurocommercial Properties took proactive measures to assess the risks associated with climate change. We conducted an extensive analysis of the impact of climate-related risks and opportunities on our business and operations with the help of both internal workshops and external technical advisors. Our analysis included a comprehensive evaluation of physical and transition risks, and the findings will be incorporated into our business plans over the coming years in order to mitigate these risks. Moving forward, we will provide greater transparency by aligning our communications with the Taskforce for Climate Change Financial Disclosure (TCFD) guidelines. Our 2022 Annual Report will provide detailed information on our climate change risk assessment and the procedures we are taking to address those risks. Our commitment to TCFD guidelines demonstrates our ongoing commitment to environmental sustainability and responsible business practices.

Corporate governance

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. After a thorough process with the involvement of a reputable search firm the Supervisory Board has decided to nominate Mr Bernard Roelvink as a member of the Supervisory Board to be appointed in the Annual General Meeting to be held on 13 June 2023 and to succeed Mr Steins Bisschop as Chairman of the Supervisory Board when he retires in 2024.

Mr Roelvink, 60, is a former partner and attorney-at-law of the Dutch law firm De Brauw Blackstone Westbroek, and is specialised in corporate law. 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. Once the nomination of Mr Roelvink is approved, the Supervisory Board will comprise four members, Mrs Emmanuèle Attout, Mrs Karin Laglas, Mr Bas Steins Bisschop and Mr Bernard Roelvink.

Amsterdam, 24 March 2023

Board of Management

Evert Jan van Garderen
Roberto Fraticelli
Peter Mills

Financial calendar

19 April 2023:	Annual report 2022 publication
5 May 2023:	First quarter results 2023
13 June 2023:	Annual General Meeting
15 June 2023:	Ex-dividend date
7 July 2023 :	Final dividend distribution date

Conference call and webcast

Eurocommercial will host a conference call and audio webcast today, Friday 24 March 2023 at 10:00 AM (UK) /11:00 (CET) for investors and analysts.

To access the webcast, please click on the link:

https://channel.royalcast.com/landingpage/eurocommercialproperties/20230324_2/ to register.

To access the audio call, please dial:

Netherlands : +31 (0) 20 708 5073

UK-Wide: +44 (0) 33 0551 0200

France: +33 (0) 1 7037 7166

Italy: +39 06 83360400

US: +1 786 697 3501

Tell the operator the password **Eurocommercial**

About Eurocommercial

Eurocommercial Properties N.V. is a Euronext-quoted property investment company and one of Europe's shopping centre specialists. Founded in 1991, Eurocommercial currently owns and operates 24 shopping centres in Belgium, France, Italy, and Sweden with total assets of just over €3.8 billion.

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Statement of consolidated direct, indirect and total investment results*

(€'000)	Twelve months ended 31-12-22	Twelve months ended 31-12-21
Rental income	199,307	198,344
Service charge income	42,741	39,393
Service charge expenses	(46,152)	(41,547)
Property expenses	(31,958)	(41,091)
Interest income	108	11
Interest expenses *** ****	(37,323)	(37,845)
Company expenses	(12,124)	(11,020)
Other income	3,707	3,056
Current tax	(2,247)	(1,291)
Direct investment result including non-controlling interest	116,059	108,010
Direct investment result joint ventures	6,232	5,334
Direct investment result non-controlling interest	(2,747)	(2,747)
Total direct investment result attributable to owners of the Company	119,544	110,597
Investment revaluation and disposal of investment properties	(13,211)	(14,931)
Gain (derivative) financial instruments ****	131,612	33,007
Investment expenses***	(2,484)	(598)
Deferred tax	(43,632)	(25,482)
Indirect investment result properties including non-controlling interest	72,285	(8,004)
Indirect investment result joint ventures	11,938	633
Indirect investment result non-controlling interest	(3,030)	1,461
Total indirect investment result attributable to owners of the Company	81,193	(5,910)
Total investment result attributable to owners of the Company	200,737	104,687
Per share (€)**		
Total direct investment result	2.28	2.18
Total indirect investment result	1.54	(0.12)
Total investment result attributable to owners of the Company	3.82	2.06

Statement of adjusted net equity*

(€'000)	31-12-22	31-12-21
IFRS net equity per consolidated statement of financial position	2,043,866	1,957,702
Net derivative financial instruments	(48,661)	90,445
Net deferred tax	111,482	74,730
Net derivative financial instruments and net deferred tax joint ventures and non-controlling interest	(13,092)	(3,933)
Adjusted net equity	2,093,595	2,118,944
Number of shares in issue after deduction of shares bought back	52,842,238	52,146,993
Net asset value - € per share (IFRS)	38.68	37.54
Adjusted net asset value - € per share	39.62	40.63
Stock market prices - € per share	22.60	19.09

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

** The Company's shares are listed on Euronext Amsterdam and Euronext Brussels. The average number of shares on issue (after deduction of shares bought back) during the financial year was 52,497,473 (31 December 2021: 50,778,635).

*** 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 policy for pension costs.

**** The difference between the interest expenses and the 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.

EPRA performance measures*

The European Public Real Estate Association (EPRA) is an organisation which 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.

	Total (€'000)		Per share (€)	
	31-12-22	31-12-21	31-12-22	31-12-21
EPRA Earnings	114,671	107,848	2.17	2.04
EPRA NRV	2,201,489	2,240,736	41.63	42.96
EPRA NTA	2,043,437	2,092,087	38.64	40.11
EPRA NDV	2,053,196	1,930,770	38.82	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	4.6	4.4	5.2	5.0	6.0	5.4	5.6	5.0	5.5	5.1
EPRA topped-up yield	4.9	4.6	5.3	5.0	6.1	5.6	5.8	5.1	5.7	5.2
EPRA vacancy rate	1.7	1.0	2.9	2.5	0.6	1.3	1.7	1.2	1.5	1.5

Reconciliation EPRA Earnings*

For the twelve months ended	Total (€'000)	
	31-12-22	31-12-21
IFRS result after taxation	200,737	104,687
Adjustment to IFRS result after taxation:		
Investment revaluation and disposal of investment properties	13,211	14,931
Fair value movement derivative financial instruments	(133,989)	(35,148)
Deferred tax	43,632	25,482
Share of result of joint ventures	(11,950)	(643)
Share of result of non-controlling interest	3,030	(1,461)
EPRA Earnings	114,671	107,848
Number of issued shares after deduction of shares bought back **	52,842,238	52,842,238
EPRA Earnings per share**	2.17	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*

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

Capital expenditure disclosure*

(€'000)	Twelve months ended 31-12-22			Twelve months ended 31-12-21		
	Group	Joint Ventures**	Total	Group	Joint Ventures**	Total
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
Total capital expenditure	26,554	3,097	29,651	66,838	9,251	76,089
Conversion from accrual to cash basis	3,508	3,240	6,748	7,912	4,053	11,965
Correction contribution in kind	0	0	0	0	0	0
Total capital expenditure on cash basis	30,062	6,337	36,399	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.

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

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

Reconciliation EPRA vacancy rate*

(€'000)	Estimated rental value of vacant space		Estimated rental value of the whole portfolio		EPRA vacancy rate (%)	
	31-12-22	31-12-21	31-12-22	31-12-21	31-12-22	31-12-21
Belgium	422	242	25,255	24,246	1.7	1.0
France	1,318	1,212	45,114	48,160	2.9	2.5
Italy	585	1,236	94,248	94,575	0.6	1.3
Sweden	795	571	47,557	48,347	1.7	1.2
EPRA vacancy	3,120	3,261	212,174	215,328	1.5	1.5

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

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
Net debt (a)	1,453.8	94.7	1,548.5	127.4	0	(73.4)	1,602.5
Include:							
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%

(€'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
Net debt (a)	1,590.2	88.4	1,678.6	114.9	0	(73.6)	1,719.9
Include:							
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
Total Property Value (b)	3,786.0	184.5	3,970.5	2.5	0	(148.4)	3,824.6
LTV (a/b)	42.0%		42.3%				45.0%

*The net payables include the balances of long and short term trade, tax and other payables and receivables and the the put option liability for non-controlling interest.

Consolidated statement of profit or loss

(€'000)	Twelve months ended 31-12-22	Twelve months ended 31-12-21
Rental income	199,307	198,344
Service charge income	42,741	39,393
Total revenue	242,048	237,737
Service charge expenses	(46,152)	(41,547)
Property expenses	(31,958)	(41,091)
Net property income	163,938	155,099
Share of result of joint ventures	18,170	5,967
Investment revaluation and disposal of investment properties	(13,211)	(14,931)
Company expenses	(12,124)	(11,118)
Investment expenses	(2,459)	(500)
Other income	3,707	3,056
Operating result	158,021	137,573
Interest income	108	11
Interest expenses	(39,725)	(39,986)
Gain (derivative) financial instruments	133,989	35,148
Net financing result	94,372	(4,827)
Profit before taxation	252,393	132,746
Current tax	(2,247)	(1,291)
Deferred tax	(43,632)	(25,482)
Total tax	(45,879)	(26,773)
Profit after taxation	206,514	105,973
Profit after taxation attributable to:		
Owners of the Company	200,737	104,687
Non-controlling interest	5,777	1,286
	206,514	105,973
Per share (€)*		
Profit after taxation	3.80	1.98
Diluted profit after taxation	3.80	1.98

*These results per share 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). The diluted number of outstanding shares is 52,888,098 (2021: 52,855,081).

Consolidated statement of comprehensive income

(€'000)	Twelve months ended 31-12-22	Twelve months ended 31-12-21
Result after taxation	206,514	105,973
Foreign currency translation differences (subsequently reclassified to profit or loss)	(36,282)	(8,904)
Actuarial result on pension scheme (subsequently reclassified to profit or loss)	6	936
Total other comprehensive income	(36,276)	(7,968)
Total comprehensive income	170,238	98,005
Total comprehensive income attributable to:		
Owners of the Company	164,461	96,719
Non-controlling interest	5,777	1,286
	170,238	98,005
Per share (€)*		
Total comprehensive income	3.11	1.83
Diluted total comprehensive income	3.11	1.83

* These income amounts per share 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). The diluted number of outstanding shares is 52,888,098 (2021: 52,855,081).

Consolidated statement of financial position

(€'000)	31-12-22	31-12-21
Assets		
Property investments	3,642,946	3,757,419
Property investments under development	0	6,100
Investments in joint ventures	95,965	77,690
Tangible fixed assets	3,848	3,347
Deferred tax assets	0	9,288
Receivables	137	139
Derivative financial instruments	62,006	2,207
Total non-current assets	3,804,902	3,856,190
Property investments held for sale	0	22,500
Trade and other receivables	65,085	90,254
Prepaid tax	2,133	1,814
Cash and deposits	65,307	55,618
Total current assets	132,525	170,186
Total assets	3,937,427	4,026,376
Equity		
Issued share capital	533,492	526,539
Share premium reserve	263,774	263,853
Other reserves	1,045,863	1,062,623
Undistributed income	200,737	104,687
Equity attributable to owners of the Company	2,043,866	1,957,702
Non-controlling interest	67,305	61,528
Total equity	2,111,171	2,019,230
Liabilities		
Trade and other payables	14,070	13,853
Tax payable	0	7,458
Borrowings	1,322,723	1,429,083
Derivative financial instruments	13,345	92,652
Deferred tax liabilities	111,482	84,018
Put option liability non-controlling interest	63,448	55,769
Provisions for pensions	569	1,162
Total non-current liabilities	1,525,637	1,683,995
Trade and other payables	93,832	96,451
Tax payable	10,448	10,004
Borrowings	196,339	216,696
Total current liabilities	300,619	323,151
Total liabilities	1,826,256	2,007,146
Total equity and liabilities	3,937,427	4,026,376

Consolidated statement of cash flows

(€ '000)	Twelve months ended 31-12-22	Twelve months ended 31-12-21
Profit after taxation	206,514	105,973
Adjustments:		
Movement performance shares granted	(74)	91
Investment revaluation and disposal of investment properties	15,633	10,272
(Derivative) financial instruments	(133,989)	(35,148)
Share of result of joint ventures	(18,170)	(5,967)
Interest income	(108)	(11)
Interest expenses	39,714	39,986
Deferred tax	43,632	25,482
Current tax	2,247	1,291
Depreciation tangible fixed assets	1,858	1,966
Other movements	681	772
Cash flow from operating activities after adjustments	157,938	144,707
Decrease/(increase) in receivables	(2,658)	5,009
(Decrease)/increase in creditors	(1,264)	(2,942)
	154,016	146,774
Current tax paid	(1,209)	(739)
Capital gain tax paid	(7,909)	(12,601)
(Derivative) financial instruments settled	0	(211)
Dividends received from joint ventures	0	2,000
Early close out cost	0	(2,609)
Employer pension contribution	(564)	0
Borrowing costs	(1,654)	(1,005)
Interest paid	(34,402)	(35,143)
Interest received	196	0
Cash flow from operating activities	108,474	96,466
Acquisitions of remaining 50% of joint venture	0	(42,244)
Capital expenditure	(25,240)	(25,688)
Sale of property	100,999	92,901
Investment in joint ventures	(105)	(345)
Decrease/(increase) loan to joint ventures	7,000	(9,900)
Additions to tangible fixed assets	(503)	(536)
Cash flow from investing activities	82,151	14,188
Borrowings added	145,215	238,257
Repayment of borrowings	(245,347)	(327,746)
Payments lease liabilities	(1,167)	(1,093)
Dividends paid	(78,222)	(24,705)
Increase in non-current creditors	7	36
Cash flow from financing activities	(179,514)	(115,251)
Net cash flow	11,111	(4,597)
Currency differences on cash and deposits	(1,422)	(220)
(Decrease)/increase in cash and deposits	9,689	(4,817)
Cash and deposits at beginning of year	55,618	60,435
Cash and deposits at end of year	65,307	55,618

Consolidated statement of changes in equity

The movements in equity in the financial year ended 31 December 2022 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
31-12-2021	526,539	263,853	1,062,623	104,687	1,957,702	61,528	2,019,230
Profit after taxation				200,737	200,737	5,777	206,514
Other comprehensive income			(36,276)		(36,276)		(36,276)
Total comprehensive income			(36,276)	200,737	164,461	5,777	170,238
Result previous financial year			4,221	(4,221)	0		0
Dividend paid in cash		(4)		(78,218)	(78,222)		(78,222)
Dividend paid in shares	6,953		15,295	(22,248)	0		0
Performance shares granted		(75)			(75)		(75)
31-12-2022	533,492	263,774	1,045,863	200,737	2,043,866	67,305	2,111,171

The movements in equity in the financial year ended 31 December 2021 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
31-12-2020	249,548	513,315	1,007,367	115,367	1,885,597	60,242	1,945,839
Profit after taxation				104,687	104,687	1,286	105,973
Other comprehensive income			(7,968)		(7,968)		(7,968)
Total comprehensive income	0	0	(7,968)	104,687	96,719	1,286	98,005
Result previous financial year			8,339	(8,339)	0		0
Increase nominal value shares	249,549	(249,549)			0		0
Dividend paid in cash		(4)		(24,701)	(24,705)		(24,705)
Dividend paid in shares	27,442		54,885	(82,327)	0		0
Performance shares granted		91			91		91
31-12-2021	526,539	263,853	1,062,623	104,687	1,957,702	61,528	2,019,230

Segment information 2022

(€'000) For the twelve month period ended 31-12-22	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	4,763	17,555	16,261	0	46,006	(3,265)	42,741
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	33,345	78,009	38,387	0	173,727	(9,789)	163,938
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	27,600	92,778	23,649	24	163,325	5,572	168,897
Net financing result						107,251	(12,879)	94,372
Company expenses						(12,128)	4	(12,124)
Investment expenses						(2,471)	12	(2,459)
Other income						2,186	1,521	3,707
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

(€'000) As per 31-12-22	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
Investments 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
Receivables	9,080	33,292	11,034	6,358	588	60,352	(997)	59,355
Loan to joint ventures	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

(€'000) For the twelve month period ended 31-12-22	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.

Segment information 2021

(€'000) For the twelve month period ended 31-12-21	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	25,453	49,425	87,474	46,316	0	208,668	(10,324)	198,344
Service charge income	6,277	6,130	14,329	15,267	0	42,003	(2,610)	39,393
Service charge expenses	(6,820)	(6,138)	(14,109)	(17,503)	0	(44,570)	3,023	(41,547)
Property expenses	(2,343)	(14,849)	(20,499)	(5,198)	0	(42,889)	1,798	(41,091)
Net property income	22,567	34,568	67,195	38,882	0	163,212	(8,113)	155,099
Share of result of joint ventures	0	0	0	0	0	0	5,967	5,967
Investment revaluation and disposal of investment properties	(13,263)	(19,194)	10,227	8,486	(38)	(13,782)	(1,149)	(14,931)
Segment result	9,304	15,374	77,422	47,368	(38)	149,430	(3,295)	146,135
Net financing result						(3,951)	(876)	(4,827)
Company expenses						(11,122)	4	(11,118)
Investment expenses						(510)	10	(500)
Other income						1,935	1,121	3,056
Profit before taxation						135,782	(3,036)	132,746
Current tax						(1,365)	74	(1,291)
Deferred tax						(28,444)	2,962	(25,482)
Profit after taxation						105,973	0	105,973

(€'000) As per 31-12-21	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	579,000	889,800	1,608,100	893,619	0	3,970,519	(184,500)	3,786,019
Investments in joint ventures	0	0	0	0	0	0	77,690	77,690
Tangible fixed assets	0	1,269	1,228	207	643	3,347	0	3,347
Deferred tax assets	0	0	13,925	0	0	13,925	(4,637)	9,288
Receivables	6,564	56,986	8,626	4,937	711	77,824	(699)	77,125
Loan to Joint Venture	0	0	(3)	0	2	(1)	15,083	15,082
Derivative financial instruments	0	0	2,715	391	0	3,106	(899)	2,207
Cash and deposits	2,834	8,520	29,011	15,426	3,304	59,095	(3,477)	55,618
Total assets	588,398	956,575	1,663,602	914,580	4,660	4,127,815	(101,439)	4,026,376
Creditors	9,491	35,324	33,689	32,494	1,635	112,633	(6,178)	106,455
Non-current creditors	1,657	9,286	11,707	238	151	23,039	(1,728)	21,311
Borrowings	285,283	224,983	870,501	351,943	5,000	1,737,710	(91,931)	1,645,779
Derivative financial instruments	4,463	0	89,419	372	0	94,254	(1,602)	92,652
Deferred tax liabilities	0	0	0	84,018	0	84,018	0	84,018
Put option liability non-controlling interest	55,769	0	0	0	0	55,769	0	55,769
Provision for pensions	0	0	0	0	1,162	1,162	0	1,162
Total liabilities	356,663	269,593	1,005,316	469,065	7,948	2,108,585	(101,439)	2,007,146

(€'000) For the twelve month period ended 31-12-21	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	2,406	(59,613)	16,842	2,062	0	(38,303)	37,796	(507)

* The Netherlands represents assets and liabilities of Eurocommercial Properties N.V.

Country spread total property investments (incl. joint ventures)

(%)	31-12-22	31-12-21
Belgium	15	15
France	21	22
Italy	43	40
Sweden	21	23
	100	100

The figures in this press release have not been audited by an external auditor.