EUROCOMMERCIAL

Eurocommercial Properties N.V.
De Boelelaan 7, 1083 HJ Amsterdam
P.O. Box 15542, 1001 NA Amsterdam
Tel: +31 (0)20 530 60 30

PRESS RELEASE

EURONEXT
AEX® ESG Index *

Date: 22 March 2024
Release: Before opening of Euronext

FULL YEAR RESULTS 2023

2023 Direct Investment Result at €2.32 per share
2023 Total Dividend €1.70 per share

Performance and business highlights

- Strong like-for-like rental growth of 9.7% (4.7% in 2022) supported by rental indexation, higher turnover rent and the lease renewal and reletting programme.
- For the year 2023 retail sales and footfall were respectively 5.8% and 3.4% higher than for the same period last year.
- Rent uplifts from renewals and relettings, on top of indexed passing rent, were 2.8% higher for the 12 months to 31 December 2023 during which period 240 lease transactions were signed.
- EPRA vacancy rate at 31 December 2023 remained at its historically low level of 1.5%, same as a year ago.
- Occupancy cost ratio (OCR) was 9.5% at 31 December 2023.
- Property values declined by 2.2% over the year and by 2% over six months as a result of higher yields. The overall EPRA net initial yield has risen to 5.8%.
- Rent collection rate improved further in 2023 reaching 99% (98% in 2022).
- Important merchandising projects underway at Woluwe to provide new stores for Zara, C&A, Carrefour and the INNO department store in order to accommodate their latest concepts.
- 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 tenth consecutive year (sBPR).
- Terms agreed for all long-term loans maturing in 2024 for a total amount of €171 million and being extended for three to five years.
- Direct investment result €2.32 per share for the year 2023 compared to €2.28 for the previous year.
- Proposed total dividend of €1.70 per share for the year 2023, an increase of 6.25% compared to €1.60 in 2022. In accordance with the Company’s dividend policy, an interim cash dividend of €0.64 per share was paid in January 2024. A final cash dividend of €1.06 per share will be payable on 5 July 2024, subject to AGM approval. 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 2024 ranging between €2.30 and €2.40 per share.

Board of Management's commentary

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

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

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

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

The Company has already secured the refinancing of all its long-term loans maturing in 2024. In February 2024, a new loan of €17.5 million (€8.8 million group share) was signed with Banco BPM to refinance the previous loan on the retail park at Fiordaliso in Italy. In March 2024, the Company closed three five-year sustainability linked loans with ABN AMRO Bank for a total amount of €100 million on the centres of I Portali and Il Castello in Italy. In March 2024, the Company also agreed terms to extend for a period of five years the green loan with Skandinaviska Enskilda Banken AB for a total amount of SEK 700 million (circa €62.5 million) on the Hallarna shopping centre.

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

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

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

Assuming no major deterioration of the macro-economic environment we expect the direct investment result for the year 2024 to range between €2.30 and €2.40 per share.

Operational & financial review

Retail sales

In 2023, our four markets continued to enjoy strong retail sales growth which was 5.8% higher than in 2022 and 10.7% above the pre-pandemic 2019. All our 24 shopping centres contributed to the sales growth which was positive across all retail sectors, with particularly strong performances from services (15.4%), F&B (14.7%), sport (9.7%), health & beauty (9.4%) and home goods (7.1%). Footfall also continued its upward trend and was 3.4% higher in 2023 compared to 2022.

Like-for-like retail sales by country*

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

* Excluding extensions/redevelopments.

Like-for-like retail sales by sector*

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

*Excluding extensions/redevelopments.

Rental growth

Like-for-like (same floor area) rental growth for the 12 months ended 31 December 2023 was 9.7%, mainly resulting from rental indexation and with a contribution from turnover rent and the lease renewal and reletting programme. The highest rental growth was achieved in Italy and Sweden where inflation has been higher than in Belgium and France.

Rental growth

	Like-for-like rental growth	Indexation
Overall	**9.7%**	**7.9%**
Belgium	3.4%	3.9%
France	5.7%	4.6%
Italy	13.5%	10.5%
Sweden	9.9%	8.2%

*May not add up due to rounding

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

Rental indexation

Estimated rental indexation for 2024 across the portfolio based on published indices for 2023 is expected to be around 3.3%. Figures remain an estimate for Belgium where indexation is calculated monthly on the health index. In France, the index allows for the cap (3.5%) for small (PME) companies affecting around 10% of our French rental income. Inflation in Italy and Sweden reduced significantly in the last quarter of 2023 compared to the year before and therefore the indexation for 2024 is much lower than for 2023 in those two countries.

Rental indexation

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

**Indexation estimate*

Renewals and relettings

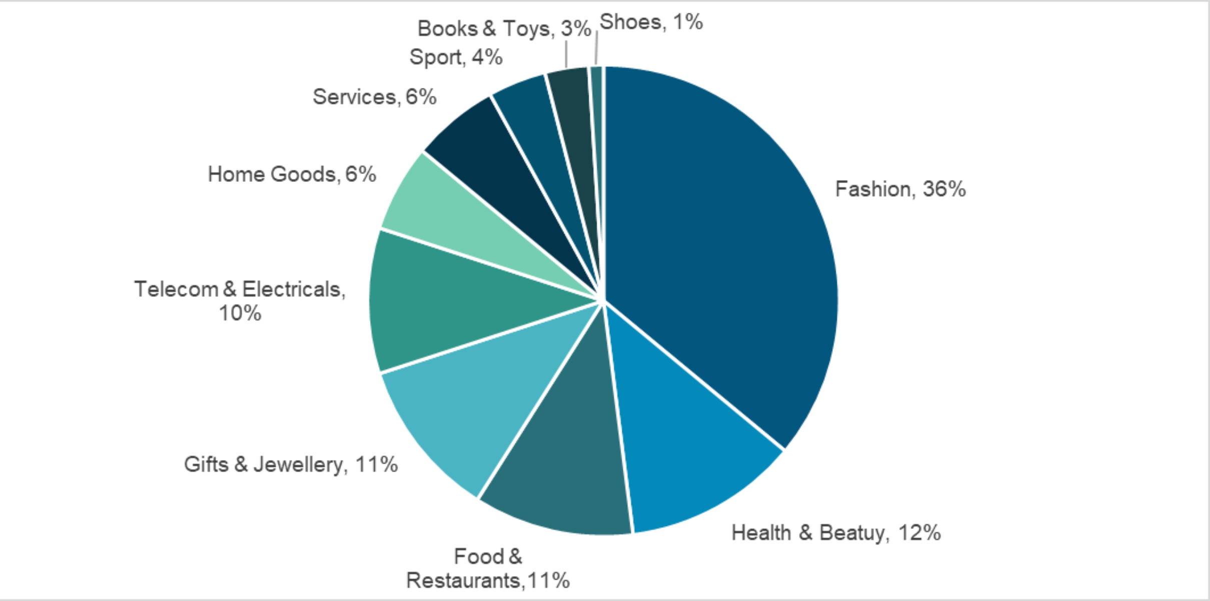
Strong leasing activity has continued over the last 12 months with 240 leases renewed or relet, achieving a positive overall uplift of 2.8% on top of the high levels of rental indexation applied. 166 of these transactions were lease renewals signed with existing tenants, achieving a 1.7% rental uplift.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

Renewals and relettings for the 12 months to 31 December 2023

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

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

% of lease transactions in 2023 by sector



EPRA vacancies

EPRA vacancy for the portfolio at 31 December 2023 remained very low at 1.5%, ranging from 0.2% to 2.9% in our four markets.

EPRA vacancies

	31 March 2023	30 June 2023	30 September 2023	31 December 2023
Overall	**1.8%**	**1.5%**	**1.5%**	**1.5%**
Belgium	1.7%	1.8%	1.9%	2.1%
France	3.3%	2.4%	2.2%	2.3%
Italy	1.0%	0.8%	0.9%	0.2%
Sweden	2.0%	1.8%	2.1%	2.9%

Out of almost 1,800 shops, there were only 19 brands in administration occupying in total 35 units, representing 1.4% of total GLA and 1.8% of total MGR. For the majority of these units (69%), rent continued to be paid.

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 31 December 2023 was 9.5% overall (9.2% at 31 December 2022), one of the lowest OCRs in the industry and providing a solid foundation for long term, sustainable rental income and low vacancy.

Occupancy cost ratio

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

Rent collection

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

Collection rate comparison

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

Property valuations

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

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

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

Valuations at 31 December 2023

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

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

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

IFRS key figures

The **IFRS result after taxation** attributable to owners of the Company for the year 2023 was €26.9 million negative (€0.51 per share) compared to a positive result of €200.7 million (€3.80 per share) for the 12-month reporting period to 31 December 2022.

The **IFRS equity** attributable to owners of the Company at 31 December 2023 was €2,007 million compared to €2,044 million at 31 December 2022.

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

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

Alternative performance measures

The Company also presents alternative performance measures according to the European Securities and Markets Authority (ESMA) guidelines. These alternative performance measures, such as Direct and Indirect Investment results, loan to value ratio, adjusted net asset value and EPRA performance measures, are used to present the underlying business performance and to enhance comparability between financial periods and among peers. Alternative performance measures presented in this press release should not be considered as a substitute for measures of performance in accordance with the IFRS.

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

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

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

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

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

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

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

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

In the Appendix starting on page 30 the various statements and tables of these alternative performance measures are presented for further information.

Funding

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

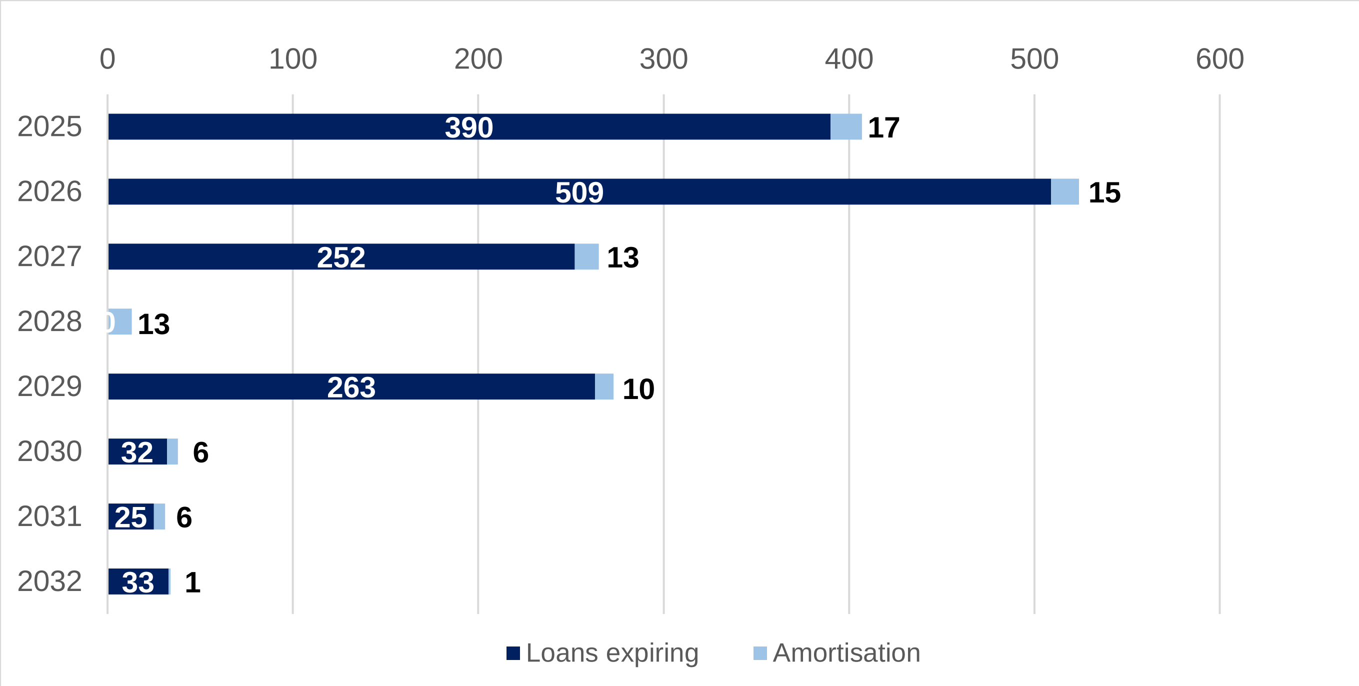
In March 2023, the existing €159 million loan (€79.5 million group share) financing the shopping centre of Fiordaliso in Italy, has been qualified as a green loan, as the relevant proceeds are used to finance this green asset.

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

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

The Company has already secured the refinancing of all its long-term loans maturing in 2024. In February 2024, a new three-year loan of €17.5 million (€8.8 million group share) was signed with Banco BPM to refinance the previous loan on the retail park of Fiordaliso that expired in January 2024 and was already repaid. In March 2024, the Company closed three five-year sustainability linked loans for a total amount of €100 million with ABN AMRO Bank on the centres of I Portali and Il Castello in Italy. In March 2024, the Company also agreed terms on a five-year green loan for a total amount of SEK 700 million (circa €62.5 million) with Skandinaviska Enskilda Banken AB on the Hallarna shopping centre. Discussions have already started for the refinancing of the long-term loans maturing in 2025.

Non-current borrowings maturity and amortisation schedule at year end (€m)*



*including the loan renewals as of 22 March 2024

The Company has so far entered into five sustainability linked loans for an amount of €216.5 million. The Company has in total five green loans for an amount of €537.9 million (€458.5 million group share), of which €216.5 million are also sustainability linked. Eurocommercial aims to further increase the number of its green and sustainability linked loans by replacing the expiring borrowings or upgrading the existing ones.

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

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

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

Dividend proposal

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

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

Guidance

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

Country commentary

Belgium

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

Leasing

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

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

The F&B offering was significantly enhanced with the introduction of two new food concepts. Thai Café, specialising in Asian cuisine opened its 22nd restaurant in Belgium and Woluwe already ranks among the chain's top-performing establishments. Additionally, Laura Todds, the renowned cookie brand from Chicago, selected Woluwe Shopping to inaugurate its first store in Belgium, showcasing its 100% homemade cookies made exclusively from locally sourced, quality ingredients. The range of high-end beauty services has also been enhanced with the introduction of Maison Celini, a state-of-the-art hair salon offering an innovative phygital concept, combining the traditional expertise with interactive, personalised consultations tailored to each customer's personality and aspirations.

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

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

Valuation

Woluwe Shopping's valuation experienced a decline of 10.2% over the last 12 months and 7.6% over the last six months. To reflect the uncertain economic landscape and evolving repricing trends in the European retail market mainly due to higher interest rates, the valuers raised the capitalisation rate by 40bps compared to last December.

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

ESG

In adherence to our Be Green pillar, we have continued the implementation of our energy efficiency plan and technical installation renovations, further reducing our carbon footprint with several projects successfully implemented in 2023. Notably, the completion of the smart led project ensures that our centre now operates with 100% low-consumption lighting equipment. The recent replacement of the Building Management System (BMS) is now set to deliver its full potential in 2024, maximising energy savings. Furthermore, the completion of a new roof insulation phase creates the platform for the installation of new solar panels in 2024, increasing our total solar panel count to over 2,800. The energy generated by these panels will power our shopping centre, reducing reliance on external sources and preventing over 185 tonnes of CO_2 emissions annually. More than 300 additional smart meters were deployed in 2023 to better monitor and optimise the energy consumption of all our tenants, enhancing sustainable and proactive management. A series of ESG audits were also conducted in 2023, including a CRREM assessment and a comprehensive climate change risk assessment. These initiatives reflect our commitment to staying aligned with our on-going decarbonisation strategy. Finally, a BREEAM pre-assessment was completed, indicating our readiness for the recertification process in 2024, with a Very Good score anticipated.

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

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

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

Project

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

Outlook

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

France

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

Leasing

The leasing team completed 40 lease renewals and relettings over the year, resulting in an overall rent reduction of 0.9%. The releasing of units due to bankruptcy, has facilitated the implementation of our leasing strategy to improve our merchandising mix. Several new leases have been signed with international brands including Normal and JD Sports at MoDo, Jack & Jones at Val Thoiry, Only at Grand A and Pull&Bear at Passage du Havre. National retailers have also acquired units in our centres including the new perfume chain Adopt who we have installed at Passage du Havre, as well as Jules at MoDo and Caroll at Centr'Azur. Atelier d'Amaya, a new jewellery chain has signed a lease at Passage du Havre based on a rent of €5,000/m². The takeover by Intersport of three stores previously occupied by Go Sport at Val Thoiry, Shopping Etrembières and Les Atlantes will improve the offer in the sport sector in these centres. In Passage du Havre, the renewal of FNAC's lease resulted in a significant increase in income through a reduction in non-recoverable charges and the installation of new advertising panels on the façade.

Valuations

Despite a few transactions in Paris shopping centres and luxury locations, investment activity during 2023 in the shopping centre market was generally low and restricted to the first half of the year. The value of our portfolio has held up well owing to strong operating metrics with a fall of 1.5% over 6 months and 1.1% over 12 months. The overall EPRA net initial yield increased by 50bps from 5.2% to 5.7% over 12 months.

ESG

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

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

These actions put us on schedule to satisfy the “Tertiary Decree” legislation relating to energy reduction targets. We expect to reach a target reduction of 40% on the common parts of our shopping centres well before 2030. We have also focused this year on the carbon footprint reduction of our French assets and have received the carbon pathways which evaluate our present and future position in terms of carbon emission reductions for Les Portes de Taverny and Passage du Havre, and a CRREM audit is planned for our remaining French shopping centres during 2024. Climate change risk audits have also been carried out for the French assets in 2023 with an action plan to mitigate the risks identified in the business plan of each asset.

To reduce our energy dependency and carbon footprint, we installed photovoltaic panels on the roof of Shopping Etrembières in October 2023, following extensive roof renovation and insulation. These panels now provide energy for the shopping centre. Projects are planned for the installation of an additional of 94 new electrical vehicle charging points across our French portfolio, adding to our 46 existing chargers.

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

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

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

Projects

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

Outlook

A sharp slowdown in inflation during 2024 is expected to lead to an increase in purchasing power and consequently to an increase in consumption which should support the performance of our centres both in term of footfall and turnover. The Olympic Games could also bring a boost to the economy in France and help retail sales, particularly in and around Paris. We expect leasing activities to accelerate, supported by the dynamism of national and international brands searching for good quality spaces and looking to increase their market share in France, where the lack of new retail schemes due to the law “Climat et Résilience “is beginning to be felt.

Italy

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

Leasing

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

Valuations

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

ESG

By the end of 2023, 100% of the electricity used in six assets of our portfolio came from renewable sources, while the remaining two will follow in 2024. Six out of eight centres do not transfer any waste to landfill. In February 2024, the gas plant at Il Castello was replaced by the Ferrara Municipality’s geothermal district heating system, leaving only two out of eight shopping centre still using gas systems. As a result of such investments, the road to carbon neutrality is well advanced: in 2024 five assets, Fiordaliso, Curno, Cremona Po, Collestrada and Il Castello will operate carbon neutral for both Scope 1 and 2 emissions.

Curno, I Gigli and Cremona Retail Parks already have solar panel installations providing renewable energy produced on site, while two additional solar panel systems were completed during Q4 2023 and are operational at I Gigli and Carosello, increasing the percentage of self-produced green energy in our portfolio. At I Gigli we have installed a 1,084.45 kWp solar panel on shelters covering 355 parking spaces in front of the Retail Park. Energy production will cover over 40% of the electricity needs of the common areas of I Gigli. At Carosello we installed 2,119 kWp solar panels on a land near the shopping centre to cover approximately 60% of the energy needs of the common areas.

To further reduce consumption, our smart meter systems have been upgraded in stages to monitor the lighting systems and measure tenant consumption. We have also upgraded the building management systems in Collestrada, Fiordaliso and Cremona Po to improve efficiency and reduce consumption. As a result, energy consumption in 2023 decreased by 19% compared to 2022, corresponding to a saving of 883 Tons of CO_2, 33% less than 2022.

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

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

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

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

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

Projects

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

Outlook

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

Sweden

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

Leasing

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

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

Valuations

Valuations decreased by 4.2% over twelve months and by 1.6% over six months. Increased interest rates during the year was the main reason cited by valuers who raised exit yields by an average of around 50 bps to 5.9% in December 2023.

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

ESG

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

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

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

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

Projects

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

Outlook

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

Environmental, Social and Governance

Eurocommercial continues the implementation of its sustainability strategy, approaching each business decision with a long-term view, evaluating its environmental and socio-economic impact and thereby ensuring the alignment of its ESG and business strategies. Each of our shopping centres offers its individual set of challenges and opportunities, yet we have developed a broad ESG vision and strategy to meet the 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. https://www.eurocommercialproperties.com/esg/esg-strategy

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

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

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 to be held on 11 June 2024. Mr Bernard Roelvink was appointed as a member of the Supervisory Board at the Annual General Meeting held on 13 June 2023 and he will succeed Mr Steins Bisschop as Chairman of the Supervisory Board.

After the retirement of Mr Steins Bisschop, the Supervisory Board will comprise three members, Mrs Emmanuèle Attout, Mrs Karin Laglas and Mr Bernard Roelvink.

Amsterdam, 22 March 2024

Board of Management

Evert Jan van Garderen
Roberto Fraticelli
Peter Mills

Financial calendar

17 April 2024:	Annual report 2023 publication
10 May 2024:	First quarter results 2024
11 June 2024:	Annual General Meeting
13 June 2024:	Ex-dividend date
5 July 2024 :	Final dividend distribution date
30 August 2024:	Half Year 2024 results
8 November 2024:	Third quarter results 2024

Conference call and webcast

Eurocommercial will host a conference call and audio webcast today, Friday 22 March 2024 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/20240322_1/ 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 almost €3.8 billion.

www.eurocommercialproperties.com

For additional information please contact:

Luca Lucaroni, Investor Relations Director
Tel: +39 335 7255029

Nathalie McGee, Communications Manager
Tel: +44 7760 887 177

Consolidated statement of profit or loss

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

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

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

Consolidated statement of comprehensive income

(€'000)	2023	2022
Result after taxation	(26,096)	206,514
Foreign currency translation differences (subsequently reclassified to profit or loss)	(312)	(36,282)
Actuarial result on pension scheme (not reclassified to profit or loss)	(4,085)	6
Total other comprehensive income (net of tax)	(4,397)	(36,276)
Total comprehensive income	(30,493)	170,238
Total comprehensive income attributable to:		
Owners of the Company	(31,269)	164,461
Non-controlling interest	776	5,777
	(30,493)	170,238
Per share (€)*		
Total comprehensive income	(0.59)	3.11
Diluted total comprehensive income	(0.59)	3.11

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

Consolidated statement of financial position

(€'000)	31-12-23	31-12-22
Assets		
Property investments	3,575,898	3,642,946
Investments in joint ventures	101,142	95,965
Tangible fixed assets	4,849	3,848
Receivables	1,084	137
Derivative financial instruments	33,275	62,006
Total non-current assets	3,716,248	3,804,902
Trade and other receivables	60,855	57,085
Prepaid tax	560	2,133
Loan to Joint Venture	8,000	8,000
Cash and deposits	40,518	65,307
Total current assets	109,933	132,525
Total assets	3,826,181	3,937,427
Equity		
Issued share capital	537,817	533,492
Share premium reserve	260,117	263,774
Other reserves	1,236,118	1,045,863
Undistributed income	(26,872)	200,737
Equity attributable to owners of the Company	2,007,180	2,043,866
Non-controlling interest	0	67,305
Total equity	2,007,180	2,111,171
Liabilities		
Trade and other payables	13,984	14,070
Borrowings	1,319,526	1,322,723
Derivative financial instruments	22,560	13,345
Deferred tax liabilities	116,852	111,482
Put option liability non-controlling interest	0	63,448
Provisions for pensions	0	569
Total non-current liabilities	1,472,922	1,525,637
Trade and other payables	110,597	93,832
Tax payable	1,860	10,448
Borrowings	233,622	196,339
Total current liabilities	346,079	300,619
Total liabilities	1,819,001	1,826,256
Total equity and liabilities	3,826,181	3,937,427

Consolidated statement of cash flows

(€ '000)

	2023	**2022**
Result after taxation	(26,096)	206,514
Adjustments:		
Movement performance shares granted	673	(74)
Investment revaluation and disposal of investment properties	90,183	15,633
Derivative financial instruments	38,652	(133,989)
Adjustment amortization period put option liability	4,789	0
Share of result of joint ventures	(4,837)	(18,170)
Interest income	(1,576)	(931)
Interest expenses	48,685	39,714
Deferred tax	5,355	43,632
Current tax	3,544	2,247
Depreciation tangible fixed assets	1,695	1,858
Other movements	(754)	681
Cash flow from operating activities after adjustments	160,313	157,115
Decrease/(increase) in receivables	(798)	(2,658)
(Decrease)/increase in creditors	15,817	(1,264)
	175,332	153,193
Current tax paid	(4,314)	(1,209)
Capital gain tax paid	(7,908)	(7,909)
Pension scheme	(4,600)	(564)
Borrowing costs	(1,093)	(1,654)
Interest paid	(41,988)	(34,402)
Interest received	1,576	1,019
Cash flow from operating activities	117,005	108,474
Acquisition of non-controlling interest	(69,600)	0
Capital expenditure	(27,464)	(25,240)
Sale of property	0	100,999
Investment in joint ventures	(340)	(105)
Decrease/(increase) loan to joint ventures	0	7,000
Additions to tangible fixed assets	(1,264)	(503)
Cash flow from investing activities	(98,668)	82,151
Proceeds from borrowings	381,531	145,215
Repayment of borrowings	(349,134)	(245,347)
Payments lease liabilities	(1,227)	(1,167)
Dividends paid	(74,166)	(78,222)
Proceeds from non-current creditors	348	7
Cash flow from financing activities	(42,648)	(179,514)
Net cash flow	(24,311)	11,111
Currency differences on cash and deposits	(478)	(1,422)
(Decrease)/increase in cash and deposits	(24,789)	9,689
Cash and deposits at beginning of year	65,307	55,618
Cash and deposits at end of year	40,518	65,307

Consolidated statement of changes in equity

The movements in equity in the financial year ended 31 December 2023 were:

(€'000)	Issued share capital	Share premium reserve	Foreign currency translation reserve	Other reserves	Un-distributed income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
01-01-2023	533,492	263,774	(83,812)	1,129,675	200,737	**2,043,866**	67,305	**2,111,171**
Result after taxation	0	0	0	0	(26,872)	**(26,872)**	776	**(26,096)**
Other comprehensive income	0	0	(312)	(4,085)	0	**(4,397)**	0	**(4,397)**
Total comprehensive income	0	0	(312)	(4,085)	(26,872)	**(31,269)**	776	**(30,493)**
Transactions with owners of the Company								
Contributions and distributions								
Dividend paid in cash	0	(6)	0	0	(74,166)	**(74,172)**	0	**(74,172)**
Dividend paid in shares	4,325	(4,325)	0	10,381	(10,381)	**0**	0	**0**
Non-distributed result previous financial year	0	0	0	116,190	(116,190)	**0**	0	**0**
Performance shares granted	0	674	0	0	0	**674**	0	**674**
Total contributions and distributions	4,325	(3,657)	0	126,571	(200,737)	**(73,498)**	0	**(73,498)**
Changes in ownership interests								
Acquisition of non-controlling interest without a change in control	0	0	0	68,081	0	**68,081**	(68,081)	**0**
Total changes in ownership interests	0	0	0	68,081	0	**68,081**	(68,081)	**0**
Total transactions with owners of the Company	4,325	(3,657)	(312)	190,567	(227,609)	**(36,686)**	(67,305)	**(103,991)**
Total equity at 31-12-2023	537,817	260,117	(84,124)	1,320,242	(26,872)	**2,007,180**	0	**2,007,180**

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

(€'000)	Issued share capital	Share premium reserve	Foreign currency translation reserve	Other reserves	Un-distributed income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
01-01-2022	526,539	263,853	(40,293)	1,102,916	104,687	**1,957,702**	61,528	**2,019,230**
Profit after taxation	0	0		0	200,737	**200,737**	5,777	**206,514**
Other comprehensive income	0	0	(36,282)	6	0	**(36,276)**	0	**(36,276)**
Total comprehensive income	0	0	(36,282)	6	200,737	**164,461**	5,777	**170,238**
Transactions with owners of the Company								
Contributions and distributions								
Reallocation currency translation movements	0	0	(7,237)	7,237	0	**0**	0	**0**
Dividend paid in cash	0	(4)	0	0	(78,218)	**(78,222)**	0	**(78,222)**
Dividend paid in shares	6,953	0	0	15,295	(22,248)	**0**	0	**0**
Non-distributed result previous financial year	0	0	0	4,221	(4,221)	**0**	0	**0**
Performance shares granted	0	(75)	0	0	0	**(75)**	0	**(75)**
Total contributions and distributions	6,953	(79)	(7,237)	26,753	(104,687)	**(78,297)**	0	**(78,297)**
Total transactions with owners of the Company	6,953	(79)	(43,519)	26,759	96,050	**86,164**	5,777	**91,941**
Total equity at 31-12-2022	533,492	263,774	(83,812)	1,129,675	200,737	**2,043,866**	67,305	**2,111,171**

Segment information 2023

(€'000) For the twelve month period ended 31-12-23	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	27,251	46,776	106,008	47,079	0	227,114	(11,835)	215,279
Service charge income	6,910	5,467	17,112	15,277	0	44,766	(3,188)	41,578
Service charge expenses	(7,608)	(5,403)	(15,870)	(17,746)	0	(46,627)	2,927	(43,700)
Property expenses	(2,746)	(12,526)	(14,822)	(6,339)	0	(36,433)	845	(35,588)
Net property income	**23,807**	**34,314**	**92,428**	**38,271**	**0**	**188,820**	**(11,251)**	**177,569**
Share of result of joint ventures	0	0	0	0	0	0	4,837	4,837
Investment revaluation and disposal of investment properties	(62,723)	(10,911)	17,750	(34,432)	205	(90,111)	(4,933)	(95,044)
Segment result	**(38,916)**	**23,403**	**110,178**	**3,839**	**205**	**98,709**	**(11,347)**	**87,362**
Net financing result						(94,620)	8,927	(85,693)
Company expenses						(12,922)	0	(12,922)
Investment expenses						(2,728)	11	(2,717)
Other income Group companies						914	648	1,562
Adjustment amortisation period put option liability						(4,789)	0	(4,789)
Result before taxation						**(15,436)**	**(1,761)**	**(17,197)**
Current tax						(3,711)	167	(3,544)
Deferred tax						(6,949)	1,594	(5,355)
Result after taxation						**(26,096)**	**0**	**(26,096)**

(€'000) As per 31-12-23	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	522,460	802,280	1,655,690	791,328	0	3,771,758	(195,860)	3,575,898
Investments in joint ventures	0	0	0	0	0	0	101,142	101,142
Tangible fixed assets	0	1,927	539	458	1,925	4,849	0	4,849
Receivables	6,973	39,993	11,866	4,037	659	63,528	(1,029)	62,499
Loan to Joint Venture	0	0	0	0	0	0	8,000	8,000
Derivative financial instruments	2,205	0	38,779	1,874	0	42,858	(9,583)	33,275
Cash and deposits	2,527	4,113	18,568	20,158	3,235	48,601	(8,083)	40,518
Total assets	**534,165**	**848,313**	**1,725,442**	**817,855**	**5,819**	**3,931,594**	**(105,413)**	**3,826,181**
Creditors	15,129	38,232	31,130	29,140	2,660	116,291	(3,834)	112,457
Non-current creditors	1,284	9,045	2,795	400	871	14,395	(411)	13,984
Borrowings	285,695	210,818	810,241	319,191	25,000	1,650,945	(97,797)	1,553,148
Derivative financial instruments	0	0	19,957	3,423	0	23,380	(820)	22,560
Deferred tax liabilities	0	0	44,831	74,572	0	119,403	(2,551)	116,852
Total liabilities	**302,108**	**258,095**	**908,954**	**426,726**	**28,531**	**1,924,414**	**(105,413)**	**1,819,001**

(€'000) For the twelve month period ended 31-12-23	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	7,220	3,504	8,515	10,317	0	29,556	(1,041)	28,515

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

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	5,888	17,891	16,261	0	47,467	(3,266)	44,201
Service charge expenses	(8,323)	(5,099)	(17,439)	(18,551)	0	(49,412)	3,260	(46,152)
Property expenses	(1,690)	(11,394)	(13,671)	(5,687)	0	(32,442)	484	(31,958)
Net property income	23,986	34,470	78,345	38,387	0	175,188	(9,790)	165,398
Share of result of joint ventures	0	0	0	0	0	0	18,170	18,170
Investment revaluation and disposal of investment properties	(4,712)	(5,745)	14,769	(14,738)	24	(10,402)	(2,809)	(13,211)
Segment result	19,274	28,725	93,114	23,649	24	164,786	5,571	170,357
Net financing result**						107,251	(12,056)	95,195
Company expenses						(12,128)	4	(12,124)
Investment expenses						(2,471)	12	(2,459)
Other income**						725	699	1,424
Profit before taxation						258,163	(5,770)	252,393
Current tax						(2,335)	88	(2,247)
Deferred tax						(49,314)	5,682	(43,632)
Profit after taxation						206,514	0	206,514

(€'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 Venture	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.

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

Country spread total property investments (incl. joint ventures)

(%)	31-12-23	31-12-22
Belgium	14	15
France	21	21
Italy	44	43
Sweden	21	21
	100	100

Alternative performance measures appendix

Statement of consolidated direct, indirect and total investment results*

(€'000)	2023	2022
Rental income	215,279	199,307
Service charge income **	41,578	44,201
Service charge expenses	(43,700)	(46,152)
Property expenses	(35,588)	(31,958)
Interest income **	1,576	931
Interest expenses *** ****	(48,127)	(37,323)
Company expenses	(12,922)	(12,124)
Other income *** **	1,562	1,424
Current tax *****	(3,411)	(2,247)
Direct investment result including non-controlling interest	116,247	116,059
Direct investment result joint ventures	6,866	6,232
Direct investment result non-controlling interest	0	(2,747)
Total direct investment result attributable to owners of the Company	123,113	119,544
Investment revaluation and disposal of investment properties	(95,044)	(13,211)
Investment expenses***	(2,649)	(2,484)
(Loss)/gain derivative financial instruments ****	(43,999)	131,612
Deferred tax *****	(5,488)	(43,632)
Indirect investment result properties including non-controlling interest	(147,180)	72,285
Indirect investment result joint ventures	(2,029)	11,938
Indirect investment result non-controlling interest	(776)	(3,030)
Total indirect investment result attributable to owners of the Company	(149,985)	81,193
Total investment result attributable to owners of the Company	(26,872)	200,737
Per share (€)****		
Total direct investment result	2.32	2.28
Total indirect investment result	(2.83)	1.54
Total investment result attributable to owners of the Company	(0.51)	3.82

Statement of adjusted net equity*

(€'000)	31-12-23	31-12-22
IFRS net equity per consolidated statement of financial position	2,007,180	2,043,866
Net derivative financial instruments	(10,715)	(48,661)
Deferred tax	116,852	111,482
Net derivative financial instruments and deferred tax joint ventures and non-controlling interest	(6,211)	(13,092)
Adjusted net equity	2,107,106	2,093,595
Number of shares in issue after deduction of shares bought back	53,274,767	52,842,238
Net asset value - € per share (IFRS)	37.68	38.68
Adjusted net asset value - € per share	39.55	39.62
Stock market prices - € per share	22.20	22.60

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

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

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

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

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

****** The Company's shares are listed on Euronext Amsterdam, Brussels and Milan. The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,060,280 (2022: 52,497,473).

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 (€)	
	31-12-23	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
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*

	Total (€'000)	
	2023	2022
IFRS result after taxation	(26,872)	200,737
Adjustment to IFRS result 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
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.

Reconciliation NAV, EPRA NRV, EPRA NTA and EPRA NDV*

(€'000)	EPRA NRV		EPRA NTA		EPRA NDV	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
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 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 balance sheet.

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% the deferred taxes accounted for in the consolidated financial statements, but as it is the intention of the Company to keep its assets this option is no longer applied and the comparative figures have been restated accordingly.

Capital expenditure disclosure*

(€'000)	2023			2022		
	Group	Joint Ventures**	Total	Group	Joint Ventures**	Total
Investment properties						
– Incremental lettable space	11,233	656	11,889	11,619	2,727	14,346
– No incremental lettable space	10,991	460	11,451	10,095	115	10,210
– Tenant incentives/capitalised letting fees***	12,614	120	12,734	7,434	176	7,610
Capitalised interest	122	0	122	19	23	42
Total capital expenditure	34,960	1,236	36,196	29,167	3,041	32,208
Conversion from accrual to cash basis	5,119	379	5,498	3,508	3,240	6,748
Total capital expenditure on cash basis	40,079	1,615	41,694	32,675	6,281	38,956

* This statement contains additional information which is not part of the IFRS financial statements.
** Joint ventures are reported on a proportionate share.
*** The comparative figures have been restated to reflect the gross amount.

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	3,575,898	3,642,946
Land and property held for development	0	(11,510)	(8,710)	(8,650)	(6,780)	(6,860)	(5,166)	(5,282)	(20,656)	(32,302)
Investments in joint ventures	0	0	0	0	195,860	189,920	0	0	195,860	189,920
Property investments held for sale	0	0	0	0	0	0	0	0	0	0
Property investments completed	522,460	566,580	793,570	801,630	1,648,910	1,623,010	786,162	809,344	3,751,102	3,800,564
Purchasers' costs	13,060	14,169	55,920	56,585	16,489	16,235	7,849	8,096	93,318	95,085
Gross value property investments	535,520	580,749	849,490	858,215	1,665,399	1,639,245	794,011	817,440	3,844,420	3,895,649
Annualised net rents (EPRA NIY)	26,222	26,442	48,050	44,385	103,658	98,741	46,842	45,434	224,773	215,002
Lease incentives (incl. rent free periods)	1,488	1,824	812	1,110	1,393	1,762	774	1,891	4,467	6,587
Annualised rents (EPRA topped-up yield)	27,710	28,266	48,862	45,495	105,051	100,503	47,616	47,325	229,240	221,589
EPRA net initial yield (%)	4.9	4.6	5.7	5.2	6.2	6.0	5.9	5.6	5.8	5.5
EPRA topped-up yield (%)	5.2	4.9	5.8	5.3	6.3	6.1	6.0	5.8	6.0	5.7

* 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 (%)	
	31-12-23	31-12-22	31-12-23	31-12-22	31-12-23	31-12-22
Belgium	532	422	25,671	25,255	2.1	1.7
France	1,099	1,318	47,758	45,114	2.3	2.9
Italy	257	585	103,938	94,248	0.2	0.6
Sweden	1,430	795	49,979	47,557	2.9	1.7
EPRA vacancy	3,318	3,120	227,346	212,174	1.5	1.5

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

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**
Include:							
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**
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%**

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