EUROCOMMERCIAL

RETAIL

ESG

RENEWABLE ENRGY

COMMUNITIES

DIGITALISATION

Annual Report

31 December 2022

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This document is the PDF version of the 2022 Annual Report of Eurocommercial Properties N.V. in the European single electronic reporting format (ESEF) and has been prepared for ease of use. The ESEF reporting package is available on our website. Please note that, in case of discrepancies between this PDF version and the ESEF reporting package, the latter prevails.

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The front cover represents the three drivers for accelerated change:
ESG, digitalisation and communities

2022

Key events and performance overview

Positive retail sales over pre-pandemic levels

5.0% over pre-pandemic levels

Rent uplift on renewals and relettings

5.4%

Rent collection

98% of invoiced rent

Rental growth

4.7%

EPRA vacancies at year end

1.5%

Resilient property valuations over calendar year 2022

-0.3% (12 months)

Loan to value (LTV) ratio

40.4%

EPRA Net Tangible Asset (EPRA NTA)

€38.64 per share

Direct investment result

€119.5 million

IFRS profit

€200.7 million

Direct investment result per share

€2.28

Proposed dividend per share

€1.60

EPRA sBPR Gold Award for the ninth year in a row

Gold Award

Green Star status

four GRESB stars

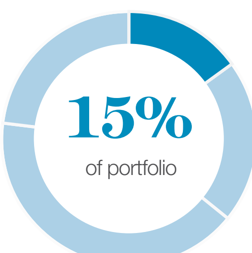
Eurocommercial Properties

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

Belgium

€578.1m
Property value

1
Property

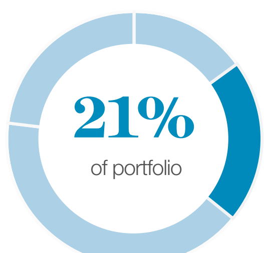


Read more in country report Belgium p78

France

€810.3m
Property value

8
Properties



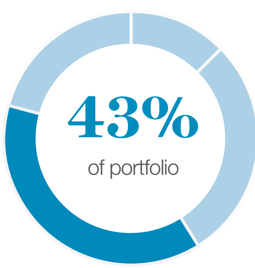
Read more in country report France p84

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

Italy

€1,629.9m Property value

8 Properties

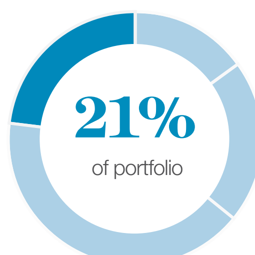


Read more in country report Italy p104

Sweden

€814.6m Property value

7 Properties



Read more in country report Sweden p124

Board of Management review

Passage du Havre in central Paris

> *It was most encouraging to see strong retail sales growth throughout the year and the continuation of our active leasing programme.*

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 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 very 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 are built around the three strategic pillars, Be Green, Be Engaged, Be Responsible. ESG remains the focus of our daily operations, providing the opportunity to introduce standards and technologies that will continue to improve environmental quality while reducing both our imprint and operational costs and contributing to sustainable long term value creation. 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 with 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 at a low and affordable level of only 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 paid 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.

Evert Jan van Garderen
Peter Mills
Roberto Fraticelli

Board of Management

From left to right:

Peter Mills
Chief Investment Officer

Evert Jan van Garderen
Chief Executive Officer

Roberto Fraticelli
Chief Financial Officer

Strategy

> *Our strategy review identified three drivers to accelerate change: ESG, digitalisation and communities.*
>
> **Evert Jan van Garderen**
> Chief Executive Officer

During 2022, the Board of Management reviewed the strategy of the Company with the assistance of external (retail) experts and decided to update the strategy by introducing three drivers to accelerate change: ESG, digitalisation and communities. This update has been discussed with the Supervisory Board in a number of special meetings and workshops. It was also decided to introduce a vision statement and a mission statement, which are included below.

Vision

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

Mission

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

Investment strategy

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

A shopping centre specialist

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

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

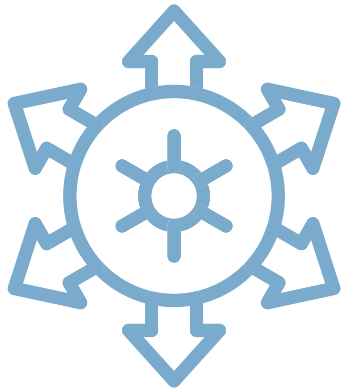
Shopping centres should be enjoyable places and should deliver sufficient footfall to stay attractive to current and future tenants. In order to serve its communities a shopping centre should not only offer a complete retail experience but also a range of food & beverage facilities, leisure activities, services and health care, all provided in a safe and pleasant environment. The centres should also assist those tenants with an integrated and omnichannel approach to make the customer journey even more seamless. The collection and sharing of visitor data and the design of the physical space (including storage, delivery and return points) are important tools as the physical store becomes part of a retailer's brand building. To support the footfall the (future) anchor stores of the centre are extremely important as retail destinations and should be carefully identified. These anchors can be found in various sectors and their selection and positive effect on footfall can be measured in the mall and assist important decision making to determine the appropriate tenant mix. To be a shopping centre specialist is a condition to be able to perform these essential activities.

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

A diversified shopping centre portfolio

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

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



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

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

Strategy (continued)

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

Selective growth and asset rotation

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

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

Financial strategy

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

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

The average committed unexpired term of our bank loans is over three years and the loan to value (LTV) ratio on the basis of the proportionally consolidated balance sheet of the Company as per 31 December 2022 was 40.4%, significantly below the bank covenant at group level agreed with banks, which is a LTV ratio for the group of 60%. The Company aims at maintaining its rigorous financial discipline and introduced in 2021 a new dividend policy whereby a target of 75% of distributable profits has been set. The new dividend policy also provides for an interim dividend payable in January and a final dividend payable in July, requiring cash flow discipline to be able to offer shareholders a stable income stream every six months.

Green Finance Framework

Eurocommercial has published a Green Finance Framework to support Eurocommercial's strategy and the transition to a low carbon economy. The Green Finance Framework has been reviewed by ISS Corporate Solutions to assess the alignment of the project categories financed with 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, which has been published on our corporate website together with the Green Finance Framework.

Operational strategy

Leasing excellence

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

Leasing excellence is more than leasing vacant space, but all about what future tenancy mix is required to make the shopping centre even more relevant for its communities. Our **leasing teams** are therefore in constant dialogue with the most important international, national and local retail and non-retail (i.e. health care, fitness and other services) groups, monitoring emerging trends and innovations in the retail and non-retail world and often assisting and providing advice to new market entrants. Where possible, we can assist our retailers by providing space or hosting events for them to test new formats or products, while providing logistical support for their storage, pick-up and delivery operations. Getting the right tenant mix remains pivotal to the performance and success of each shopping centre, and careful analysis of monthly sales and footfall data prepared by our **rent collection teams** provides information on which the teams are able to judge when and how to adjust tenant mix. It also assists the identification of potential tenants in difficulty at a moment when remedies can still be applied to help prevent foreclosures or to replace a tenant before bankruptcy.

The leasing skills and capabilities of our country teams has become even more important with the current challenges arising from inflation and high energy prices. Through regular communication, the leasing teams can support our retailers' integrated approach that customer preferences increasingly demand. We can assist our retailers by providing space or hosting events for them to test new formats or products, while providing logistics support for their storage, pick-up and delivery operations.

Portfolio management

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

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

Strategy (continued)

Drivers for change

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

ESG

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

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

Be green

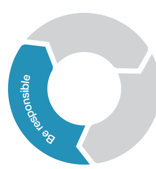
Being green is the basis of our operations as we work to synchronise the mindset of all stakeholders in our communities, providing us with the opportunity to make changes to significantly reduce both our imprint and operational costs as we focus on the transition to a low carbon economy.

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

Eurocommerical's approach to managing climate risks, opportunities and activities is organised through the ESG committee. As well as direct physical risk, an independent climate risk assessment is evaluating climate change related transition risks including policy and legal, technology, market and reputational.

Be engaged

At Eurocommercial, we design shopping centres as social spaces not merely retail destinations, providing a cornerstone for their local communities. Our centres serve the everyday shopping, leisure and services needs of our customers and those of their local communities, providing them with a safe, service-oriented and enjoyable experience. We are constantly engaging with our tenants, customers and communities, and carrying out regular surveys with our customers and tenants. We listen and respond to their feedback to ensure that our centres evolve with the changing retail landscape and the needs of our communities. Our shopping centres are an integral part of, and have a positive impact on their communities bringing enhancing social and environmental values, be that through the promotion of local employment, procurement, the improvement of local transport infrastructure, education, introducing new services and the provision of green spaces and amenities.



Be responsible

Our aim is to be an attractive and responsible employer while creating an enjoyable workplace where our employees can thrive and develop professionally by providing them with a broad corporate and property experience and education supported by carefully targeted training programmes. We pride ourselves on our diversity and collegiate culture with our country teams working together and sharing best practices to feel engaged and motivated towards achieving our common goals.

A successful strategy recognised by many external awards

Eurocommercial is committed to report on its ESG performance every year and was recently awarded the EPRA Gold Award for sustainability reporting for the ninth consecutive year. 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.

A transparent and modern governance

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

Digitalisation

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

We use digital communication to assist our retailers in their advertising and brand awareness campaigns. The shopping centre websites provide an important platform, particularly for our local and independent omnichannel retailers who are able to directly advertise products to our wide customer base. We are improving data sharing for our retailers to improve catchment penetration and conversion rates, while further developing our CRM programme to strengthen the relationship and loyalty of our existing customer base.

Communities

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

Property performance

> *Indexation and positive lease spreads from renewals and relettings resulted in strong rental growth, supporting valuations which remain stable over the year despite higher interest rates.*
>
> **Peter Mills**
> Chief Investment Officer

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*

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

* Excluding extensions/developments.

Like-for-like retail sales by sector*

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

* Excluding extensions/developments.

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 rent and the positive results of the lease renewal and reletting programme.

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.

Like-for-like rental growth

	12 months to December 2021	12 months to June 2022	12 months 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%

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 approximately €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 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 and Pandora. 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.

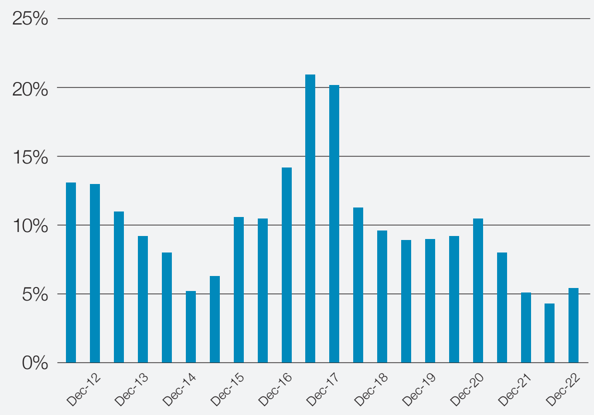
In France, 46 lease renewals and relettings were completed over the year producing an average uplift in rent of 4.1%. Of these transactions, 18 lease renewals produced an uplift of 5.2%, while 28 lease transactions were to new tenants producing an uplift of 3.4%. New merchandising has covered a broad 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 with 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).

Property performance (continued)

Uplift on renewals/relettings



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 to date has reached 98%, well above the 2021 collection rate of 93%.

	% of 2021 invoice 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 sectors, 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 31 December 2022 € million	Valuation change from December 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.

Valuation split

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 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%

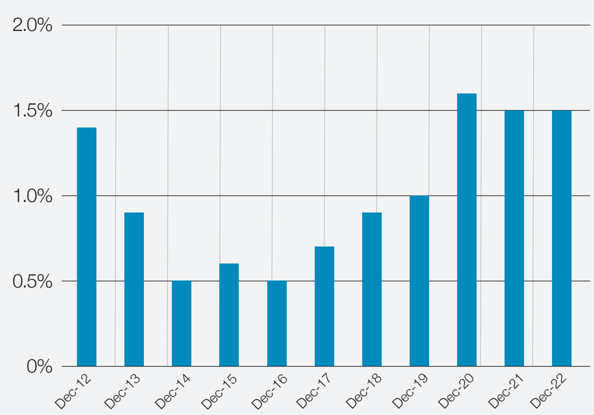
Vacancy levels

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. Out of almost 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.

	30/06/2021	31/12/2021	30/06/2022	31/12/2022
Overall	**1.3%**	**1.5%**	**1.5%**	**1.5%**
Belgium	0.5%	1.0%	0.3%	1.7%
France	2.0%	2.5%	2.4%	2.9%
Italy	1.0%	1.3%	1.0%	0.6%
Sweden	1.3%	1.2%	2.2%	1.7%

Long term vacancy levels



Financial review

Grand Samarkand, Växjö, Sweden

Financial – Results Summary 2022

Includes joint ventures	2022	2021
Rental income (€m)*	209.6	208.7
Net rental income (€m)*	173.7	163.2
Direct investment result (€m)	119.5	110.6
Direct investment result per share (€)	2.28	2.18
Dividend per share (€)	1.60	1.50 + 1:75 scrip
IFRS profit after taxation (€m)	200.7	104.7
Adjusted net asset value per share (€)	39.62	40.63
IFRS net asset value per share (€)	38.68	37.54
Net loan to property value*	40.4%	42.3%
Average interest cost, including margins	2.4%	2.0%

* Based on proportional consolidation.

> ***2022 was a solid financial year for Eurocommercial with strong results on all metrics. The effects of COVID-19 have been absorbed in their entirety and the loan to value ratio decreased to a sustainable 40.4%. Strong rental growth, low vacancies, low OCRs and an 86% interest rate hedging provide a solid financial base for the Company.***

Roberto Fraticelli
Chief Financial Officer

Direct investment result, EPRA earnings and IFRS profit after taxation

Comparative table of direct investment result* and EPRA earnings**

(€'000)	12 months ended 31/12/2022	12 months ended 31/12/2021
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 interests	(2,747)	(2,747)
Direct investment result attributable to owners of the Company	119,544	110,597
*Per share (€)****		
Direct investment result per share	2.28	2.18
Adjustment to calculate EPRA earnings:		
Interests on put option	(2,377)	(2,140)
Investment expenses – IFRS	(2,483)	(598)
Investment expenses – JV	(13)	(10)
EPRA earnings	114,671	107,848
*Per share (€)*****		
EPRA Earnings per share	2.17	2.04

* The direct investment result is defined as net property income less net interest expenses and company expenses after taxation. 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.

** EPRA earnings is a measure of the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items considered as non-core activities for an investment property company.

*** The Company's shares are listed on Euronext Amsterdam and Euronext Brussels. The average number of shares on issue (after deduction of shares brought back) during the financial year was 52,497,473, compared with 50,778,635 for the twelve month period to 31 December 2021.

**** The number of issued shares after deduction of shares brought back is 52,842,238.

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

The **direct investment result** for the 12 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%), 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 Etrembières (€1.9 million). This was partially offset by lower rental income as a result of a weaker Swedish krona, the sales of properties in 2021 and in the first quarter

Financial review (continued)

of 2022 (€7.7 million) and a one-off depreciation of the remaining balance as at 31 December 2022 of the COVID-19 capitalised rent concessions, initially recorded under IFRS 16. 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.

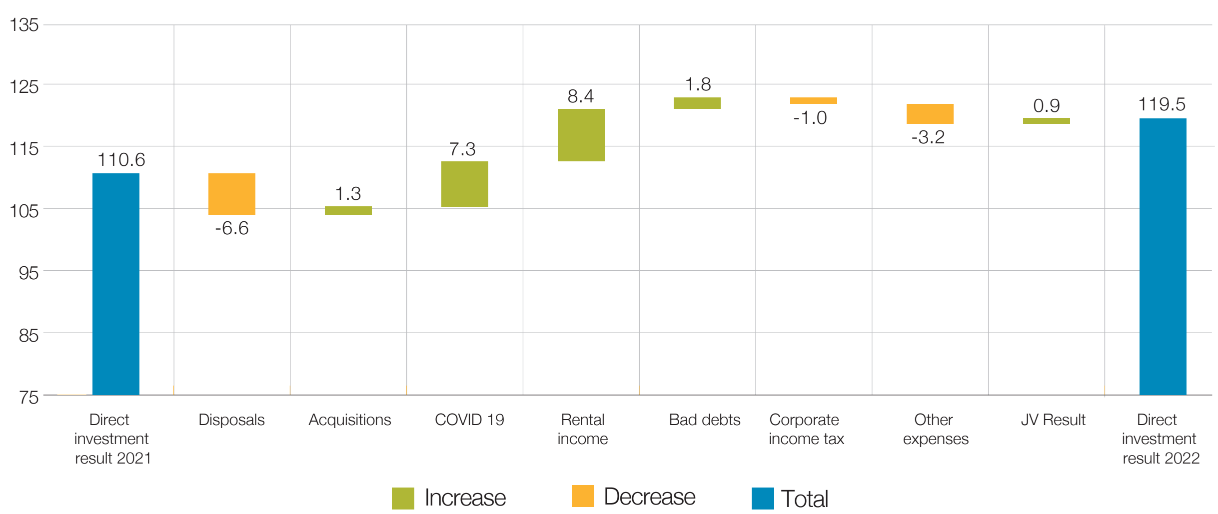
The direct investment result is defined as net property income plus other income less net interest expenses, company expenses after taxation and less the share of the result related to the minority interest. In the view of the Board, this more accurately represents the underlying profitability of the 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.

Direct investment result 2022 vs 2021 (Net Values, Delta €m)



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 Etrembières, 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 same reasons illustrated above.

Net Asset Value

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 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.

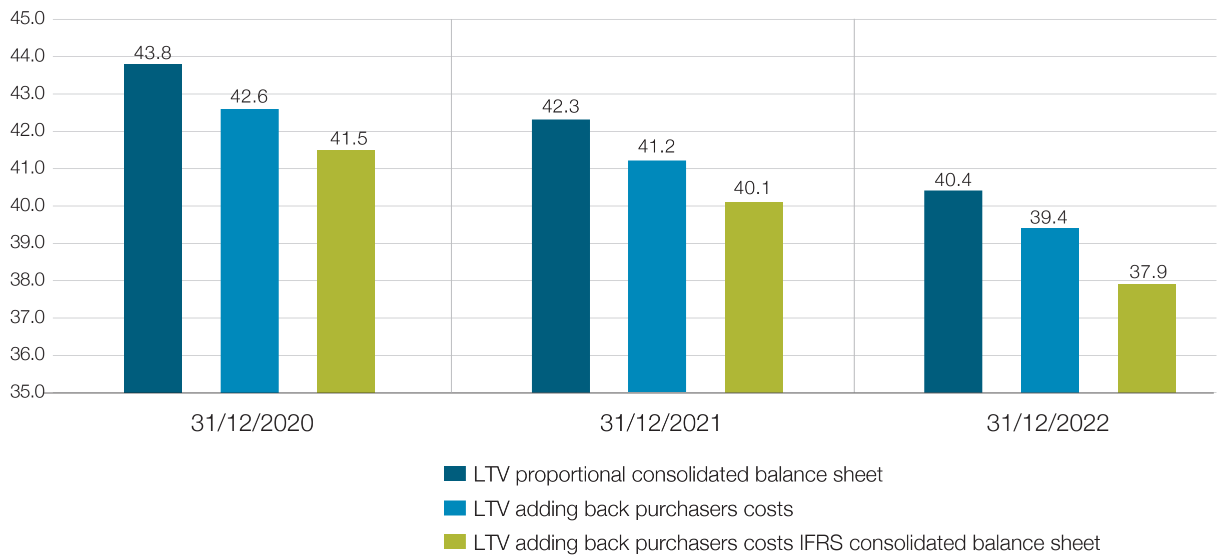
In April 2022, the Company entered into a new 5-year loan of €66.5 million with ING to refinance two existing loans on the Curno Shopping Centre, Italy. In June 2022, the Company entered into a new 3-year loan of €50 million with ABN AMRO bank to refinance an existing loan on the CremonaPo Shopping Centre,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

Financial review (continued)

Loan to value (LTV) (%)

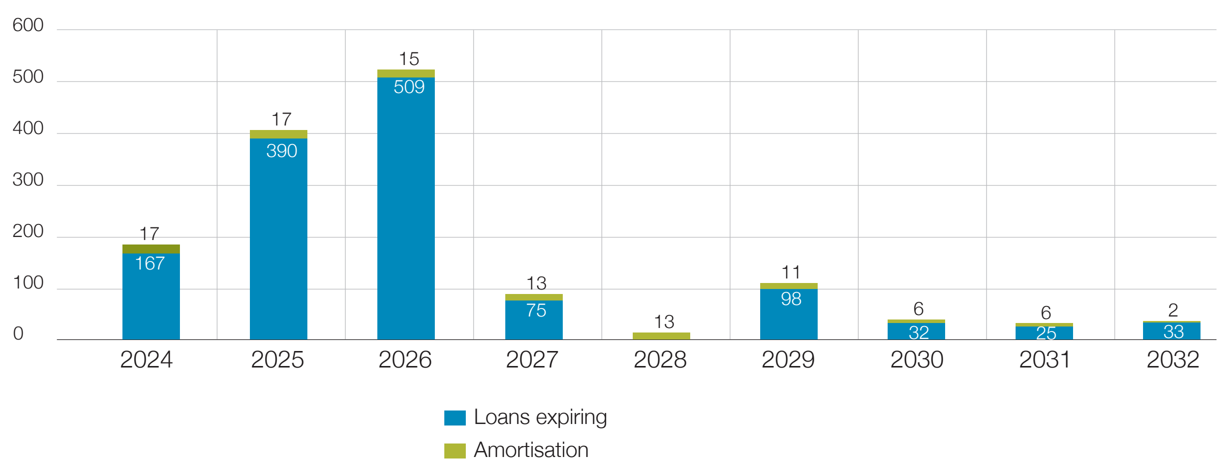


generated in the period. The loan to value ratio at 31 December 2021 was 42.3%.

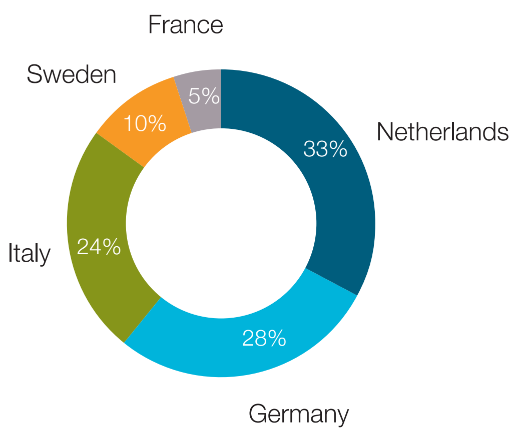
The Group covenant loan to value ratio agreed with the banks is 60%, the usual market practice ratio. For comparison purposes, our loan to value ratio adding back purchaser's costs as at 31 December 2022 was 39.4% and our loan to value ratio adding back purchaser's costs using the IFRS consolidated balance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

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



Lenders' share by country (%)



As at 31 December 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).

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 refinancing 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. Two 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 €385.5 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 upgrading the existing ones.

Dividend proposal

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%, but 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 (2021: €1.50 + 1 for 75 mandatory scrip dividend). An interim cash 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 distribution 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.

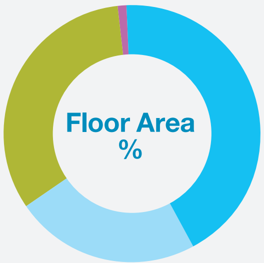
As from September 2022 the shares of Eurocommercial are included in the AMX index after the review rebalancing of the AEX Index Family (AEX, AMX, AScX).

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.

Tenants and merchandising mix

Merchandising mix per sector

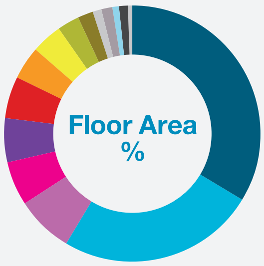


Essential Retail* + Everyday Retail	56%
Hypermarket*	
Systembolaget*	
Health & Beauty	
Books & Toys	
Services	
Home Goods	
Telecom & Electrical	

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

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

Broad range of retailers



	%
Hypermarket	33.8
Fashion	24.9
Home Goods	7.3
Sport	5.6
Food – Restaurants	5.5
Telecom & Electrical	5.3
Health & Beauty	4.2
Services	4.0
Shoes	2.8
Cinema	1.7
Department store	1.3
Gifts & Jewellery	1.3
Books & Toys	1.0
Non-retail Assets (Office/ Residential/Hotel)	0.9
Systembolaget	0.5

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

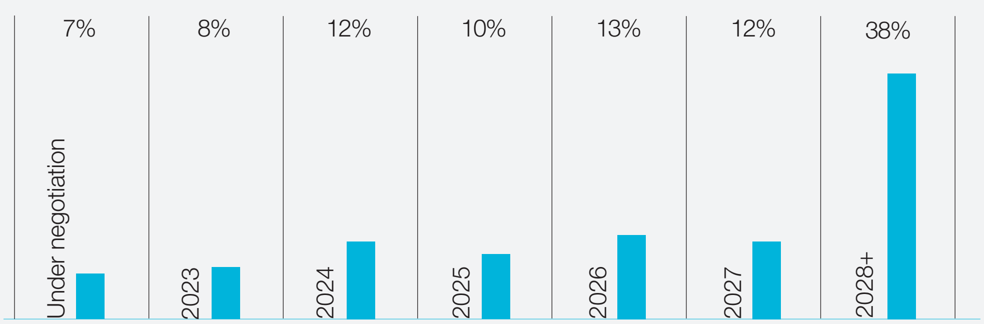
Top 20 retail tenants

% of total Eurocommercial rental income

1	INDITEX	4.0%	11	coop	1.1%
2	H&M	3.4%	12	LEROY MERLIN	1.1%
3	Carrefour	2.1%	13	PRIMARK	1.0%
4	fnac	1.7%	14	Etam	1.0%
5	GALERIA INNO	1.6%	15	coin	1.0%
6	MediaMarkt	1.5%	16	SEPHORA	1.0%
7	MAXI ICA STORMARKNAD	1.4%	17	celio*	0.9%
8	OVS	1.4%	18	Stora coop	0.9%
9	Varner Retail	1.3%	19	Casino	0.9%
10	THOM	1.2%	20	BESTSELLER	0.8%

Lease expiry profile

As % of rental income



Retailer relationships

“Our retailers continue to demand space in our shopping centres, resulting in very low vacancy levels. Last year we saw particularly strong activity in the lifestyle and F&B sectors after the completion of several recent projects.

Valeria Di Nisio
Group Leasing Director

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

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

We have continued expanding our F&B offer at I Gigli, Florence

Feature

Food and beverage sector

Interview with Valeria Di Nisio, Group Leasing Director

Having been severely impacted by government restrictions during the COVID period, the F&B sector has now fully recovered and is expanding with a range of new brands, concepts and formats. Valeria Di Nisio, Group Leasing Director, discusses the evolution of F&B in Eurocommercial's shopping centres.

Let's start with the numbers, on average how many restaurants are there in your shopping centres?
For the large centres that we define as flagships, the number of restaurants considered as destinations normally range between 25 and 30 units, and typically represents around 8% of the overall gallery floor space. In our smaller suburban, hypermarket-anchored shopping centres where F&B is considered more of a service activity, the number varies from between 8 to 15 units. These criteria allow us to establish and control the right mix, also taking into account the overall F&B offer and provision already present in the surrounding commercial area.

What recent F&B developments have you seen in Italy?
We have recently completed F&B projects in our three Italian flagships, Fiordaliso and Carosello,

I Gigli opened the first All'Antico Vinaio in a shopping mall

Retailer relationships (continued)

At Carosello, Milan we completed the restyled Corte del Gusto

both located in Milan, and in I Gigli, located outside Florence. We have also recently carried out projects in two of our suburban, hypermarket anchored centres, CremonaPo and Curno. The common denominator in all these projects is the increasing importance of the F&B offer as a destination which, arranged in a modern food hall concept, provides dynamic and high quality finished spaces in terms of setting and design, repositioning F&B as a central pillar of attraction, increasing footfall and dwell time. The food hall is where the social experience of pleasure and food combine, orientated around the customer, with the provision of a greater variety of brands and services, some of which are debuting on the shopping centre market.

At Fiordaliso, Fiordafood introduced a further nine restaurants

Can you give us some examples of F&B concepts, services and offers which were introduced?

The refurbishment of the CremonaPo food area completed in November 2022, allowed us to completely revitalise the first floor of the shopping centre, including the existing cinema complex, retail and other commercial areas. The concept design enabled us to extend the overall F&B area, increasing the seating to around 360, thus repositioning CremonaPo as the most significant restaurant destination in the surrounding locality. At Carosello, in September 2022, we completed and reopened the restyled Corte del Gusto, focussing on the use of sustainable materials and reorganising the food hall to provide an additional 40 seats, taking the total to over 500. We introduced comfortable spaces dedicated to work and relaxation and provided facilities and recreational areas for families and children. As part of the wider refurbishment and extension of Fiordaliso, we designed "Fiordafood", a 5,000m² food hall. This project, which completed the food offer, resulted in a total of 34 restaurants and bars and saw the introduction of important national and international restaurant brands including Wagamama, Calavera, Giustospirito, Kebhouze, KFC, Bar Coppitello, La Piadineria, Rana, Almaki and Signorvino, joining existing restaurants in the centre including Smokery, Billy Tacos, Old Wild West and I Love Poke.

At I Gigli located outside Florence, after successfully experimenting with the opening of the first Mercato Centrale in a shopping centre, we opened the first "All'Antico Vinaio" in a shopping mall, designed in the form of a food kiosk, together with local, high quality restaurant operators Pompi the kingdom of Tiramisu, Da Saba, Umi Sushi and Fattorie Garofalo.

What F&B projects have you recently completed in your other markets?

In France, at Passage du Havre, our prime central Parisian gallery located next to Gare Saint Lazare and linking with the famous "Grands Magasins", we created a public open-air garden adjoining the mall where customers can relax, take a drink and eat food, while surfing the web or meeting with friends in a comfortable environment in the heart of the city and

Les Trois Brasseurs restaurant at Shopping Etrembières

Retailer relationships (continued)

The newly refurbished food court at Ingelsta Shopping

supporting our restaurants including Starbucks which was recently refurbished, Pret a Manger, Maison Pradier and Yogurt Factory. At Shopping Etrembières, our French centre located next to the Swiss border outside Geneva, we developed and opened a 1,600m² purpose-built and designed F&B property adjoining the shopping centre. We created two units: the restaurant and micro-brewery Les Trois Brasseurs and "Il Ristorante", traditional Italian cuisine, which both enjoy terrace dining with panoramic views over the Alps, and which complement the existing retail tenant mix. In Centr'Azur, Hyères, a 900m² space hosts four thematic restaurants with open terraces including Pitaya, Ben Burger, L'Ostréa and Les Fromentiers.

Baked & Grill restaurant at Grand Samarkand

In Sweden, we recently refurbished the food court at Ingelsta Shopping, Norrköping improving the old, cramped layout which had insufficient space, seating and facilities for our three restaurant operators to fully develop their buffet concepts. The new layout provides more rational and efficient space for the restaurants and customers with improved sight lines that improve the brands' visibility. At Valbo, located outside Gävle, we have commenced our 1,000m² extension project which will be completed during the autumn 2023. 700m² are leased to two strong Swedish F&B concepts, Chilli & Wok and Baked & Grilled, and will also include Subway, while the Espresso House unit will relocate from its current location into the extension. After completion of the project, the F&B offer will be considerably strengthened in the centre providing over 2,000m² dedicated to the sector.

Are there parallels in the F&B sector between your four markets?

In Italy and France, food is perhaps more of a cultural and social experience. It works very well throughout the day and into the evening, and integrates particularly well with late shopping and other leisure and entertainment activities in the shopping centres, including cinemas. Food culture is different in Sweden, where the focus is generally on hot lunches, often served buffet-style in a short, defined period in the middle of the day and where evening dining in shopping centres is rare. We have successfully established the two main national restaurant chains, Chilli & Wok and Baked & Grill in the majority of our Swedish centres, where they are supplemented by strong coffee shop concepts, Espresso House and Wayne's Coffee.

Finally, looking at the evolution of F&B formats, what trends do you observe in terms of product, experience and service, also in a digital key?

The new concepts that we observe at an international level are increasingly associated with experience, are highly digital and very attentive to food safety, supply chain traceability and the values of the food provided for customers. Food as part of lifestyle interacts with digital technology and is represented by these restaurant concepts. Shopping centres providing engaging experiences integrated with entertainment or edutainment projects, are becoming important spaces for their communities looking for changes in consumer styles and customer relationships. New solutions arise both as a hybrid of existing formats but also in terms of digital functions with integration of delivery, designated waiting areas for delivery drivers, the presence of automatic lockers and take away formulas linked to dedicated services such as time parking. Order kiosks and multi-ordering are now consolidated realities, and food court marketing has become a strategic driver, capable of linking old and new communication, promotion and service activities.

Above
Ingelsta Shopping. Chili & Wok have successfully established in most of our Swedish Centres

Left
The strong coffee shop concept Espresso House at Elins Esplanad, Skövde

Retailer relationships (continued)

Changes in Retail Trends

Constant research and open communication with tenants and customers enable us to anticipate changes in consumer preferences and quickly respond to them by adapting our retail offer, adjusting our tenant mix or remodelling our centres. Two recent changing retail trends have been the expansion of the low price/value retail sector and, at the other end of the spectrum, the increasingly popularity of lifestyle fashion.

Inside the PepCo store in CremonaPo

Low price retail

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

In the household sector, Clas Ohlson are continuing their expansion throughout Sweden where they have well over 100 stores and are established in six of our shopping centres in units of around

IKEA's studio concept in Grand Samarkand

1,400m². Flying Tiger Copenhagen also continue to expand with their interesting and diversified retail assortment in stores of around 250m². The Chinese low cost retailer, Miniso have just opened in Fiordaliso in Italy with their first store in our portfolio. We have also recently seen IKEA establish their studio concept in Grand Samarkand, Ingelsta Shopping and Hallarna, taking well designed units inside shopping centres. We are also in negotiations to open the new concept in Italy.

In the health and beauty sector, the Danish retailer Normal continue with their rapid expansion, now taking larger units of up to 600m². Normal have established in six of our suburban Swedish shopping centres but also perform very well in prime city centre galleries, proving very successful and popular in Passage du Havre, in central Paris where they established two years ago.

Normal successfully established in Passage du Havre, Paris

In the fashion sector, Primark, who are already well established in France and Italy, are now considering expanding into smaller cities, being more flexible on size requirement and considering smaller store formats. In the young fashion arena, the German retailer New Yorker are performing very well in our Swedish centres, including Valbo, Grand Samarkand and C4 and also in France, where they opened in the extension at Grand A as well as in Italy where they recently opened in Fiordaliso. Although neither Primark nor New Yorker have an established online platform, a common characteristic of the value retail model, they are very important destination retailers, generating very strong levels of footfall.

Finally, in the grocery sector value retailers including Aldi, Lidl and Willys are rapidly expanding and are performing particularly well in the current economic climate, taking market share from larger, more established national chains whose own response has been to focus more on fresh food and their own brands, reducing their non-food assortment.

German retailer New Yorker in Valbo, Sweden

Primark store at I Gigli

Retailer relationships (continued)

Lifestyle

The pandemic was a catalyst for the rapid growth in lifestyle fashion associated with sport, physical exercise and recreation. The lockdowns saw strong sales in sporting goods and equipment with the popularity of outdoor, individual sport activity and home workouts. In our portfolio, during the pandemic, we saw outstanding trading performances from our traditional sport retailers including Stadium, XXL, Intersport and Decathlon.

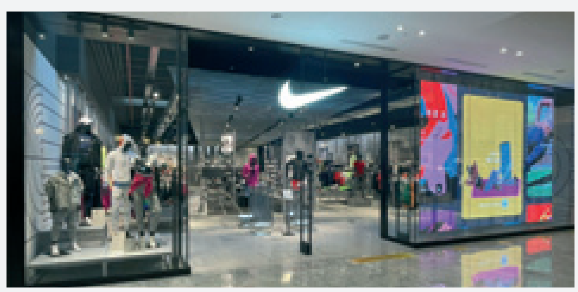
While traditional fashion and shoes sales were sluggish during the pandemic, the demand for branded sport fashion, leisure and footwear (trainers) increased and has since remained strong. A good example was the success of our redevelopment of the first floor at I Gigli which was completely remerchandised to provide a new lifestyle and retail destination anchored by Adidas, Nike Store and JD Sports. At Fiordaliso, where we recently inaugurated the new North Mall extension, we welcomed several international and national sport brands including Adidas, JD Sports and Game7, while the Italian brand Mascheroni, a high-end multi-brand sportswear store opened in the former Gap unit in the West Plaza.

The new North Mall welcomed several international brands

Nordic Wellness at Bergvik

Stadium remains the largest and most important sports store in Sweden, concentrating more on sports fashion and footwear, and are present in all of our seven shopping centres. Specialist sport footwear brands such as Footlocker are also expanding, including French brand Courir who have also recently opened in Woluwe Shopping in Brussels and are now looking to enter the Italian market. The German brand Snipes have just opened in Cremona Po in Italy with their first store in our portfolio. Blackstore, the Intersport owned fashion and lifestyle multi-brand opened successfully in Les Atlantes, Tours where KA Fitness has taken the unit originally let to Easy Gym which had opened in September 2022. This follows a growing trend of gyms taking units in shopping centres, and in Sweden, Nordic Wellness the main west coast fitness operator opened successfully in both Elins Esplanad and Bergvik, providing variety to the tenant mix and proving a popular service to the local community. We are also currently in negotiations with gym operators to establish themselves in three of our shopping centres in Italy.

JD Sports at Fiordaliso

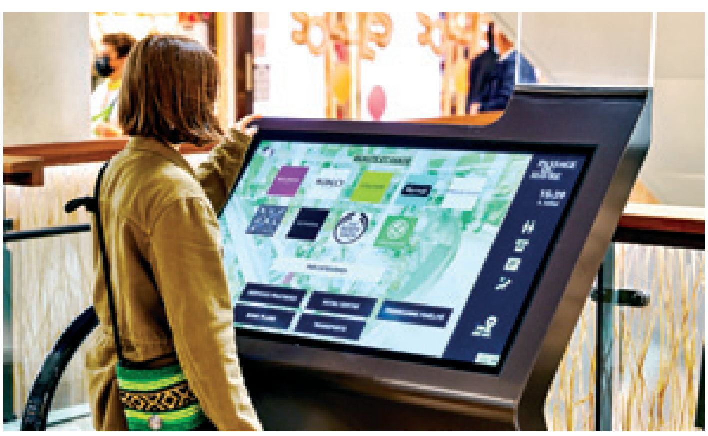


Nike store at I Gigli

Digitalisation

In the past years Eurocommercial has stepped up its digital approach, especially at a local level, with numerous initiatives being undertaken in the different countries and at multiple levels. This enabled the Company to build up relevant experience and acquire important information on how the retail real estate industry was approaching the digitalisation process. Eurocommercial used this knowledge to develop its Digital Transformation strategy, where the local approaches are fully integrated and supported at group level.

The Company clearly sees the important role that shopping centres are playing and will be playing in the omnichannel and integrated world and the role it is called to play with the different stakeholders to maximise the value it creates. Eurocommercial is also very well positioned, thanks to its size, the quality of its portfolio and its international expertise to quickly integrate digital in its overall strategy.



Above and left
Examples of digital experiences in our malls.

Digitalisation (continued)

Digital Strategy

1

Be the partner retailers want to be with

2

Be connected to our visitors

3

Be the place where people want to be

In our **digital vision** shopping centres are pivotal for retailers to satisfy consumer needs. Retailers need physical stores to deliver a frictionless, integrated and digital experience.

Our **digital mission** is to partner with retailers to deliver a seamless experience to clients, through strong locations, attractive spaces, well-known and loyal customer bases and an established digital infrastructure.

Stronger tenant relationships and investments in customer relations are key external drivers to implement our mission, while process digitalisation, data awareness and efficient and effective reporting are the key internal ones.

Our goal is to keep innovating our malls so that they can remain relevant to our consumers of all generations and backgrounds and satisfy their needs. The success will be measured on the basis of the attractiveness of our properties and the satisfaction of our stakeholders.

Our digital strategy evolves around three main pillars:

- Be the partner retailers want to be with;
- Be connected to our visitors;
- Be the place where people want to be.

Our strategy is part of an increasingly digital and fast-changing world, where consumers quickly adopt new technologies. Companies, and management teams in particular, are therefore challenged to respond to these continuous changes and need to be or become very flexible both in their strategy as well as in their culture to quickly adapt to the new environment.

The technological developments have a direct impact on our properties, on the way we manage them and on their future developments.

As a result of the use of 'Smart Technology' for buildings, the rise of the Internet of Things, A.I. and the evolution of the 'Mall Technology', the shopping mall has developed (and will develop further) into a digital ecosystem. Furthermore, digitalisation can help us achieve our goals and improve our reporting on Environmental, Social and Governance (ESG), for example in the transition to greener technologies or the proper identification, measurement, use and disposals of resources (i.e. metering systems etc.).

Be the partner retailers want to be with

In the last ten years, the advance of digital technologies has transformed the retailing landscape, enabling further digitalisation in the retail sector, with more and more channels being developed to the benefit of consumers. Customers can move freely among different points of sale (physical stores, online, mobile devices, social media etc), all within a single transaction process.

From the retailers' point of view, the introduction of new digital channels and points of sale creates new opportunities, enabling them to reach more customers more frequently to increase their sales, but it also poses many challenges and requires changes to their traditional business models. Retailers are forced to rethink their strategies and, consequently, the role and format of their physical stores: from being the only point of sale to being one of many, from collection points to experience hubs.

This does not mean that stores have lost their relevance, but that their function has changed, with one of the consequences being that there will probably be less stores, but of a higher quality. Experience is the most important part of the shopping journey and it happens physically, in stores.

Retailers are our main customers and we share with them the most valuable asset: (potential) clients. Our goal as a property company is to enhance the shopping experience so that visitors are more engaged and our galleries offer the best performance for our retailers. We therefore seek to partner with our retailers (i.e. align our approaches and strategies), provide them with attractive space, continuous feedback, digital services and, where possible, data sharing.

From supporting (new) retail formats, to integrated retail

In our vision shopping centres play a pivotal role for retailers to satisfy consumer needs. Our role is to support our retailers in the identification of opportunities and to work together to exploit them.

From regular tenant surveys to continuous communication and data partnership

By introducing digital services in our contacts with tenants, the communication and the information flows can be further improved. The aim is to make communication with retailers quicker and more effective, as it is a driver of satisfaction for our retailers and their staff.

Be connected to our visitors

Our shopping galleries see millions of visitors every month, each representing a data source consisting of an experience, a desire, a need and/or feedback to be received. Our visitors are of all ages, but particularly the younger generations expect an increasingly digital experience. This provides us with many opportunities to gather GDPR compliant data about them, which we can use to learn about their desires, preferences, behaviours and needs. This valuable information can be used to deliver a more unique customer experience, provide the right services and, most importantly, support the investments decision-making in our assets (i.e. capex and contributions).

Consumers are the lifeblood of the business and to understand them better is the best way to engage, inspire and connect in a meaningful and valuable way. Today, customers expect relevant content in relation to what they are doing anytime, anywhere and in the format and on the device of their choice. In order to keep up with this “always-connected” customer and to deliver them a relevant customer experience, businesses must embrace technology.

From desk research to visitor analysis

We are in continuous contact with our customers to gather data and provide them with better services. Our goal is to engage further with them by building a phygital space for continuous interaction.

From surveys to building a consumer relationship

In the customer journey, multiple moments of interaction between a customer and a brand or service can be identified. Most touch points are either digital (like Wi-Fi, loyalty cards, advertisement screens etc.) or physical (like shop assistants, welcome desks, etc). Through all these different touchpoints we can collect personal data from our visitors and actively interact with them.

Be the place where people want to be

Digital transformation is the integration of digital technology into all areas of a business, resulting in fundamental changes in how a business operates and the value they deliver to their customers. By digitalising our galleries we reinforce the role of our centres as cornerstones for their local communities.

Digitalisation (continued)

From providing services to a tailor-made experience

In our shopping centres we provide a wide range of (digital) services to satisfy the visitors' needs and enhance their experience. To further enhance the customer journey and experience, we aim to provide our visitors relevant digital content which is based on information and data already collected and can be provided through digital screens, social media platforms and channels.

From shopping centre to community destination

The primary purpose of our properties has always been to act as a shopping destination, however, we believe that they serve a broader purpose as community destinations. People visit our properties not only to shop, but also to socialise, interact, share and experience.

CUSTOMER JOURNEY IS CENTRAL TO DIGITAL TRANSFORMATION

Malls → Visitors → Data

From desk research to **visitor analysis**
From surveys to **building a consumer relationship**

MORE VISITORS, MORE LOYALTY, MORE SPENDING

Communities and our customers

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

Ilaria Vitaloni
Head of Research

With the changing customer journey, our communities have changed and continue to change in terms of their composition, geography, values, lifestyle choices and needs. This has also led to changes in the way we engage with those communities which through social media can be built on participation through a continuous, two-way communication as new communities are established around data partnerships.

We aim to be a role model and driving force in our communities by uniting and supporting people, and through the creation of community spaces (online and offline) we provide opportunities for different groups with common interests to meet, socialise, share and discuss their experiences, promoting engagement around the shopping centre brand. We can also respond to community needs by providing them with the best possible levels of relevant retail, services, amenities, support and experiences.

Identifying customer needs and interests

Customer surveys

Understanding the needs and interests of our customers and the communities in which they live, and responding to their changing retail behaviour is pivotal to our success. Research remains an integral part of our business and we use a variety of tools to collect data through desktop analysis, customer surveys and other touchpoints both in the shopping centres and online. Comprehensive data analysis provides us with a more informed and better understanding of our catchment populations, which we use to prepare and support our marketing plans, tenant mix choices and refurbishment projects.

During 2022, we conducted more than 8,000 face-to-face interviews, focussing on customer satisfaction. With the pandemic over, it is increasingly important to understand how customer behaviour and expectations have changed, and how we can fulfil them. We completed 11 customer surveys across our markets which demonstrated a positive increase in levels of appreciation from the customers with increased average satisfaction scores in all the centres sampled compared to previous studies.

Recruitment initiative at Grand A, Amiens

Communities and our customers (continued)

Digital data collection

Engaging with customers and municipalities has become easier through digital transformation. We have introduced new technologies to track our customers and identify the variation in clusters from different areas within a catchment. Using this data, we can measure the impact of targeted marketing campaigns in specific neighbourhoods. During 2022, we collected data from our customers more systematically and included them in our extended Customer Relationship Management (CRM) project.

Monitoring tools to evaluate engagement

Data enrichment campaigns and loyalty programmes are used to improve data collection and the information gathered assists us to provide services tailored to the communities we serve and also customise touchpoints such as newsletters and websites in order to make them more relevant for the customers. These data provide insights on the needs and interests of local communities and enable us to offer the right goods and services, utilising the local talent pool and resources as much as possible. Responding to these communities and the changing customer journey is important as our shopping centres evolve and partly operate as community hubs and important social meeting places, providing interesting, innovative retail products, services and amenities.

Job forum at MoDo to inform and guide job seekers

Supporting young entrepreneurship in our shopping centres

Targeted communication

In Sweden, our creative concept Smakrådet ("Taste Council"), a group of "internal experts" or ambassadors, who represent the shopping centre within their field of expertise, designed with the Berghs School of Communication continues to thrive. Following the initial pilots at Elins Esplanad, the campaign is now being rolled out in all our Swedish centres. The partnership has helped to successfully develop new communication concepts and strategies for our social media channels, giving our centres a personality and tonality which creates a higher degree of commitment and interest in our communication with the help of internal influencers.

Supporting our communities

We identify and form partnerships with local associations to provide services and events which support our communities. Our French shopping centres' websites have sections dedicated to advertising local employment opportunities. Recruitment events are arranged on a regular basis in our shopping centres, such as Shop ton Job in Grand A, which facilitates the meeting of candidates with retailers providing employment opportunities in the shopping centre and with local companies in the Amiens region. In MoDo, the organisers and partners of Les Jeudis de l'Emploi forum provide information and guidance through presentations, training courses and personalised support for job applicants, focussing on a different sector each month. Many of our shopping centres provide flexible working facilities and meeting spaces to support local businesses.

Actively supporting young entrepreneurship has encouraged new brands to develop their products in our centres, and in Taverny we successfully hosted an event organised by two prominent French organisations in diversity and enterprise (Association française des Managers de la Diversité and Mouvement des Entreprises de France). Every year, in partnership with Junior Achievement (Ung Företagsamhet), a non-profit organisation supporting young entrepreneurs, our shopping centres in Sweden welcome students aged between 16 and 20, providing them with the opportunity to exhibit in the mall.

While supporting younger members of the communities we serve is important, acknowledging other age groups and the contributions they make to these communities is equally as valuable. In Valbo, Sweden, the elderly community is growing. Seniors are regarded as ambassadors to the centres and provide great insights. It is therefore important to engage positively with this demographic who values great customer service and personal contact as well authenticity and relationships.

The Pensioners' Association in Gävle has a long history of selling lottery tickets in Valbo. In connection with the complete renovation of Valbo, Eurocommercial invested in developing a new lottery stand to support the local Pensioners' Association and to strengthen the senior community in the local area.

The lottery stand in Valbo is also a natural meeting place for the elderly, where they often gather and socialise. It also promotes the natural meeting between the generations.

The new lottery stand at Valbo in support of the Pensioners Association

Communities and our customers (continued)

The Art for All initiative at Woluwe Shopping

Entertaining and engaging with our customers

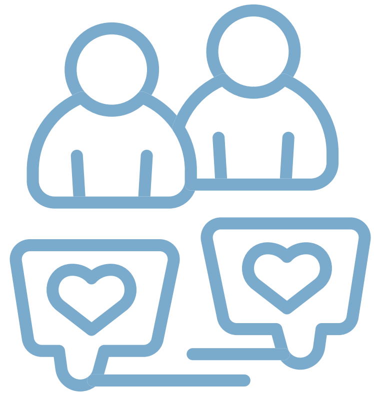
With the lifting of the final restrictions at the beginning of the year, our shopping centres were at last able to organise and stage uplifting and entertaining events again. Our marketing teams worked relentlessly to put in place creative activities for customers and local communities, including art projects such as Art for All at Woluwe Shopping, a collaborative artwork project between Eurocommercial and Belgium Luxembourg Council of Retail and Shopping Centers (BLSC), combining art and sustainability. Members of the public were invited to drop off their old clothes which were then entrusted to Les Petits Riens, a charity organisation which sorted and integrated them into their recycling circuit. Unrecyclable fabric was incorporated into large collaborative works of art initiated by artist Francois Coorens, creating portraits of three prominent Brussels stars: Angèle, Stromae and Damso. This sustainable clothing drive with a creative impulse proved very popular and the project was shortlisted in the BSLC Marketing Awards.

Passage du Havre celebrated the summer with music

Adorned with colourful flowers and paper lanterns, Passage du Havre celebrated the summer with a series of live performances from French artists in its beautiful garden, while at Taverny, the drive-in cinema which proved so popular in 2021, once again attracted large family audiences. In November, Passage du Havre again partnered with Theatre Mogador for a special performance of The Lion King.

In the lead up to Christmas, many of our centres organised events for children. Saint Nicolas in Woluwe Shopping greeted young children and imparted a sense of magic and wonder for young and old in the centre.

The drive-in cinema at Portes de Taverny



The Lion King event at Passage du Havre

In Italy, Fiordaliso was awarded the Guinness World Record for the largest Spritz aperitif to be created. The event at the end of June was attended by over 4,000 people who enjoyed being served the 1,030-litre cocktail and received wide press coverage.

Fiordaliso awarded Guinness World Record for the largest Spritz aperitif

In Curno, visitors to the shopping centres were able to enjoy live music events on Friday evenings in June, July and August. These events aimed at stimulating footfall were hosted within Le Cucine di Curno, the shopping centre food court. Promoting local bands playing live music, these events provided some welcome entertainment for members of the community keen to resume normal and unrestricted activities after the pandemic.

Cremona Po acted as a social hub during the weekends in November with entertainment, including DJ sets, hospitality and the provision of relaxation areas and settings designed for Instagram opportunities.

A summer of music in Curno

Promoting healthcare and wellness in the communities

Our shopping centres continue to promote healthcare and well-being in their communities, contributing in a variety of ways. The diversified range of services provided in the centres includes dentists and doctor's surgeries supported by physiotherapy and rehabilitation facilities. At Grand Samarkand, Sweden, a dentist practice opened at the end of last year in unoccupied ancillary space above the shopping centre.

The staff at the new dental practice in Grand Samarkand

Communities and our customers (continued)

International Childhood Cancer Day at C4

During the pandemic several centres became a focal point for the vaccination programmes in their communities, and some now partner with local and national associations to raise disease awareness, including the campaign Pink October, for breast cancer awareness, and colon cancer in association with the League Against Cancer in France, and International Childhood Cancer day at C4, in Sweden, an event supported by the performance of local star, Eva Jumatate. In CremonaPo and Collestrada, Italy, the Lions Club sunglasses collection and free diabetes screening helped to raise awareness of diabetes-related blindness. The Lions Club International is a philanthropic association which has been supporting the fight

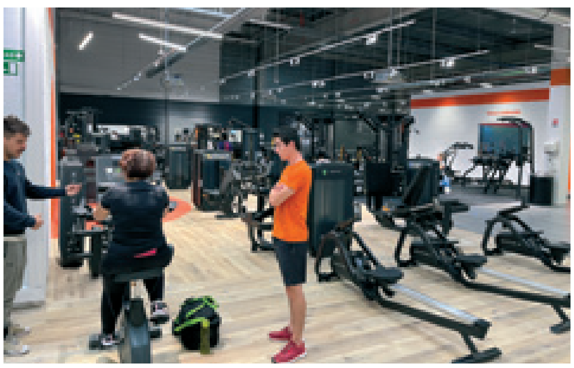
The Lions Club International has been raising awareness for vision impairment in CremonaPo and Collestrada

Pink October raises awareness for breast cancer at Passage du Havre

Passage du Havre's Pink October campaign

against visual impairment and blindness caused by, among other causes, diabetes. As our shopping centres Collestrada and CremonaPo became collection points for used eyewear and sunglasses, they also became centres dedicated to medical prevention throughout the year providing diabetes, deafness and osteopathy screenings. Collestrada organised free blood sugar testing in November with significant participation and appreciation from customers. CremonaPo provided free diabetes screenings in the mall in November, with the help of over ten volunteers, five doctors, nurses and nursing students as well as hosting a conference organised by the Lions club and the Cremonese Diabetic Association which was well attended by students from IIS Torriani and local representatives.

Physical activities within the community are encouraged with programmes and events to raise awareness of the benefits of physical and mental health, while bringing people together to engage and share their physical, recreational and sporting interests. At Ingelsta Shopping, the annual Football Festival is always a great success with young people interested in the sport. Together we have created the Fair Player award system, which rewards young people as "Fair Play Ambassadors" to promote good sportsmanship on and off the football pitch.



Inside the new KA Fitness at Les Atlantes

The Nordic Wellness gym at Bergvik

I Portali hosted the Sports Festival

In Grand A, many sporting events including football and hockey took place during the year, while in Centr'Azur, partnerships with the Hyères Football Club, the Sporting Club of Toulon and the Hyères Volley Club provided sport enthusiasts with a variety of events in which to participate and enjoy. In other French centres, the focus was on rugby, waterpolo and basketball. In Belgium, Eurocommercial and Woluwe Shopping are planning to enter into a sponsoring partnership with the Racing White Woluwe football club and La Rasante hockey club during 2023. Many shopping centres now provide modern fitness centres and gyms with the recent openings by Nordic Wellness at Elins Esplanad and Bergvik in Sweden, while in France KA Fitness have recently opened in Les Atlantes, Tours.

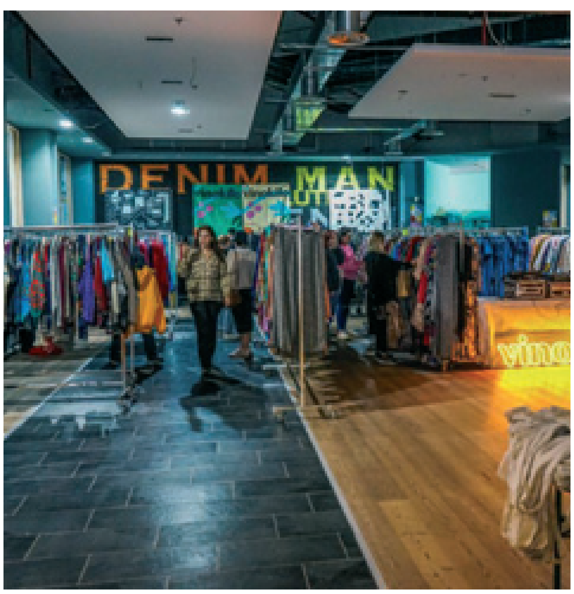
Communities and our customers (continued)

A judo class during the Sports Festival at I Portali

During September 2022, I Portali and the municipality of Modena hosted the "Sports Festival", a week dedicated to a wide range of sporting activities, providing energy and fun for the community while highlighting the spirit and positive values of sport. Many sporting disciplines were showcased including volleyball, karate, handball, dance, judo, fencing, yoga, pole dancing and muay thai and many others. The various sports associations hosted demonstrations and mini tournaments in stations located outside the centre turning it into a real Sports Village. A total of 18 associations were involved in the event, encompassing 40 sport activities with 500 participants. The local Modena sport community responded well to the event with over 1,000 visitors, confirming the attraction of this type of events for the future.

Communities that care

As communities become increasingly aware of our environmental challenges, we provide education and activities for them to engage and learn in a positive and productive manner. At Woluwe Shopping, in Brussels and in Les Atlantes, France we are testing a scheme with Second Life, an online platform to give second-hand objects (electronics, apparel, furniture, etc.) another life. In November, CremonaPo hosted Vinokilo, Europe's leading shopping concept for old and second-hand fashion. Passage du Havre, Paris, had a collection of clothes for recycling converted into donations to the Restos du Coeur, a charity organisation appealing to volunteers supporting the most impoverished sections of society through the provision of soup kitchens.



Vinokilo's leading concept in old and second-hand fashion

Vinokilo store in CremonaPo proved popular with sustainability conscious shoppers

Beekeeping in urban landscapes creates sustainable initiatives that inspire communities to care for the environment and learn about the importance of biodiversity. In July, we started hosting two bee colonies on the roof of Woluwe Shopping in partnership with Alvéole, an international company which installs beehives in cities, tracks them and provides education on the life of bees. We organised guided tours for our customers and retailers, including workshops in the autumn where they could take away the product of their harvest. This provided a unique and inspirational experience, both meaningful and educational, while improving the environment that we all share.

In Italy, Collestrada shopping centre showed its support in the project "Ogni ape conta" by hosting a "Bee Hotel" in the green areas of the centre in July 2022. The project, which is a collaboration between Coop, LifeGate and the University of Bologna, was launched to support environmental biodiversity with the identification and promotion of good practices for the welfare and protection of bees. It involved the Coop fruit and vegetable production chains while raising awareness among food producers and farmers on the importance of bee pollination for the safeguarding of biodiversity and environmental sustainability. Visits from local schools were also organised in October involving the Colly mascot as brand ambassador of all ESG activities of the centre.

Beehives on the rooftops of Woluwe Shopping

Bee Hotel at Collestrada

Communities and our customers (continued)

On the occasion of the European Sustainability Week, Il Castello shopping centre hosted a weekend event to promote sustainable mobility in partnership with Estense Motori, Auto Po Group, car sharing Corrente, with exhibitions of the latest electric car models and free test drives. The successful event received great feedback from the car dealerships and visitors with almost 90 test drives and 60 car rentals, confirming that sustainable mobility is a serious and heartfelt consideration for our communities.

Donations from customers including clothes, food and toy collections, food banks and restaurants are linked to the involvement and support of local and national charity organisations, including the Red Cross, Secours Populaire and Restos du Coeur. Community generosity reaches far beyond national borders, as demonstrated by the response and support in all our markets earlier this year for the Ukraine appeal . Our Swedish teams, centre managers and local representatives were on site supporting their partner, UNHCR, in their fundraising.

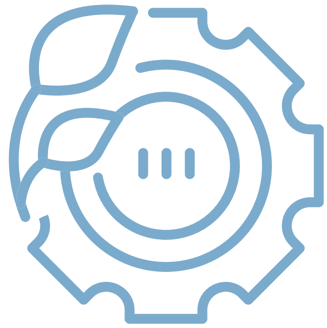
Ukraine appeal in Sweden with UNHCR

European Sustainability Week at Il Castello promoted sustainable mobility

Engagement through trust and loyalty

Increasing our customer base is an important component of our shopping centre business, providing them with a broad and varied range of goods and services. We reward our customers for their loyalty with:

- Customer incentives: welcome offer, cashback, kids entertainment and many more other services such as loyalty cards.
- Several loyalty programmes including: The Win Win programme at Passage du Havre, Grand A and Les Atlantes, which rewards customers with cashback based on the purchases they make in the centre. The automatic payment detection is backed by Banque de France and is subject to the same rigorous security checks as a bank. In Italy, Gigli Pass and Curno Piu have increased brand awareness of the centres while in Sweden, Hallarna Plus is the first customer app launched in Sweden. These programmes also serve as important data collection opportunities, providing invaluable information on the customer journey.
- We have also made available shopping centre gift cards in the majority of our centres.



Supporting our tenant communities

During the pandemic, we launched the Eurocommercial Retail Academy® online platform as an extension of the physical events of the pre-COVID 19 period. This enabled our retailers to continue providing sales and customer service training to their staff with the help of videos and questionnaires, with over 1,200 participants enrolled during 2022, and graduating with a diploma. We are making improvements to the programme's internal communication and content, with the aim to provide a feedback platform and more detailed reports for internal discussions between store managers and employees, and in due course the implementation of instore training modules.

At the end of 2022, seven of our centres have rolled out the Eurocommercial Retail Academy. In 2023, we are planning for an additional eight centres to be included in the programme: 3 in France and 5 in Italy. In 2022, we carried out tenant surveys in all our four countries of operation with the support of the CFI organisation. Professor Claes Fornell, founder of the CFI group, developed at the University of Michigan a specific model to evaluate customer satisfaction, which is largely recognised and used worldwide by important institutions such as ACSI (American Customer Satisfaction Index) representing the only cross-industry measure of the U.S. economy.

The previous surveys had taken place before the pandemic. In Woluwe Shopping, the last survey was carried out when we acquired the centre in 2018 and the received scores had then revealed that tenants were not happy with management of the centre, where they did not perceive the landlord as a business partner.

For this reason, workshops were held with the retailers and the store staff to understand the difficulties they had and to find ways to resolve the issues. After four years, with a new centre management team, new tools implemented such as a tenant communication app, more moments to share and exchange and a more open, trustworthy relationship with our tenants, we finally see the impact in their satisfaction.

All scores increased on average by 10 points, with some exceptional results achieved in internal information, management of daily issues and unexpected disturbances.

The centre is now definitely recognised as a pleasant, safe and secure environment, appreciated for its efficient management including marketing, engagement on environmental issues and we, as landlord, are considered competent and active business partners.

The Retail Academy graduates

Communities and our customers (continued)

Community identification and engagement

Case study:

The Chinese Community and I Gigli
Prato has nearly 5,000 Chinese businesses and the largest Chinese community in Italy and the third largest in Europe behind Paris and London, representing 20% of the primary catchment of I Gigli. In addition, nearly 20,000 Chinese tourists visit the metropolitan area of Florence annually. The Chinese community is very important for I Gigli, providing approximately 15-20% of the total footfall.

The centre is mostly visited by second and third generation Chinese and, in particular, millennials. At I Gigli, the brands most favoured by the Chinese are health and beauty stores, particularly perfumeries, but also brands including Zara, Bershka, Pull & Bear, Stradivarius, Zara Home, Calzedonia and Intimissimi as well as Primark and Panorama (hypermarket).

Above
I Gigli and its important Chinese community

Many retailers at I Gigli actively promote their brands to the Chinese community including Coin, MediaWorld, Sephora, Douglas, Kiko, Swarovski and Pandora, with stores recruiting Chinese staff. In order to engage with the Chinese community at I Gigli, Eurocommercial created a dedicated marketing team with the assistance and support of a Chinese community representative and consultant. Engagement with the Chinese community is carried out with various partnerships including:

- Destination Florence Convention & Visitors Bureau. Destination Florence, developed in partnership with the City of Florence, to promote the city as a destination for quality leisure tourism and to market tourist and cultural services.
- Welcome Chinese, a certification which demonstrates that the shopping centre is welcoming the Chinese community.
- Toscana Promozione, the Tuscan tourist office.

Engagement with the Chinese community at I Gigli is very important to us

We have entered into various partnerships in order to engage with the Chinese community

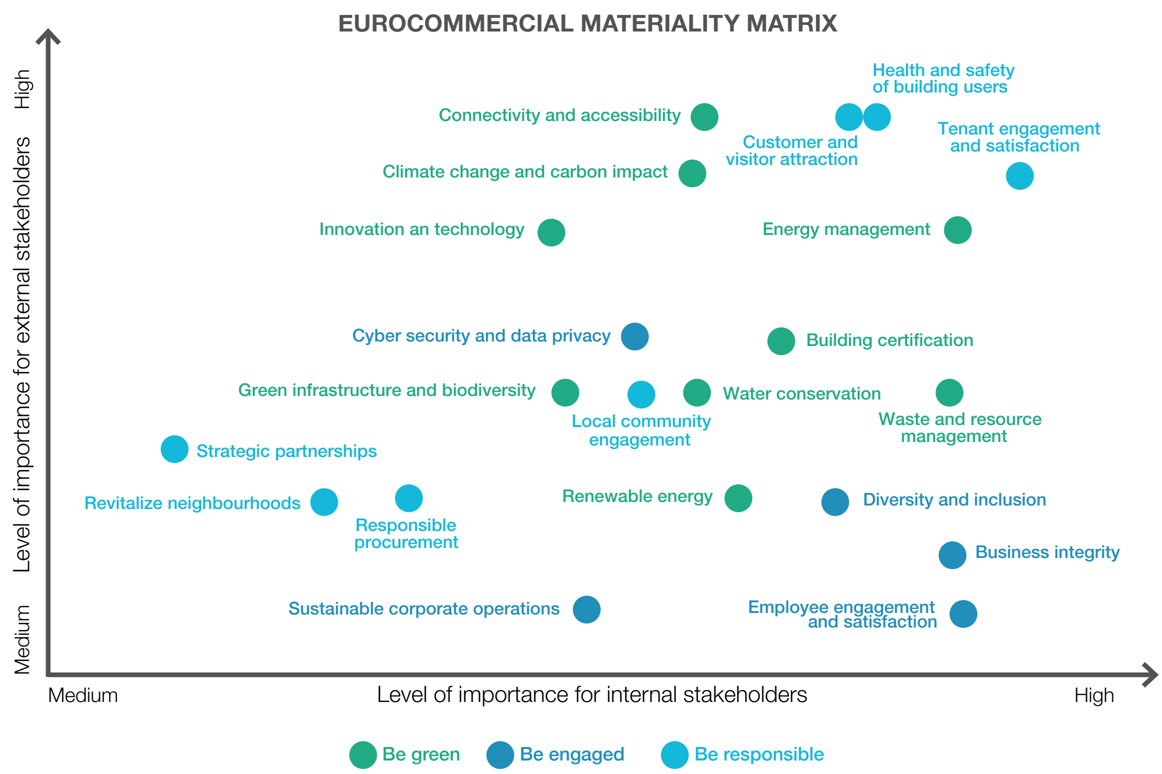
Environmental, Social and Governance

Our ESG strategy

At Eurocommercial, we recognise that building a sustainable and resilient business is the foundation for long-term success. Our ESG and business strategies are carefully aligned and we approach each business decision with a long-term view, supported by detailed research in order to evaluate its environmental and socio-economic impact. While each of our shopping centres presents its individual set of challenges and opportunities, we have developed a broad ESG vision and strategy to ensure that we can meet global challenges and the future demands of our customers, tenants and employees, while creating sustainable centres. Our ESG approach is centred 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.

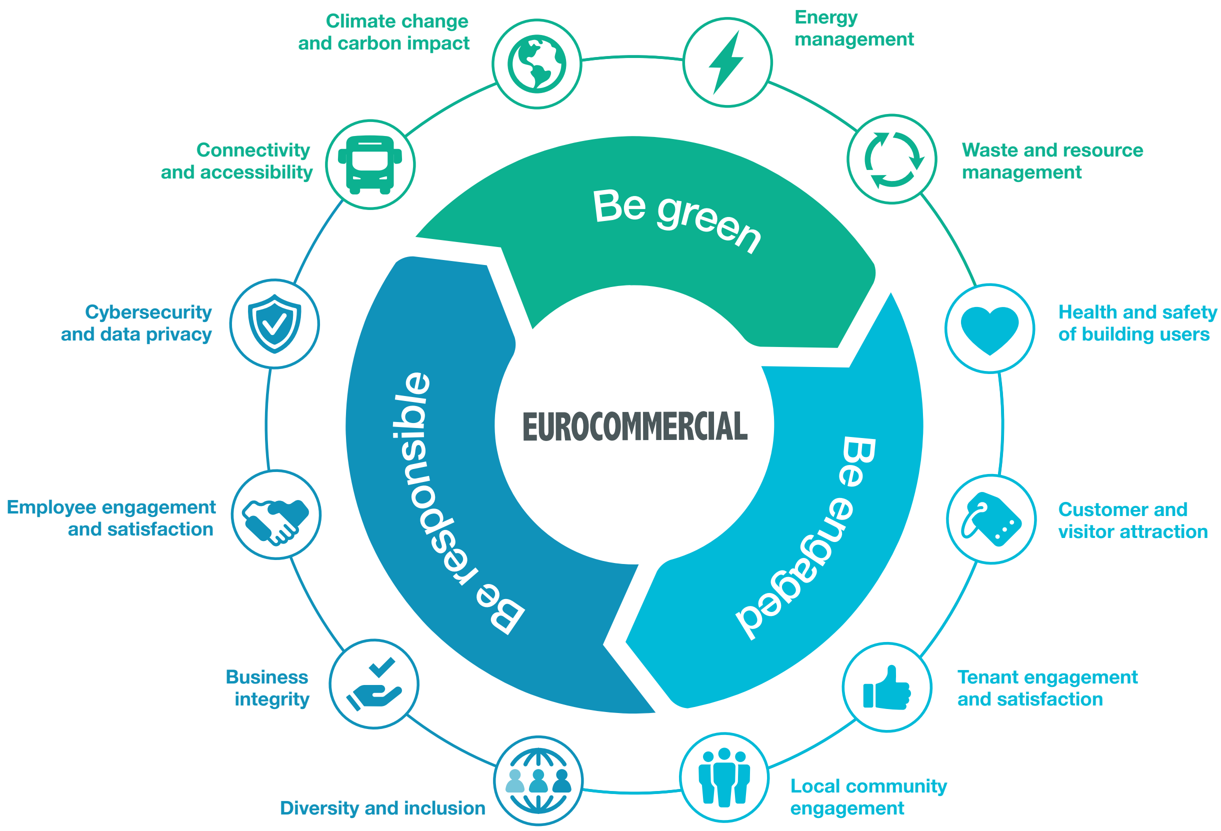
Materiality assessment

ESG applies to all aspects of our business operations. In 2020, we mapped out particular topics and targets in order to help us develop our business with impact while enhancing value. These clear objectives underpin our current strategy. The first step was to execute a detailed materiality assessment in order to thoroughly assess a wide range of ESG topics. We then selected which topics would create the most value for the Company and its stakeholders, while in line with the United Nations Sustainable Development Goals on the global agenda. We carefully examined the core components of our business strategy, progressing their integration with our ESG strategy over the short, medium and long term. An analysis among peers, data collection from different key stakeholders and in-house workshops helped develop a materiality matrix to determine the main ESG topics and their relative importance corresponding to the Global Reporting Initiatives (GRI) materiality principles. As we develop our ESG programme, we will continue to evaluate and revise it where appropriate and be ready to respond to new circumstances and opportunities as they arise.



Three strategic pillars

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



Eurocommercial ESG commitments

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

Environmental, Social and Governance (continued)

Why ESG matters for Eurocommercial

For the past 30 years, Eurocommercial has been committed to promoting ESG through various initiatives. We aim to benefit all stakeholders by investing in retail properties and fostering community gathering places. Our goal is to provide opportunities for entrepreneurs to connect with their target audience and generate income, resulting in sustainable financial returns for our shareholders.

Eurocommercial must strive for greater sustainability in the future for a variety of reasons. With the global population growing and the effects of climate change becoming more evident every day, it is essential that businesses make efforts to reduce their environmental impact and operate in a more responsible and sustainable manner. This is especially important for companies such as Eurocommercial, which owns and operates retail properties across Europe.

In addition to the moral and ethical considerations, increased sustainability could also bring numerous financial benefits. For example, energy efficient buildings cost less to operate and maintain, resulting in lower service charges for our tenants and higher net income. Moreover, corporate sustainability initiatives can improve a company's reputation and help to attract more customers and investors.

Overall, it is clear that improved sustainability is an important measure of Eurocommercial's future success. The Company needs to take action to reduce pollution, conserve resources, and improve efficiency in order to remain competitive and ensure long-term viability. With the right strategies and investments, Eurocommercial Properties can drive further growth and success.

Drivers for ESG	Description	Eurocommercial's management approach
Carefully monitor and manage ESG-related risks	Continuously assess potential risks and opportunities posed by climate change, which can affect our properties and communities. The investment community requires increased transparency regarding the potential financial consequences of climate change	In 2022, we initiated an evaluation of the potential climate change risks faced by the Company to effectively address any physical and transition risks. We plan to implement mitigation and adaptation measures and improve our internal policies and procedures.
	Maintaining health and safety and improving measures at our shopping centres is a priority. The indoor environmental quality has now taken on added significance due to the recent pandemic. It is important to continue to adhere to the highest standards for the comfort and well-being of our customers, tenants and employees.	At our shopping centres, we ensure that all Health & Safety requirements are met, and go further by investing in monitoring tools such as CO_2 meters to constantly check air quality inside our premises. Furthermore, we monitor our customers' comfort and satisfaction with their journey through our centre.
Efficient use of resources	Reducing operational expenses for our tenants to enable them to run their businesses at lower costs, while also offering energy-efficient, more sustainable retail spaces.	We have made considerable effort to achieve operational excellence leading to decreased costs and a reduced carbon footprint. Investments including solar panels, LED lights, upgraded Building Management Systems and advanced monitoring tools enable us to maintain reasonable energy costs and savings.

	As a responsible owner, we must offer shopping centres with efficient waste management, water conservation, biodiversity, material usage, sustainable transportation, etc.	Eurocommercial has achieved Green Building Certifications for its entire real estate portfolio. These certifications provide the teams with guidelines to regularly measure and compare assets in order to reduce carbon emissions, energy consumption, waste, conserve water, focus on using safer materials, and minimise pollution.
To comply with evolving regulations	European regulations provide a roadmap to a low-carbon economy which will require our organisation to improve transparency and comply with external reporting requirements (such as the EU Taxonomy and the Corporate Sustainability Reporting Directive).	We are taking proactive steps to improve our monitoring of our environmental and social impact and providing timely updates to stakeholders. We invest in smart meters in preparation for external verification of environmental data and include sustainability data in our business plans and quarterly reports.
	We adhere to stricter national and local environmental legislations and adapt our properties to comply with changing building codes that support the low-carbon initiatives of national governments and to improve energy efficiency in order to reduce carbon emissions and upgrade Energy Performance Certificates (EPC).	Our “Be Green” pillar provides a plan to decrease our carbon footprint and optimise energy use. Our goal is to be carbon neutral in all scope 1 and 2 emissions by 2030 and to establish a reduction target for scope 3 emissions. We are also updating our Energy Performance Certificates to meet national regulations.
Positive stakeholder engagement	In order to respond to evolving societal needs, such as the development of omnichannel retail and the changing customer journey, we adapt our shopping centres to serve as retail destinations and community hubs that provide services and amenities to meet the demands of the community.	In 2022, the Company conducted internal workshops to promote a more concentrated, community-oriented approach to managing our properties while interacting with our stakeholders.
	Having a good relationship with tenants is important to create a welcoming and enjoyable shopping experience for customers in our centres. We strive to work closely with our retailers as business partners.	We evaluate levels of tenant satisfaction through regular surveys and communication. We also establish Green Committees to promote sustainable practices. Our Retail Academy assists tenant employees to develop and improve their skills and knowledge in good customer service.
To maintain a positive reputation in the real estate market	Financial markets require sustainable investments. Sharing information and data is required to access funding in the form of green loans and bonds.	In 2022, Eurocommercial established a Green Finance Framework and integrated ESG factors into individual loans.
	To become a preferred business partner and establish a reputation as a trustworthy, long-term real estate investor.	Our teams maintain long-term relationships with the main participants in their local markets including tenants, investors and financing partners.

Environmental, Social and Governance (continued)

ESG governance

We structured the Company's ESG governance in January 2021 and set up an ESG Committee and an ESG Working Group. The ESG Committee is responsible for the Company's ESG strategy and includes all members of the Board of Management and the Group Director Legal, and informs the Supervisory Board. The ESG Committee oversees the implementation of the strategic framework, evaluates if the ESG performance of the organisation is in line with its long-term targets and ensures ESG is embedded throughout the different teams and countries. The ESG Committee has final responsibility on all topics related to the ESG programme including climate change risk assessment, environmental performance, socio-economic impact, diversity and inclusion and other topics mentioned in this chapter.

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

ESG governance structure

ESG governance structure

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

United Nations Global Goals for sustainable development

Eurocommercial is fully aware of the important impact of its local activities. A recent review of the United Nations Global Goals (also known as UNSDGs) provides insight on how people and business operations can help meet these objectives. These Global Goals were a focus point when prioritising the Company's ESG strategy and contribution and are considered a blueprint for a better and more sustainable future for us all. The 17 Global Goals and 169 subgoals address the major challenges we face globally. The Company applies the Global Goals as an overarching framework to shape its sustainability strategy and selected four Global Goals to focus on, which are described below along with key actions to contribute to their achievement.

Our actions contribute towards making a positive impact

Affordable and clean energy	Decent work and economic growth	Sustainable cities and communities	Climate action
Goal 7	Goal 8	Goal 11	Goal 13
We are committed to invest in generating energy on-site through renewable sources, such as solar power. By operating more efficiently and implementing an active Environmental Management System across our assets, we reduce our overall energy consumption. We are increasing our focus on procuring green energy and promoting green leases in collaboration with our tenants. Together, these actions will help us to create a more sustainable future for our organisation.	**As an organisation, we recognise the importance of investing in the development of our employees and those of our retailers. By providing these resources, we are committed to building a skilled and knowledgeable workforce that will drive the future success of our organisation. We provide training courses, such as our Eurocommercial Retail Academy®. We also organise job fairs and edutainment events in our shopping centres for the benefit of communities.**	We believe it is important to integrate our assets in local public transport networks, as part of our ESG and business strategies. We encourage visitors and employees to use public transport to commute to our shopping centres. We work with municipalities to improve public transport and provide affordable, environmentally friendly options such as electric vehicle charging, car-sharing, and bike parking. We aim to increase recycling rates and achieve zero waste to landfill by 2030.	**We are committed to reducing our carbon emissions and have plans in place to mitigate and adapt to the effects of extreme weather events. We are committed to educating our tenants and visitors about the importance of taking action on climate change. We encourage everyone in our community to play their part in protecting the planet for future generations. Together, we can make a positive impact on the environment.**

Environmental, Social and Governance (continued)

Recognition

Eurocommercial is committed to report on its ESG performance every year. In 2022, we were awarded the EPRA Gold Award for sustainability reporting and achieved our highest ever score of 85 in the GRESB assessment resulting in a Green Star and four star position in line with industry best practices.

In 2022, Eurocommercial received two prestigious awards following the ECSP Solal Awards. We were awarded two Silver Marketing awards in recognition of two projects in Italy: Save the Chewing Gum, a sustainable chewing gum recycling exercise organised in all of Eurocommercial's Italian centres and in the territories of reference and I Gigli Shop & Shock, a new marketplace available to retailers based on an electronic couponing and click & collect system.

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.

Be Green

2022 presented significant challenges for both our retail partners and customers resulting from rising energy costs and inflation. In response, Eurocommercial intensified its efforts through its Environmental Programme 'Be Green' in order to minimise resource usage by implementing strategies to reduce or eliminate gas consumption from its operations.

Eurocommercial remains committed to addressing environmental concerns and ensuring compliance with both regulatory requirements and societal expectations. We engage in close collaboration with key stakeholders to address issues such as climate change, circularity, biodiversity, low-carbon transportation and pollution prevention.

In 2022, Eurocommercial prioritised its focus on assessing the risks and opportunities presented by climate change. Workshops were held to gather insights from all countries and a climate change risk assessment was undertaken and technical aspects reviewed in order to better understand and manage these risks. This process has increased awareness of both long-term and immediate physical risks as well as potential transition risks that may affect the Company's assets, retailers and communities. Measures are being taken to reduce these risks and Eurocommercial will continue to keep the investment community informed of its risk management procedures and key outcomes using guidelines from the Task Force on Climate-related Financial Disclosures (TCFD).

Objective	Status	Key facts
Operate carbon neutral by 2030	On target	15% carbon emissions reduced (market bases vs. 2021)
Zero waste to landfill by 2030	On target	53% of assets with zero waste to landfill
BREEAM certifications in place for all shopping centres by 2025	On target	96% of assets BREEAM certified. 4% of the assets is in process of certification

Key highlights 2022

- 19% reduction in carbon intensity (market-based carbon emissions) and removal of gas from our properties underway
- 96% BREEAM in Use certifications in place for entire portfolio
- Climate change risks and opportunities assessment initiated

Carbon neutral

Our target to operate carbon neutral by 2030 is fundamental to becoming a green company. Being carbon neutral means our operations in all our locations will not produce any carbon, so that our direct impact is emission-free. This includes all areas in which we can directly influence the use of energy sources through efficient energy management that provides for switching to renewable energy, generated onsite where possible. In 2022, we managed to reduce our like for like market based carbon emissions with 19%, due to our decarbonisation strategy.

To decrease carbon emissions related to gas usage at Woluwe Shopping in Belgium, we amended our gas supply contract in 2022 to include the Verified Carbon Standard (VCS) programme. The VCS programme is one of the most widely used voluntary greenhouse gas offset programmes worldwide and allows us to contribute to projects that effectively eliminate the equivalent of our carbon emissions.

During the second half of 2022, all electricity used at the Fiordaliso, Castello, Curno, Carosello, and I Gigli shopping centres in Italy became sourced from renewable energy. Additionally, by the end of 2022, the gas plants at Collestrada and Curno were replaced with high-efficiency plants, which will decrease direct carbon emissions and improve the energy performance of the buildings.

In 2023, we plan to use the Carbon Risk Real Estate Monitor (CRREM) to develop decarbonisation plans for all our assets. These plans will be based on transparent, science-backed methods that align with the Paris Climate Goals of limiting global temperature rise to 2°C, with ambition towards 1.5°C. Additionally, we will review our carbon reduction commitment and establish ambitious targets to minimise our Scope 3 carbon emissions by 2050.

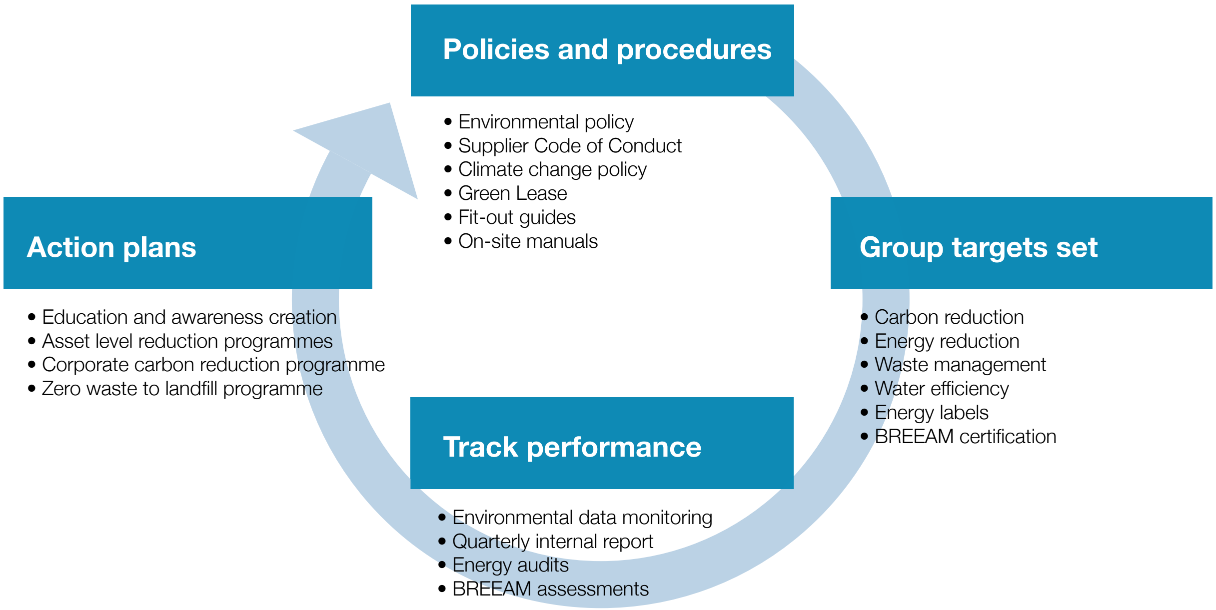
Green building certification

We continue to use green building certification as part of our Environmental Management System (EMS). This certification process assists our local teams to improve their understanding of the objectives and creates a uniform approach to management across the portfolio, developing programmes to reduce environmental impact. We can report that all our shopping centres have obtained a BREEAM in Use certification. This is well ahead of the 2025 Group target and we will continue to recertify our centres in the coming years.

Energy management

During 2022, notable advancements were achieved in terms of energy efficiency as we revamped our Environmental Management System (EMS). The EMS we employ adheres to ISO14001 procedures, ensuring its alignment with internationally recognized environmental management standards.

Be Green: Environmental Management System process at Eurocommercial



Environmental, Social and Governance (continued)

This system's structure facilitates consistent implementation of measures, including data collection and establishing concise reduction targets across all local teams. Regular reporting of progress to higher management is also a key feature of our EMS framework.

In 2022, Eurocommercial's total energy consumption in its shopping centres increased by 2.4% only compared to the previous year on a comparable property basis. Although this was a small incease, it was still a good result as 2021 was highly impacted by COVID lockdowns and energy consumption was lower than normal. For a full understanding of our energy usage, we refer to the data tables in this Annual Report.

BELGIUM

The Belgium team has committed to invest in the reduction of Woluwe Shopping's environmental footprint. Investments include the replacement of the Building Management System (BMS) to optimise the control of technical installations, relamping parking and technical areas and introducing motion detection sensors.

The new smart lighting system that was installed in 2021 in the multi-level car park, detects visitors and alter the brightness level in a range from 10%, which is needed for security reasons, up to 100% when visitors are in the direct area, while respecting recommended lighting levels. Through this investment the team has been able to reduce 90% of the electricity consumption for the parking area. All external lighting will be replaced by LED in 2023.

To ensure optimal indoor air quality, we have installed CO_2 sensors and insulated pipelines for the heating and cooling system. This will not only help to monitor the operation of the heating and cooling system, but will also help to reduce energy usage. Our aim is to ensure efficient and cost-effective operation of the system, thereby providing a healthier indoor environment.

In order to combat the rising energy prices in 2022, we enacted an energy saving plan involving keeping indoor temperatures at 19° Celsius during the winter and limiting air conditioning in the summer to a maximum of 26° Celsius. Additionally, tenants are encouraged to reduce the use of energy-consuming technical equipment, such as lighting, boilers, and escalators, to a minimum. This plan applies to all common areas although tenants are also encouraged to follow suit in their own retail units.

FRANCE

An automatic data collection system for energy data was put in place for all common areas in France at the end of 2021. This system allows for improved monitoring of energy consumption in order to meet reduction targets. Access to tenant consumption data has improved through the use of this online platform. Data for leased areas is being collected for 2022 with the consent of individual tenants. The French team is focussing on minimising gaps in data collection to be able to make a clear division between common area consumption (scope 1 and 2) and tenant consumption (scope 3).

The French team continued to replace traditional lighting with LED and by 2023, all shopping centres will have LED lighting in common areas, outdoor spaces and technical areas. In 2022, energy audits were conducted and occupancy sensors for lighting were installed in common and technical areas.

In 2022, a variety of cost-effective measures were implemented in accordance with French regulations (National Sobriety Plan) with the goal of achieving a 10% reduction in energy usage within two years through the use of best practices. Recommendations were shared with all tenants and applied to common areas managed by Eurocommercial. This led to actions such as turning off selective mall lighting, lowering indoor temperatures in the winter of 2022/2023 and installing CO_2 and temperature sensors in each shopping centre.

We continue to invest in improving indoor air quality for our visitors and in Passage du Havre, Grand A, Val Thoiry, Shopping Etrembières and Centr'Azur we introduced humidity, temperature and CO_2 sensors that were previously introduced at Les Portes de Taverny and Les Atlantes.

ITALY

The Italian team partnered with an external supplier in order to improve their energy monitoring by introducing a new online platform to provide greater insight into the daily/hourly energy consumption in the portfolio. This platform was implemented together with smart meters in all centres in order to directly monitor common area consumption and to achieve energy savings.

In order to reduce energy consumption, relamping projects were completed in the car parks at Carosello and Curno and the Fiordaliso gallery. The team is working to improve the Building Management Systems (BMS) in Collestrada, Fiordaliso, CremonaPo, and Curno in order to maximise energy efficiency. An additional target is to install new smart meters in 2023 in order to improve the monitoring and management of the lighting systems and to collect energy consumption data from the tenants' units.

In 2022, Il Castello shopping centre switched to geothermal heating during the colder winter months, replacing gas consumption. This change will not only reduce its carbon footprint but will also connect to the Ferrara municipality's renewable energy network, which is linked to a geothermal deposit 2,000 metres below sea level. The project began in June 2022 and is expected to be completed by the end of Q3 2023.

The team in Curno is aligning with the Group's goal of achieving carbon neutrality by 2030 by phasing out direct gas usage. This involves decommissioning boilers and installing high-efficiency rooftop units. The result is expected to generate an important annual saving and a reduction of 460 tons of carbon emissions annually.

Eurocommercial Italy is a member of the National Council of Shopping Centres (CNCC), which issued guidelines based on the Italian government's recommendations for reducing energy consumption and costs in shopping centres. These guidelines include reducing light intensity in common and technical areas, turning off lighting and equipment outside operating hours, and adjusting indoor temperature.

SWEDEN

With rising and volatile energy prices going forward, the Swedish team is undertaking an extensive cost saving programme and technical improvements that will contribute to lower consumption and lower carbon emissions.

At Bergvik, Eurocommercial invested and upgraded its ground heating and cooling system during 2022. Over 60 boreholes at a 160 metre depth provides cool ground temperatures in the summer and heating in the winter using the same technology. Switching from ammoniac in the system to carbon dioxide reduces the risk of harmful leaks without damaging the system's pipes and is more energy efficient.

In 2022, the Swedish team took significant steps to reduce energy consumption. They reduced indoor temperatures by 2° Celsius, continued to replace lights with LED in all centres, and installed motion sensors in indoor service corridors and outdoor logistical areas. Annual night walks were conducted at all centres in order to identify energy waste during non-operating hours. Tenants were also informed of their individual energy usage and on-site staff received training on energy efficiency measures and guidelines. Overall, the Swedish team was able to reduce district heating by 15% and district cooling by 27%.

Climate change risk assessment

Eurocommercial Properties takes the risks and opportunities of climate change seriously. To ensure that its shopping centres are resilient and prepared for the future, we conducted on-site risk assessments, partnering with specialists to identify risks and procedures in order to mitigate the effects of climate change. We appreciate that stakeholders expect transparency regarding the potential climate-related risks and opportunities and we are committed to doing our part to ensure a more sustainable future. In light of this, we are making more information available on climate change risks and opportunities our organisation face, in alignment with the TCFD's recommendations.

Governance

Eurocommercial's management are focussed on climate change and have an aligned, pan-European approach to managing climate risks, opportunities, and activities, supervised by the ESG Committee and working with our local countries through the ESG Working Group. The Committee oversees all environmental, social, and governance (ESG) matters and evaluates climate-related risks. In 2022, the Committee authorised an independent climate

Environmental, Social and Governance (continued)

risk assessment to better understand potential risks facing the Company. The Committee is responsible for sharing the results of the assessment with the Supervisory Board and investors.

Strategy

In 2022, Eurocommercial initiated the climate change risk assessment at Group level. The Company has partnered with third parties in each country to assess physical climate change risks using advanced climate models. The assessment includes both acute risks like tornadoes, landslides, wildfires, and floods, as well as chronic risks such as sea level rise and changes in precipitation patterns. The outcomes of these assessments include recommended actions to mitigate potential impacts on our properties and the surrounding communities. In 2023, Eurocommercial will further assess the financial implications of material climate change risks and develop action plans to reduce the potential impact.

Going forward, all properties will be re-certified with BREEAM, a certification that incorporates climate change adaptation criteria. Eurocommercial aims to certify 100% of its portfolio with BREEAM, ensuring that all properties are assessed for potential climate change risks. The adaptation criteria within BREEAM will recognise and encourage measures to mitigate the impact of extreme weather events resulting from climate change throughout the building's lifespan.

Several climate change risks have been assessed which are related to transition risks, focussing on policy and legal, technology, and reputation aspects evaluating their potential financial impact on the organisation. These transition risks may occur and have an impact on our organisation as it moves towards a lower-carbon economy. The outcome of the first assessment provided insights for future decision-making regarding short-term (0-5 years), medium-term (5-10 years), and long-term (over 10 years) risks. Ongoing monitoring and risk assessment will guide the Company's response and property management strategy.

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

Risk area	Climate change risk	Time frame	Possible impact	Actions taken by Eurocommercial
Policy and legal risks	**Higher mandates on and regulation of existing products and services**	S / M	In many European countries, stricter building codes have been or will soon be enforced, as part of the low carbon commitment of the European Union.	We closely monitor changes in legislation and proactively respond, particularly in respect of requirements for higher EPC ratings.
	Increased emissions-reporting obligations	S / M	Listed real estate companies are expected to have increased transparency in non-financial information. Limited costs are anticipated, but investment in improved data reporting tools and increased costs for verifying non-financial data are required.	We plan to disclose more non-financial information publicly, verify environmental data, and conduct another materiality assessment all within the next two years.
Technology risks	**Transition to lower emissions technology**	S / M / L	To reduce carbon footprint, investments are needed in gas removal and low-carbon alternatives, efficient lighting and HVAC.	We continually assess opportunities for energy-efficient equipment through our Be Green initiatives and started to remove gas from our operations. See the Energy Management section for examples of implemented actions.

	Substitution of existing products and services with lower emissions options	M / L	As consumers become more environmentally conscious, they may opt for closer alternatives (or shop online) and reduce travel, potentially lowering the number of customers that may impact property performance through reduced footfall.	To provide sustainable transport modes, we are expanding our EV charging stations and provide sustainable alternatives (see connectivity and accessibility section). To remain appealing to conscious customers, our focus is shifting to providing community hubs, not just retail destinations (see customer engagement section).
Market risks	**Increased cost of raw materials**	S / M / L	Increased material costs may affect redevelopment or individual shop fit-out, raising the cost of enhancing the interior design and appeal of our properties.	In 2022, we observed a rise in material costs and anticipate this trend to persist in the short and medium term. Our focus is already towards smaller and more profitable extensions and renovations instead of large ground-up development projects, with an emphasis on reusing materials and using sustainable materials to reduce costs.
	Uncertainty in market signals	S / M / L	Rising energy costs may affect a property's operational expenses and increase tenant service charges.	Energy costs rose significantly in 2022, impacting us and our communities. To increase efficiency and reduce energy use and carbon emissions, we are investing in new equipment and technology to minimise service charges (see Energy management section).
Reputational risks	**Stigmatisation of sector**	S / M / L	Hesitation about the real estate handling of climate-related issues could result in a reduction of financial loans or increased cost of capital for refinancing, potentially affecting the organisation.	As a member of the real estate industry, our aim is to be transparent about our impact and play a role in the transition to a low-carbon economy. Creating awareness among our communities and educating our partners on their responsibilities are critical steps we take (see Formalising green collaboration).
	Reduced demand from investors/banks	S / M / L	If not adopting more ESG conscious business practices, bank finance may be more scarce.	We developed a Green Finance Framework and began incorporating environmental and social criteria into loan agreements (see Sustainable Finance section).

For our climate change strategy we will utilise the Representative Concentration Pathway (RCP) 4.5, which is a scenario of long-term, global emissions described by the Intergovernmental Panel on Climate Change (IPCC). Climate scenario analysis helps companies to identify and prepare for the impacts that climate change will have on their business models by providing a structured exploration of different possible futures to identify the most relevant risks and opportunities.

Environmental, Social and Governance (continued)

Risk management

Eurocommercial assesses potential physical and transition risks related to climate change through a collaborative process that involves input from both local teams, corporate headquarters and third party (technical) advisors. We utilise local expertise, engage and educate our teams, report the process and results, and secure support and resources from senior management to effectively manage risks related to climate change.

Eurocommercial conducted an initial study in 2022 in order to understand the physical risks from climate change to our assets by reviewing information from relevant websites and databases.

Our climate risk assessment included evaluating transition risks. Input was solicited from local teams and senior management to determine the potential likelihood and impact of each risk on our organisation. Based on the results, management will assess current business plans and determine if additional steps are needed to safeguard our assets and minimise negative effects.

In 2023, we are planning to use the Carbon Risk Real Estate Monitor (CRREM) to create decarbonisation plans for our assets in order to prepare them to become carbon neutral. These plans will be based on clear, science-backed methods that are aligned with the Paris Climate Goals of limiting global temperature rise to 2°C, with an ambition towards 1.5°C. Additionally, we will review our carbon reduction commitment and set new targets to reduce our scope 3 carbon emissions by 2050.

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

- Perform climate change scenario analysis
- CRREM pathways for each asset
- Introduce smart metering for all areas in the shopping centres
- Initiate methodology to calculate embodied carbon
- Set carbon reduction target (scope 3 emissions)
- Recertify properties with latest BREEAM in Use, including updated climate change
- Adaptation plans in place for all assets

> *Understanding the impact on our business and stakeholders is crucial as we shift to a carbon-free economy.*
>
> **Roberto Fraticelli**
> Chief Financial Officer

Structured approach to climate change risk

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

Metrics and targets

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

By reaching its goals, Eurocommercial aims to reduce its exposure to the transition to low carbon properties, meet government mandates, and have lower operational costs due to the limited use of natural resources. We use a range of metrics to assess our exposure to our identified short-term climate related risks and opportunities. These include the following indicators that are reported in this 2022 Annual Report:

Environmental, Social and Governance (continued)

Indicator	Target	Why relevant indicator
Scope 1, 2, and 3 carbon emissions	**Operate carbon neutral for scope 1 and 2 emissions by 2030. Target for scope 3 emissions is evaluated in 2023.**	Measuring our own carbon footprint reveals our progress towards carbon neutrality and how we support the transition to a low-carbon economy.
On-site renewable energy generated	**Generate renewable energy at the location to lower dependence on grid energy procurement.**	When possible, we will invest in generating renewable energy on-site to reduce dependence on energy market sources.
Number of assets certified with BREEAM in Use	**Have 100% of properties assessed and certified with Green Building certifications by 2025.**	To operate our properties efficiently, we implement international green building certifications, lowering our environmental impact.

Renewable energy

We continue to review opportunities to install solar panels on the roofs of our shopping centres or on parking areas. In Sweden, all seven shopping centres now produce renewable energy through the solar panels placed on top of the roofs.

In Sweden over 10,400 panels are producing 3,500 MWh every year, which is equivalent to approximately 10% of the energy usage of the centres in Sweden. At Woluwe Shopping in Belgium, around 1,700 solar panels generate over 500 MWh of renewable energy every year. This accounts for more than 15% of the total energy usage in the common areas, resulting in a savings of over €132,000 in two years.

In Italy, we have invested in on-site solar panels in Curno, I Gigli, and Cremona Retail Park. We are currently evaluating the installation of two additional solar panel systems at I Gigli and Carosello. In 2023, the shopping centre Etrembières in France will also be installing solar panels on its roof. All these investments will help promote sustainability, reduce our carbon footprint, and provide a reliable source of renewable energy. We plan to offer more sustainable solutions in the future, continuing to make a positive impact on our environment.

At the same time, we are procuring electricity from 100% renewable energy sources in all assets in Sweden and Belgium. In Italy, we have started to procure renewable electricity for Carosello, Curno, Fiordaliso, I Gigli and Il Castello. In 2022, 85% of the total electricity consumption for the Group came from renewable sources.

Connectivity and accessibility

Connections to public transport are an essential part of our ESG strategy and our overall business, supporting our communities and the environment. We encourage visitors and employees to use public transport to visit our shopping centres and we integrated our assets in local public transport networks. We use extensions and ground-up retail development as opportunities to work with local municipalities to improve the integration of public transport and the accessibility of our centres.

We believe that it is important to play a role in decreasing private car usage and if any of our centres in the future will be located more than one kilometre from public transport, we will provide electrical shuttle buses to connect our sites to the closest station or city centre. We also provide affordable and environmentally friendly transport options for our visitors such as parking for electric vehicles, charging stations, and dedicated parking areas for low-emission cars, car-sharing, bicycle parking and other facilities. Our centres are easily accessible by foot or for people with disabilities.

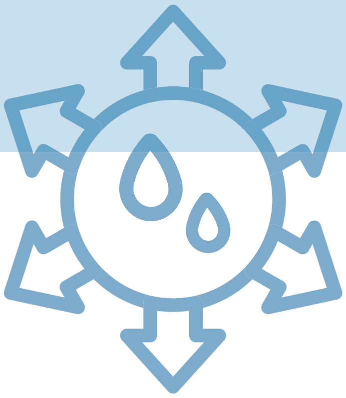
We have introduced EV charging stations in all regions in order to assist and encourage our visitors to use electrical cars. In Belgium, we have eight charging stations and in Italy five assets provide charging stations for 30 cars. In 2022, France had five centres providing 47 charging stations for our visitors.

In Sweden, one-third of all new car sales are purely electric, so the local team is investing to make the assets attractive to electric vehicle owners. The Swedish government has taken steps to promote the use of electric vehicles, leading to an increase in the number of electric cars on the roads. This has created demand for electric vehicle-related assets, and the local team is capitalising on this opportunity by providing electric vehicle (EV) charging stations in all shopping centres. 68 EV chargers were operational in 2022 with a capacity for 94 vehicles. In 2023, a further 58 new charges will be provided.

Zero waste

In order to manage waste efficiently, we are increasing recycling and reducing the amount of waste going directly to landfill. We invest in cost effective waste services for our tenants, encouraging them to have their own programme to handle waste efficiently. Eurocommercial aims to minimise the waste it produces and eliminate waste to landfill by 2030. We work closely with waste services and local authorities in order to meet these targets and 53% of our centres already achieved our zero waste to landfill goal during 2022. We will perform waste audits to provide improved data and qualitative information on waste streams so that we can prioritise actions to increase recycling.

In 2022, Belgium introduced a permanent recycling point for customers to easily dispose of special waste streams. A waste collection facility was placed in one of the lobbies with compartments specifically designed for batteries, TL tubes, light bulbs, toners and ink cartridges, and old clothing. All waste collected in these compartments is recycled responsibly by specialised firms and associations.



Water conservation

The water used in the centres is mainly for the benefit of the tenants with who we collaborate to reduce its consumption and waste. The water consumed in 2022 was 10% higher than the previous year (like-for-like) due to a hot summer in 2022 and the fact that water consumption in 2021 was below average due to COVID-19 lockdowns.

In an effort to reduce our environmental impact, we have installed green walls in five of our centres and we take advantage of greywater to irrigate the surrounding greenery. We are investing in water conservation initiatives such as installing water taps with sensors to prevent excessive usage, as well as double flush toilets.

In Italy we are also using water from wells for irrigation and sanitary facilities. We are also studying improvements in water storage facilities to overcome drought problems (i.e. additional water storage systems, rain water collection tanks, new water wells, etc.).

Biodiversity

Our Be Green strategy is designed to enhance the green infrastructure at our properties and the surrounding areas. To provide a connection to nature, to our customers and to local communities, we have made a commitment to increase biodiversity and ecological values. This commitment will ensure that people living and working in the locality have access to green spaces and natural habitats that promote a healthy and sustainable lifestyle.

We use the BREEAM In-Use assessment to evaluate our positive impact on biodiversity and local ecosystems, and implement various initiatives throughout our portfolio. We have appointed a third-party ecologist to conduct a biodiversity assessment every three years. The results of this report are then used to develop an appropriate action plan.

Environmental, Social and Governance (continued)

In France, we have installed beehives on the roofs of the Passage du Havre and Les Portes de Taverny, as well as insect hotels and nest boxes in Grand A, MoDo, Les Portes de Taverny, Passage du Havre,Shopping Etrembières, Val Thoiry and Centr'Azur. Most of our centres have implemented initiatives to enhance local ecosystems. To raise awareness about our biodiversity initiatives, we have also set up information displays in Grand A, Les Portes de Taverny, Shopping Etrembières and Passage du Havre.

Urban beekeeping promotes sustainable practices and educates communities on the significance of biodiversity. In collaboration with Alvéole, an organisation that installs and monitors urban beehives and educates on bee life, we have established two bee colonies on the roof of Woluwe Shopping. Guided tours and workshops, where participants can harvest their own honey, have been organised for customers and retailers, providing a unique and educational experience while also improving the shared environment.

We have established two bee colonies on the roof of Woluwe Shopping

Be Engaged

Eurocommercial operates shopping centres not only as retail spaces but increasingly as social gathering places to provide a range of services and experiences and a location where people come to meet and connect. Our centres meet the daily needs of customers and the local community while providing a safe, enjoyable and service-oriented experience. We closely monitor the evolving needs and preferences of tenants and customers, gathering feedback to improve the overall experience in our centres. We also offer retailers the opportunity to improve their teams and customer service through the Eurocommercial Retail Academy®, resulting in higher service levels.

Objective	Status	Key facts
Maintain all customer satisfaction score above 7.5 by 2025	On target	8,000 customers participated in engagement surveys in 2022 8.3 average score
Improve the average retailer satisfaction scores towards 7.0 by 2025	On target	1,092 tenants participated in engagement surveys in 2022 7.0 average score
Roll out the Eurocommercial Retail Academy® at an additional eight shopping centres by year-end 2023	On target	In 2022, over 1,200 participants in the Retail Academy® across seven centres

Customer engagement

Ensuring our centres align with the needs of tenants and customers is crucial. Engagement and communication are key factors in achieving this. We regularly conduct customer surveys, track satisfaction levels and actively adapt our centres to the preferences of customers through extensive research and monitoring. We review the data to understand and interpret new trends in spending habits and analyse the surrounding communities and identify potential customer groups we may not be reaching.

During 2022, we conducted over 8,000 in-person interviews to measure customer satisfaction, with a focus on understanding how the pandemic had changed customer expectations. The results showed an overall increase in satisfaction. Customers appeared to value our centres increasingly as leisure destinations, and their attendance had not been significantly impacted compared to pre-COVID-19 levels. In 2022, we achieved an average customer satisfaction score of 8.3, ranging from 7.5 to 9.

Our goal is to ensure that every shopping centre in our portfolio maintains a minimum score of 7.5 by 2025. To track customer loyalty, we have implemented the Net Promoter Score (NPS) in several surveys. We closely analyse the results in order to create action plans to increase the NPS and improve the reputation of the shopping centres. Our NPS score is ranging from +3 to +88, with an average NPS score of +39.

Digital transformation has facilitated engagement with customers and municipalities by implementing new technologies such as geolocation data from mobile phones and apps. This allows us to track customers and identify variations in clusters from different areas within a catchment. By using this data, we are able to measure the effectiveness of targeted marketing campaigns in specific neighbourhoods. Recently, we have been actively collecting data from our customers and incorporating it into our CRM project to facilitate more comprehensive analysis.

Expanding our customer base within the local community by offering a wide variety of goods and services is central to our shopping centre business. We show our appreciation for their loyalty through customer incentives, loyalty programmes, and gift cards that are available at most of our centres.

Case study

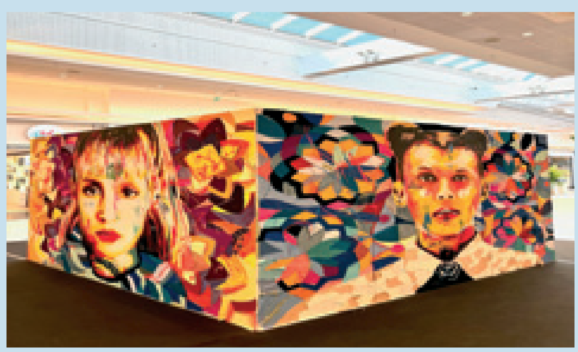
Entertaining and engaging with our customers

Contemporary Art Fair – Woluwe Shopping

The sixth edition of the Contemporary Art Fair, one of the annual "affordable" art events in Brussels, took place in Woluwe Shopping's gallery for one week during October 2022. The event featured over 20 artists showcasing and selling their works in various mediums such as paintings, sculptures and photographs. The exhibition was free and open to the public. An opening reception was held for 500 people, including local municipal and political representatives who were invited by the artists and the shopping centre management. More than 107,500 visitors visited the Art Fair during that week, including Queen Mathilde.

Art for All project – Woluwe Shopping

The Art for All initiative, also at Woluwe Shopping, presented a collaborate artwork project between Eurocommercial and Belgium Luxembourg Council of Retail and Shopping Centers (BLSC). The project blended art and sustainability, inviting members of the public to donate their old clothes to be sorted and recycled by the charity organisation Les Petits Riens. Unrecyclable fabrics were then incorporated into large, collaborative art pieces created by artist François Coorens, depicting portraits of three prominent Brussels stars: Angèle, Stromae and Damso. This innovative and sustainable clothing drive was well-received and Eurocommercial was shortlisted for the BLSC Marketing Awards for the project.



The Art for All initiative at Woluwe Shopping

Environmental, Social and Governance (continued)

Genuine retailer partnerships

Retailers are the foundation of our business, and we actively solicit their feedback to pinpoint areas for improvement. The consistent exchange of data and regular monitoring of retailer satisfaction through anonymous surveys are crucial elements of the success of our centres. In 2022, we achieved an average tenant satisfaction score of 7.0 across 1,092 tenants who participated in our survey.

We have conducted engagement surveys in all our shopping centres. We aim to have an average satisfaction score of 7.0 across our portfolio by 2025. Additionally, we have introduced the NPS in our tenant surveys in addition to the Satisfaction Index, as we believe that both scores combined provide a clear understanding of tenant satisfaction and indicate what actions are necessary to improve our professional relationship.

To stay better connected with our retailers, we have introduced a communication app in Italy and Woluwe that streamlines tenant communications. This app provides improved communication with newsletters, information, centre documents, and a chat function for the management team and tenants. It also allows access for work, technical descriptions, contact details for staff, reporting of disturbances with pictures, surveys following marketing events, sharing of marketing plans, and a promotion programme with special discounts for tenant staff. Additionally, the app includes a section for environmental initiatives such as car sharing, Too Good to Go, best practices for waste, and a panic button for security teams in emergency situations.

Formalising green collaboration through lease agreements

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

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

At the start of 2021, our teams began to implement the revised Group Green Lease clauses. By the end of 2022, we achieved a green lease coverage of 40% in Belgium, 34% in Italy, 45% in Sweden, and 50% in France.

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

Eurocommercial Retail Academy®

Our Eurocommercial Retail Academy® organises sales and customer training alongside its tenants and employees working as a team. As a result, retailers who establish in our shopping centres know that they will be actively involved in commercial operations and in return, they often respond by bringing their latest concepts, delivering novelty for our customers. At the end of 2022, seven of our centres had established the Eurocommercial Retail Academy®. In 2023, we are planning to have an additional eight new centres included to achieve our ESG target: four in France and four in Italy.

The Eurocommercial Retail Academy® launched an online platform during the pandemic, enabling our retailers to continue to provide sales and customer service training to staff through video

tutorials, questionnaires, and online games to assess abilities. In 2022, over 1,200 participants enrolled, 1,000 of whom graduated with a diploma. We are now improving the internal communication of the programme, with a feedback platform and comprehensive reports for store managers and staff. In the future, we plan to introduce in-store training modules.

Responsible partners

Working alongside trusted partners, Eurocommercial has a number of sustainable procurement policies and procedures in place for each country that meet local regulations and standards. Our procurement process is an integral part of our Supplier Code of Conduct which provides clear guidelines on quality, innovation and creativity. We actively search for improved efficiencies in the use of energy, choosing low consumption and renewable energy options. We prefer local businesses in order to promote local employment and reduce transportation and packaging.

We carefully select building materials and maintenance products, using those with sustainability labels and certificates. Waste reduction and pollution risk management are also focus areas. Chemicals and other materials that could potentially harm the environment are identified and handled with care and taken to appropriate recycling or disposal facilities in compliance with regulations. We train staff who process these products, equipping them with the appropriate tools to handle them safely and have emergency procedures in place in case of an accident posing a risk to them or the environment. Suppliers have to ensure that their employees comply with safety rules and working conditions that respect the health, comfort and hygiene regulations applicable to their sector as part of our social and societal commitments.

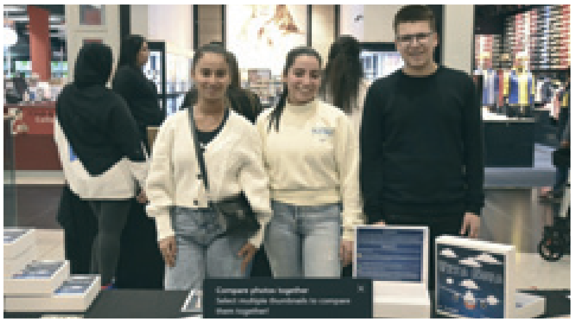
Stimulating young entrepreneurs

Through our active support of young entrepreneurs, new brands have been able to develop and launch their products in our centres. In Les Portes de Taverny, we participated in an event organised by two prominent French organisations in diversity and enterprise (Association française des Managers de la Diversité and Mouvement des Entreprises de France).

Annually, in partnership with Junior Achievement (Ung Företagsamhet), a non-profit organisation supporting young entrepreneurs, we provide students between the ages of 16 and 20 with the opportunity to exhibit their business in our shopping centres in Sweden.

Woluwe Shopping Centre in Belgium also partners annually with local organisations to recognise and support up-and-coming, young entrepreneurs. Through this project, students at secondary education level are given the opportunity to gain practical experience by setting up their own small-scale business for six months. This gives them the chance to explore commercial operations and gain an understanding of what it takes to create, produce and market a product, service or event in Woluwe.

In 2022, these potential entrepreneurs sold tea, jewellery, cleaning tablets, flasks (reusable water bottles), tote bags, boxes with Belgian products, candles, key chains, laptop sleeves, glass protectors and board games. We hosted 23 mini-companies and a 150 young people presented their projects and interacted with our customers and retailers who could vote on the best new entrepreneurs.



Young entrepreneurs presenting their projects at Woluwe Shopping

Environmental, Social and Governance (continued)

Strengthen partnerships with suppliers

In Sweden, the Eurocommercial team partners up every year with its main supplier of property management services. In order to create a positive working environment and actively share information, the teams prepare a carefully structured Summer Camp over two days. In 2022, the event was held at Ingelsta Shopping, where internal and external speakers educated and motivated the teams on various relevant subjects including global real estate trends, rising energy costs and the proposed Ingelsta redevelopment.

Cooperation with various charitable organisations

We organise annual charitable events in all our shopping centres and last year we arranged additional activities to support initiatives in Ukraine, such as collecting food, clothing, and offering donations from customers to aid UNICEF.

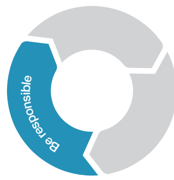
In France, we have been collaborating with La Croix Rouge for many years. In 2022, in Centr'Azur, we supported the collection of toys for children and for two weeks over the Christmas period, ten volunteers from La Croix Rouge were located at the Passage du Havre in Paris, providing gift wrapping services. To help the local community, the funds raised were used to finance social and first-aid activities.

A recycling event at Passage Du Havre collected a total of 225 kilograms of clothing for Les Restos du Coeur. We were also pleased to be able to provide a monetary donation to the organisation.

Strong partnerships

We partner with local associations to provide services and events that support their communities. In addition to the job portal launched last year in France, which has been successful in supporting local employment, we regularly host in-centre recruitment events. These events focus on different industries and include Shop ton Job in Grand A, which connects candidates with retailers and companies in Amiens and neighbouring towns identifying job opportunities.

In MoDo, we partner with the Les Jeudis de l'Emploi forum providing information, guidance, and personalised support for job seekers, with a focus on different sectors each month. We also support local businesses by providing flexible working and meeting spaces within our shopping centres.



Be Responsible

As an employer, we value our team members and provide a nurturing and stimulating work environment that allows them to develop, learn, and reach their full potential. From offering safe and enjoyable working conditions, to providing comprehensive training and corporate/property experiences, we take immense pride in developing our team. We also strive to create a collaborative atmosphere, where teams from different disciplines can work and share best practices.

Objective	Status	Key fact
Zero breaches against the Code of Conduct annually	On target	Zero breaches in 2022
Create an attractive and professional workplace	On target	2.1% sickness ratio 16% employee turnover rate
Introduced Green Finance framework	On target	€216.5 million sustainability linked loans (of which €116.5 million also green loans)

Our teams

We aim to create a fair work environment where all employees receive the same experience and opportunities and where they can express themselves and feel included in order to function at their best. People must feel appreciated and included which helps build stronger teams that perform better. We are based in different locations across Europe and our local teams in Belgium, France, Italy and Sweden carry out all property and asset management functions including leasing, rent collection, technical supervision and administration. Eurocommercial has a diverse culture with differences in nationality, age and gender.

In 2022, our team consisted of 97 employees located in Belgium, France, Italy, Sweden, the United Kingdom, and the Netherlands. Of our total staff, 57% are female, 43% male and 5% are below the age of 30. An additional 69% are aged between 30 and 50 and 26% are over 50 years old. We take pride in the collegial and inviting atmosphere we cultivate, and we actively encourage our Eurocommercial team members to share best practices at regular group meetings for employees from different offices including the leasing, marketing, asset management, technical, accounting and sustainability teams. At Eurocommercial, we understand the importance of our employees and their commitment to the Company. We are proud to have such a loyal workforce as demonstrated by the low employee turnover rate of 16% and relatively low sickness ratio of 2.1%.

At the Company, we strive to keep a balanced ratio of men and women, which not only enriches our culture, but also reflects the gender diversity of our customers.

Employee engagement

Our aim is to create a workplace where our employees thrive. We offer them a fair and enjoyable working environment and ensure that they behave ethically and sustainably and invite them to adopt a healthy lifestyle. We want our employees to feel engaged and motivated towards our common goals. In 2023, we will conduct an independent, comprehensive employee survey to evaluate employee engagement across all countries. We will use the data collected to identify areas in which our organisation can further improve and enhance employee experience.

Business ethics

We promote clear and open communication and responsibility that represent our values of transparency, reporting and accountability. We set and maintain high standards of ethical business practice and expect our colleagues to respect them as being fundamental to long-term value creation. Good relationships with tenants, local communities and government organisations requires dedicated and professional staff who understand good business practice and ethics that will respect and build on our long-standing reputation.

Our Code of Conduct sets out our procedures, guidelines and core values. All employees receive ethics training and review the Code of Conduct

Team workshops regularly take place to exchange best practices

Environmental, Social and Governance (continued)

regularly to keep updated with business standards. Full transparency is provided to stakeholders concerning any breaches against the Code of Conduct. In 2022, there were no violations of the Code, aligning with our goal of zero breaches annually. The Code of Conduct was updated in 2021 and all employees will receive additional training on the policy in 2023.

Professional development and alignment of interests

We invest in the professional development of our staff by encouraging them to participate in various training courses. Our staff have regular review meetings with management in order to monitor performance and provide employee feedback. All personnel were included in the yearly performance review which tracked individual and organisational targets established between management and staff.

All employees under a permanent labour contract are entitled to participate in the Group's long-term Performance Share Plan, which aims at linking remuneration to a long-term commitment of the individual employee and the performance of the Company. In 2022, employees received an average of 35 training hours and all employees received professional and ESG training.

Health and well-being

Each local office provides opportunities to invest in personal health and well-being opportunities for its employees. The Amsterdam office provides a gym on-site for employees who are able to exercise for free during work hours. In France, employees have a yearly subscription to a gym near the office in Paris and weekly yoga lessons in the office. Local offices have also installed CO_2, humidity and temperature sensors to measure indoor working environments, enabling teams to optimise their personal workspaces.

In Sweden, employees in the Stockholm office are provided with an annual "Friskvårdsbidrag" which is a health contribution of 5,000 SEK (approximately €500) to invest in a sport activity of their choice. The majority have chosen a yearly gym subscription, tennis or padel membership. In 2022, a Swedish team participated in the Spring för Livet charity run. The race took place around the Djurgården island in Stockholm. The property market event raised approximately 800,000 SEK (approximately €70,000) for the project. All proceeds went directly to UNICEF's Project for Malawi.

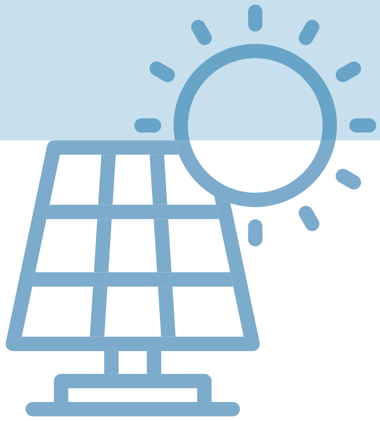
Sustainable finance

Eurocommercial has published a Green Finance Framework to support Eurocommercial's strategy and the transition to a low carbon economy. The Green Finance Framework has been reviewed by ISS Corporate Solutions to assess the alignment of the project categories financed with 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, which has been published on our corporate website together with the Green Finance Framework.

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.

Eurocommercial's Green Finance Framework is aligned with the International Capital Markets Association Green Bond Principles, 2021 version and the Loan Market Association Green Loan Principles, 2021 version. In addition, the Framework reflects requirements from the EU Taxonomy Regulation, the EU Taxonomy Climate Delegated Act and the EU Green Bond Standard, on a best effort basis. This Green Finance Framework also follows the recommendation of the Green Bond Principles and Green Loan Principles regarding External Review. In accordance with the Framework, the Company is committed to annually issue a reporting on the Eligible Green Assets and the Green Finance Instruments



outstanding (the Allocation Report), and a reporting on the sustainable performance of its assets on a consolidated basis (the Impact Reporting). Both the Allocation and the Impact Reports will be made available via the Company's website.

In April 2022, the Company entered into a new loan with ING of €66.5 million to refinance two existing loans on the Curno Shopping Centre, Italy. In June 2022, the Company entered into a new loan with ABN of €50 million to refinance an existing loan on the CremonaPo Shopping Centre, Italy. These new loans qualify as green loans, as the relevant proceeds are used to refinance two green assets, and also as sustainability linked loans. Eurocommercial is also part of sustainability linked interest rate swap contracts which partially hedge the interest rate risk related to the sustainability linked loans with ING and ABN AMRO Banks. The margins of all these facilities are linked to the Company's ESG strategy, including zero waste to landfill, renewable energy and green leases.

At the balance sheet date the total amount of sustainability linked loans was €216.5 million, of which €116.5 were also green loans. The Green Finance Framework and these green and sustainability linked facilities form part of Eurocommercial's ambition to increase its exposure to green financing in the near future.

Qualifying notes

Qualifying notes environmental indicators

All retail assets included in this report are within Eurocommercial's operational control; Eurocommercial provided performance data for all indicators. Data is collected for two years Q4 2020–Q3 2021 vs. Q4 2021–Q3 2022. Four assets are excluded from the like-for-like comparisons: Fiordaliso in Italy due to major renovations, Chasse Sud Gallery, Chasse Sud Retail Park and Les Grands hommes (all in France) due to disposals. Please see the EPRA environmental performance tables for the data coverage of each performance indicator.

Third party assurance

The reported energy, water, and waste consumptions as well as scope 1, 2, and 3 emissions are being verified in the first half year of 2023, using ISO 14064-3 (the international standard for verification of greenhouse gas inventories). The verification statement will be published on Eurocommercial's website since this is not finalised at the moment of publication of the 2022 Annual Report.

Energy consumptions

All electricity, fuel, district heating and cooling consumptions are landlord obtained for common parts and services provided to tenants. For MoDo and Valbo, district heating, cooling or electricity consumption that is sub-metered and in control of tenants was included in the report. Like-for-like energy consumption increased (2.4%) in 2022 compared to 2021. 2021 was still highly affected by COVID, due to the lockdown's energy consumptions were lower than normal. The proportion of electricity from renewable sources increased due to the installation of on-site solar panels and renewed contracts with electricity suppliers. Our corporate office in Amsterdam used 84.7 MWh electricity in 2022.

Greenhouse gases (GHG)

GHG emissions are reported as tonnes of CO_2equivalent (t CO_2e). The Scope 3 emissions include landlord-obtained consumption submetered to tenants as well as tenant-obtained energy consumption. These tables do not include any business travel or supply chain emissions. Emissions were calculated and reported market-based and location-based. Market-based emission factors consider contractual arrangements and were provided by local energy suppliers. For the remaining asset which uses district heating, no conversion factors were available, hence DEFRA conversion factors were applied. Purchasing renewable energy is part of Eurocommercial's

Environmental, Social and Governance (continued)

decarbonisation strategy. Location-based emissions reflect the average emissions factors for the electricity grids that provide electricity. For the calculations country specific Grid factors are used. Emissions were reported using the Greenhouse Gas Protocol and EPRA Sustainability Best Practices guidelines.

Water consumption

Water consumption represents water that is landlord-obtained and used for common areas and tenants. Like-for-like water consumption increased by 10% in 2022 compared to 2021. Water consumption within the Eurocommercial portfolio is obtained via municipal supplies.

Waste management

All waste figures are reported by mass (metric tonnes), in line with EPRA Sustainability Best Practice Recommendations. Waste disposal companies provided waste data for 29 assets in 2022. Waste data was not provided for I Portali (Italy) in this reporting year.

Intensity calculations

Data quality will remain a focus for further improvements in the next years. The match between nominators and denominators is now more accurate, and provides a better overview of the actual intensities. The numerators and denominators were determined asset-by-asset. For these assets, the whole building size was used as a denominator. Additional research was conducted in 2022 on the tenant consumptions compared to the common area consumptions. The outcome of this research enables Eurocommercial to report more precisely the tenants' consumptions and floor sizes for both reporting years. Like-for-like intensity figures have increased for both reporting years compared to previous reports because of these adjusted floor areas (e.g. change of values for denominators).

The proportion of renewable electricity consumed as a share of total electricity consumption is monitored by adding up all on-site generated renewable electricity (measured in kWh), divided by the total electricity usage where Eurocommercial has operational control.

Restatements

Restatements on previous reporting years have been made for assets when improved data or insight was available. Previous years energy consumption data was reported for the hypermarket 'E. Leclerc' in shopping centre MoDo (France), the hypermarket is not in operational control of Eurocommercial and not owned by Eurocommercial and therefore it is excluded from reporting from now on. In Woluwe (Belgium) increased insight has resulted in an adjustment in the district heating consumption of the property, since there is no district heating but only heat distributed to tenants from the HVAC system which is using gas and electricity only as sources. Adjustments were also made for electricity usage in Woluwe since on-site renewable electricity had been sub-tracked from the total electricity consumption in previous reporting periods. Amendments were made for both reporting years to provide clarity and enhance comparability between the two reporting periods. Additional research was conducted in 2022 on the tenant consumptions compared to the common area energy consumptions. The outcomes enable Eurocommercial to report in a more precise manner the tenants consumptions and corresponding floor sizes for both reporting years. This change in reporting has also impacted scope 1, 2 and 3 carbon emissions as well as the floor sizes (denominators) for intensity calculations. Eurocommercial acknowledges, as recommended by the EPRA Sustainability Best Practices recommendations, that the intensity indicators may still be affected due to a mismatch between numerator and denominator in the methodology for calculating intensities. Please note that percentage figures may not add up to 100% due to rounding.

Environmental, Social and Governance (continued)
Key performance indicators

The following pages provide more detailed information about the ESG performance over 2022 compared to 2021. Eurocommercial provides transparency on its ESG performance towards all stakeholders. In 2022, we were awarded EPRA sBPR Gold again for our sustainability report. EPRA sBPR is a sustainability reporting standard for listed Real Estate companies in Europe.

EPRA sustainability performance measures

		Absolute measure (Abs)		Like-for-like measure (LfL)									
		Total		Belgium		France		Italy		Sweden		Total	
Impact area		2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**
Energy (MWh)	Total electricity	69,537	**69,058**	2,760	**2,930**	7,534	**7,401**	15,955	**17,695**	35,586	**37,095**	61,836	**65,121**
	Electricity from purchased renewable sources (kWh)	49,969	**58,843**	2,760	**2,930**	1,509	**2,100**	10,155	**13,580**	33,719	**36,407**	48,143	**55,007**
	% electricity from purchased renewable sources	72%	**85%**	100%	**100%**	20%	**28%**	64%	**77%**	95%	**98%**	78%	**84%**
	Electricity from on-site generated renewable sources (kWh)	1,669	**3,507**	495	**552**	-	**-**	145	**153**	1,029	**2,801**	1,669	**3,507**
	Total district heating and cooling	13,377	**13,466**	-	**-**	1,326	**1,116**	-	**-**	12,051	**12,350**	13,377	**13,466**
	% heating and cooling from renewable sources	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**
	Total fuels	18,673	**17,487**	3,147	**2,937**	3,443	**3,268**	11,967	**11,275**	-	**-**	18,557	**17,480**
	% fuels from renewable sources	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**
	Total energy	101,587	**100,011**	5,907	**5,867**	12,303	**11,785**	27,922	**28,970**	47,637	**49,445**	93,769	**96,067**
	Renewable energy generated by third party on-site and sold	5,556	**5,051**	-	**-**	5,556	**5,051**	-	**-**	-	**-**	5,556	**5,051**
Greenhouse gas emissions (tonnes CO_2e) Market based	Total direct GHG emissions Scope 1	1,622	**1,402**	86	**81**	497	**432**	1,017	**888**	-	**-**	1,601	**1,400**
	Total indirect GHG emissions Scope 2	2,684	**830**	-	**-**	343	**302**	1,428	**458**	86	**64**	1,856	**824**
	Total indirect GHG emissions Scope 3	2,870	**2,749**	490	**457**	360	**357**	1,515	**1,474**	374	**461**	2,739	**2,749**
Greenhouse gas emissions (tonnes CO_2e) Location based	Total direct GHG emissions Scope 1	1,622	**1,402**	86	**81**	497	**432**	1,017	**888**	-	**-**	1,601	**1,400**
	Total indirect GHG emissions Scope 2	5,855	**5,561**	468	**421**	357	**318**	3,707	**3,832**	147	**142**	4,680	**4,713**
	Total indirect GHG emissions Scope 3	3,862	**3,991**	490	**457**	360	**357**	2,288	**2,362**	502	**563**	3,640	**3,739**
Energy and GHG coverage and estimates	Energy and associated GHG disclosure coverage (if applicable)	30 of 30		1 of 1		8 of 8		10 of 10		7 of 7		26 of 26	
	% energy and associated GHG estimated	1%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**	0%	**0%**
Water (cubic metres) (m^3)	Total water withdrawal	489,760	**531,299**	16,090	**21,145**	80,887	**83,606**	225,815	**247,522**	87,306	**98,738**	410,098	**451,011**
	Water disclosure coverage (if applicable)	30 of 30		1 of 1		8 of 8		10 of 10		7 of 7		26 of 26	
	% water disclosure estimated	0%	**1%**	0%	**0%**	2%	**3%**	0%	**0%**	0%	**0%**	0%	**1%**
Waste (landlord-handled)	Total weight of non-hazardous waste	6,675	**7,962**	427	**481**	1,978	**2,414**	1,811	**2,273**	1,429	**1,304**	5,645	**6,472**
	Total weight of hazardous waste	64	**15**	0	**0**	0	**0**	54	**0**	10	**15**	64	**15**
Waste by disposal routes (metric tonnes)	Reuse	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
	Recycling	2,640	**3,841**	150	**170**	625	**1,091**	696	**910**	804	**1,111**	2,275	**3,281**
	Composting	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
	Material Recovery Facility	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**
	Incineration	2,867	**3,300**	276	**311**	361	**502**	940	**710**	624	**847**	2,202	**2,370**
	Landfill	398	**912**	-	**-**	215	**252**	181	**654**	1	**7**	398	**912**
	Other	835	**1,283**	-	**-**	777	**1,283**	48	**-**	10	**-**	835	**1,283**
	Waste disclosure coverage	29 of 30		1 of 1		8 of 8		9 of 10		7 of 7		25 of 26	
	% waste disclosure estimated	3%	**0%**	0%	**0%**	0%	**0%**	13%	**0%**	0%	**0%**	3%	**0%**

EPRA sustainability intensity measures

Impact area		2021	**2022**
Energy (kWh/m²/year)	Building energy intensity (like-for-like)	236.8	**239.7**
Greenhouse gas emissions (kg CO_2e/m^2/year) GHG intensity from building energy	(like-for-like, market-based)	20.1	**16.3**
	(like-for-like, location-based)	28.2	**27.0**
Water (m3/m2/year)	Building water intensity (like-for-like)	0.6	**0.6**
Share of on-site solar energy (kWh on-site solar/total kWh electricity)	Renewable electricity generated on-site (absolute)	2.4%	**5.1%**

Building certification

Building certifications – BREEAM (% of floor area)

	2021	**2022**
Excellent	37%	**43%**
Very Good	51%	**47%**
Good	6%	**6%**
In process of certification	6%	**4%**

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

	2021	**2022**		2021	**2022**
A	0%	**0%**	E	33%	**30%**
B	6%	**6%**	F	6%	**3%**
C	30%	**36%**	G	3%	**5%**
D	11%	**13%**	No Label	11%	**6%**

Environmental, Social and Governance (continued)

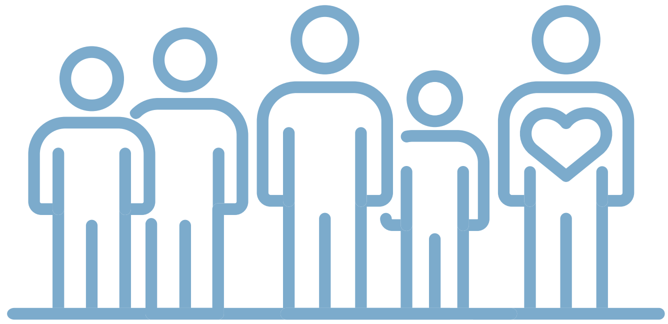
EPRA Social & Governance indicators

All employees		2022			2021		
Diversity – Emp 405-1	*Employee gender diversity (based on headcount)*	**Total**	**Male**	**Female**	Total	Male	Female
	Supervisory Board	**3**	**1**	**2**	3	1	2
	Board	**3**	**3**	**-**	3	3	–
	Management	**14**	**10**	**4**	14	11	3
	Staff	**80**	**29**	**51**	81	29	52
	Total number of employees	**97**	**42**	**55**	98	43	55
	Age group distribution (percentage)						
	Under 30 years old	**5%**			9%		
	Between 30 and 50 years old	**69%**			63%		
	Over 50 years old	**26%**			28%		
Diversity – Pay 405-2	*Gender pay ratio*		**Male**	**Female**		Male	Female
	Board		**100%**	**0%**		100%	0%
	Management		**53%**	**47%**		52%	48%
	Staff		**60%**	**40%**		61%	39%
Emp – Training 404-1	*Employee training and development (based on headcount)*		**Male**	**Female**		Male	Female
	Training hours per employee		**45**	**18**		18	16
	% of employees who received professional training		**100%**	**100%**		100%	100%
	% of employees who received ESG training		**100%**	**100%**		100%	100%
Emp – Dev 404-3	*Employee performance appraisals*						
	% of employees	**100%**			100%		
Emp – Turnover 401-1	*New hires and turnover*		**New hires**	**Departures**		New hires	Departures
	Male		**7**	**7**		4	1
	Female		**8**	**9**		8	5
	Total		**15**	**16**		12	6
	Employee turnover	**16%**			6%		
H&S – Emp 403-2	*Employee health & safety*						
	Workstation and/or workplace checks (%)	**36%**			62%		
	Absentee rate (%)	**2.1%**			1.57%		
	Injury rate (%)	**0.0%**			0.0%		
	Work-related fatalities (number)	**0**			0		
H&S – Asset 416-1	*Asset health & safety assessments*						
	Health & Safety – assessments (in % of assets)	**100%**			100%		
H&S – Comp 416-2	*Asset health & safety compliance*						
	Health & Safety – incidents	**0**			0		
Comty – Eng 413-1	*Community engagement, impact assessments and development programmes*						
	Community engagement programmes in place (in % of assets)	**100%**			100%		
Gov – Board 102-22	*Composition of highest governance body*						
	Number of executive board members	**3**			3		
	Number of independent board members (Supervisory Board)	**3**			3		
	Average tenure of all board members	**16**			15		
	Number of independent board members with competencies relating to environmental and social topics	**2**			2		
Gov – Selec 102-25	*Process for nominating and selecting the highest governance body*	The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Supervisory Board. Relevant information is reported in this Annual Report see page 142.					
Gov – Col 102-25	*Process for managing conflicts of interest*	For Eurocommercial Properties it is very important that members of the Executive Board and Supervisory Board act independently. There have been no conflicts of interest with rules, regulations or the Dutch Corporate Governance Code in this reporting year. Relevant information is reported in this Annual Report page 156. The process for managing conflicts is included in the Rules and Regularions of the Supervisory Board and the Code of Conduct which can be found within the governance section on the corporate website.					

Qualifying notes social indicators

Organisational boundaries, reporting period and coverage

All employees who work directly for Eurocommercial in The Netherlands, United Kingdom, Sweden, Italy, France and Belgium were included in these figures. Eurocommercial provided performance data for the calendar years 2021 and 2022 for all social and governance indicators.



Gender pay ratio

The gender pay ratio as reported in the table is the ratio of the base salary and remuneration of men to women in the mentioned employee categories. Base salary represents the salary excluding additional remuneration such as bonuses, share options or overtime pay. Please note that Eurocommercial only employed 97 persons at the end of 2022. Therefore, it is not possible to disclose more detailed information on gender pay ratio, due to the limited number of employees with the same function and experience within the organisation.

Health and Safety assessments

These assessments are a review of health and safety impacts on asset level for compliance or improvement. For most assets Health & Safety is integrated into the BREEAM certification procedure, assets that haven't been certified yet use internal assessments on Health & Safety (for example on indoor air quality, fire, elevator safety, disabled access, emergency procedures).

Narrative on performance

Employee turnover rates have increased compared to 2021 while other social indicators have remained consistent over both reporting periods.

Belgium country report

> *Last year saw strong retail sales growth and a further strengthening of Woluwe Shopping's international merchandising with the successful summer openings of Fnac and Mango.*

Benjamin Frois
Director, Eurocommercial Belgium

€578m
Property value

1
Number of properties

0.4%
Valuation change (12 months)

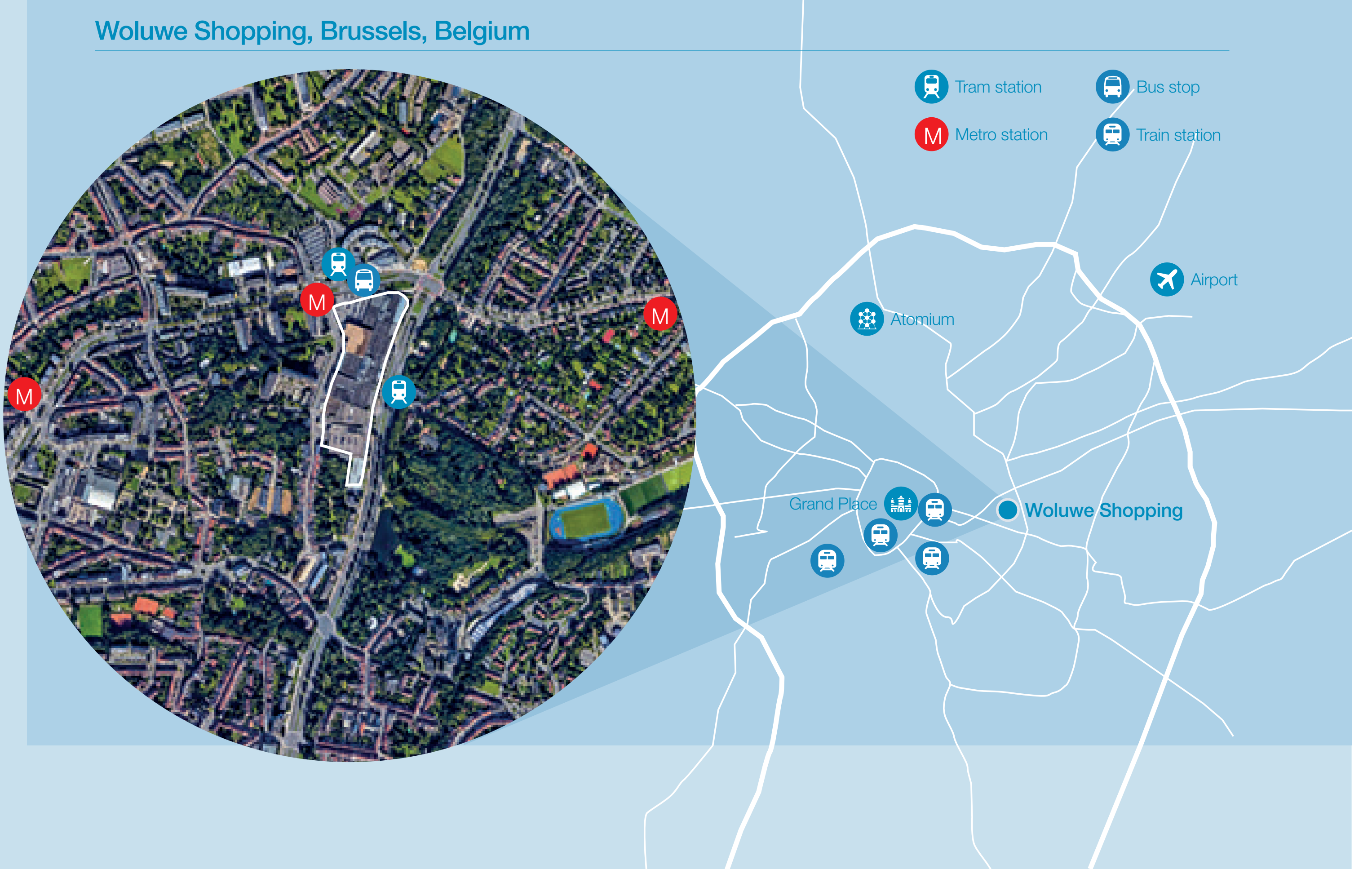
124
Number of shops

-2.7%
Average uplift from relettings & renewals

47,000m²
Gross lettable area

5.0%
Rental growth

Woluwe Shopping, Brussels, 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 of 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.

Leasing

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 brand 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.

Fnac store successfully opened at the end of May 2022

Mango's concept store at Woluwe Shopping

Belgium country report (continued)

Valuation

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 recorded 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 yield applied by the valuers 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% .

ESG Activities

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 war in Ukraine. In the interests of social responsibility and economic rationalisation, a sobriety plan was launched to reduce our primary energy consumption by modifying internal procedures related to energy use and by upgrading our 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.

A number of other responsible actions was also launched this year, including the first edition of our green committee which is a platform of exchange with tenants about environmental responsibility, the installation of two beehives on the roof of the shopping centre to support biodiversity, the implementation of a new recycling service for our customers called "Recycle Point" in the mall and the reinforcement of our parcel delivery offer with the addition of Bpost lockers on top of the existing UPS service.

Solar panels on the roof of Woluwe Shopping

Beehives at Woluwe Shopping to help raise awareness on biodiversity

Engagement with our communities has also been a particular focus this year. A tenant communication app "WeLink" has been launched to facilitate daily operations reinforcing tenant relationships. Promotion of local community initiatives was also again in the spotlight with the sixth edition of the contemporary art fair, the creation of a collaborative piece of art made with recycled fabric involving tenants, customers, students and local artists. We were proud to support 150 young entrepreneurs again this year who presented their mini-enterprise projects to our customers. This provided them with the opportunity to explore commercial operations and develop an understanding of what it takes to create, produce and market a product or a service in Woluwe.

Project

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.

Outlook

2022 was not the year of normality we had envisaged after two years of the COVID-19 pandemic. The War 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 that we signed with them in 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 acquired this minority stake on 18 April 2023, so that we own 100% of Woluwe Shopping. The price 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 is funded by available cash and credit lines.

BRUSSELS – OPENED 1968
Refurbished in 2004 and 2019

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

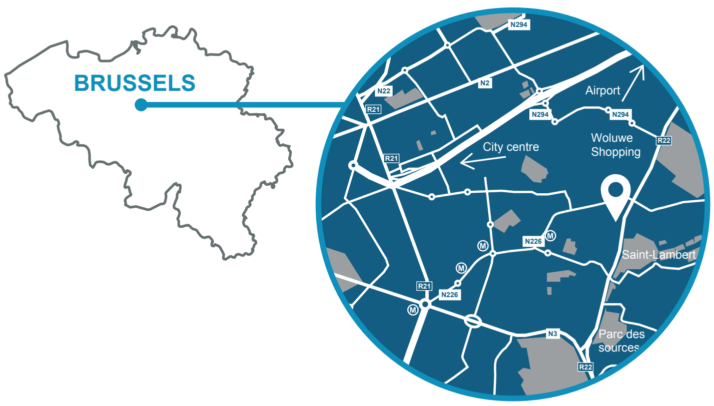
OPENED 1968

47,000 Gross lettable area Gallery

1.6 million Catchment (within 20 minutes)

124 Number of stores
10 Medium units
16 Restaurants

98% Occupancy



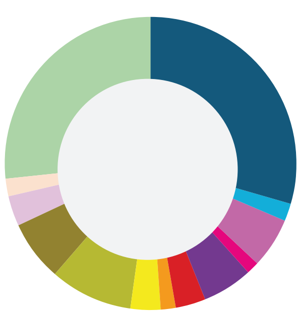
SERVICES

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

ACCESSIBILITY

- Bus 5 lines
- Metro Line 1
- Tram Line 8
- Parking (1,910 spaces)

BROAD RANGE OF RETAILERS



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

TOP BRANDS

ZARA, H&M, COURIR, MANGO, INNO, fnac

ESG

BREEAM

ENVIRONMENT

- BREEAM certification
- LED relamping
- Green Committee
- Upgrade of BMS
- Green lease policy
- Beehives
- Solar panels
- Verified Carbon Standard (VCS)

SOCIAL/COMMUNITY

- Art for All
- Second Life
- Sports events

France country report

2022 was an active year in France with around €80 million of disposals completed in Q1 and strong retail sales and improving footfall throughout the year.

Pascal Le Goueff
Director, Head of Eurocommercial France

€810.3m
Property value

8
Number of properties

-0.5%
Valuation change (12 months)

448
Number of shops

4.1%
Average uplift from relettings & renewals

221,120m²*
Gross lettable area

2.6%
Rental growth

Property locations

1 Passage du Havre
Paris

2 Val Thoiry
Greater Geneva (Ain)

3 Les Atlantes
Tours (Indre-et-Loire)

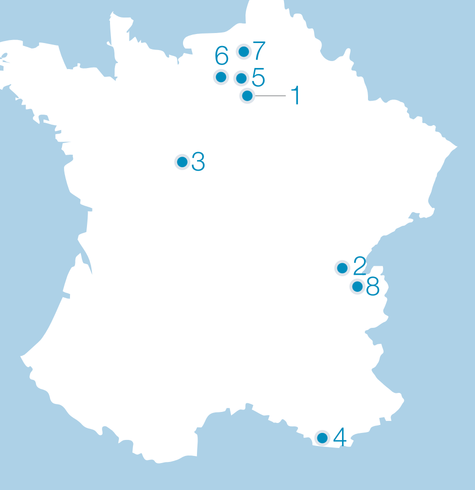
4 Centr'Azur
Hyères (Var)

5 MoDo
Moisselles (Val d'Oise)

6 Les Portes de Taverny
Taverny (Val d'Oise)

7 Grand A
Amiens (Somme)

8 Shopping Etrembières
Greater Geneva
(Haute-Savoie)



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

Although our shopping centres remained open 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 growth 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 of the centres following a very positive end to the year.

The organisation of major events such as The Lion King in collaboration with a famous Parisian theatre at the Passage du Havre and open air cinema session in Les Portes de Taverny or in Les Atlantes had a great success and contributed to the recovery of our centres. This post-COVID period also highlighted the importance of the hypermarkets, which play an essential role in winning back our customers.

Leasing is the main focus, in order to reinforce the restaurant, sports and services sector and to offer our customers a moment of shopping or relaxation in modern and comfortable centres, respectful of the environment, and equipped with an innovative and quality merchandising mix. This strategy could not be implemented without the support of our talented shopping centre managers who take care of our clients every day and who are the real pivots of our organisation in France.

Passage du Havre hosted a performance of The Lion King

The new Bonobo store at Les Atlantes

Leasing

During 2022 we signed 46 leases generating an 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. The Inditex group has also confirmed its interest in Passage du Havre with brands such as Pull & Bear or Stradivarius.

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.

France country report (continued)

Valuations

The valuations of the French portfolio decreased slightly by 1.1% over six months and 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 of the portfolio is 5.2%.

ESG Activities

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 and will make it mandatory to install photovoltaic panels on car parks of more than 80 spaces. We are also working in partnership with Oze Energie to improve air quality in two of our shopping centres by monitoring air humidity and temperature while CO_2 sensors have been installed in most of our French centres. With rising inflation and cost of living, a guide with energy sobriety recommendations was sent to all tenants and we 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 improved Building Management Systems.

The new Dr. Martens store at Passage du Havre

We are striving to support the local communities and have formed partnerships with local associations to provide job forums such as Les Jeudis de l'Emploi at MoDo which focuses on a different sector each month and Shop ton Job at Grand A which facilitates the meetings of candidates with retailers who are recruiting or with local companies in the Amiens region. Our shopping centres have also continued to promote health by organising sports events and raising awareness against diseases such as cancers. Our centres have been instrumental for various charitable donations, including in support of Ukraine, but also locally and nationally in partnership with The Red Cross, Secours Populaire and Restos du Coeur.

Projects

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 Ristorante 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 "Village Gourmand" of around 4,000m² of restaurants and leisure facilities on an adjacent site in conjunction with remerchandising to improve the tenant mix of the existing gallery through the introduction of new brands in fashion and sport.

Outlook

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.

Les Trois Brasseurs and Il Ristorante at Shopping Etrembières, near Geneva

PASSAGE DU HAVRE

PARIS – OPENED 1997
Refurbished in 2012

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

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

OPENED 1997

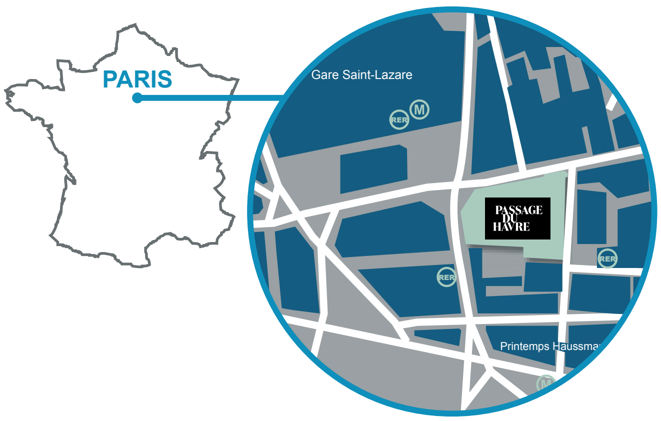
23,900*
Gross lettable area Gallery
14,000
ECP-owned GLA (50% JV)

7.4 million
Catchment
(within 30 minutes)

41 Number of stores
2 Medium units
5 Restaurants

100%
Occupancy

* Includes external units, offices and residential areas.



SERVICES

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

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS

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

TOP BRANDS

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Green Committee
- Upgrade of BMS
- Waste audit
- Climate change audit

SOCIAL/COMMUNITY

- Clothes recycling
- Health awareness initiatives
- Entertainment with summer events

VAL THOIRY SHOPPING

GREATER GENEVA – OPENED 1993
Refurbished in 2015

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

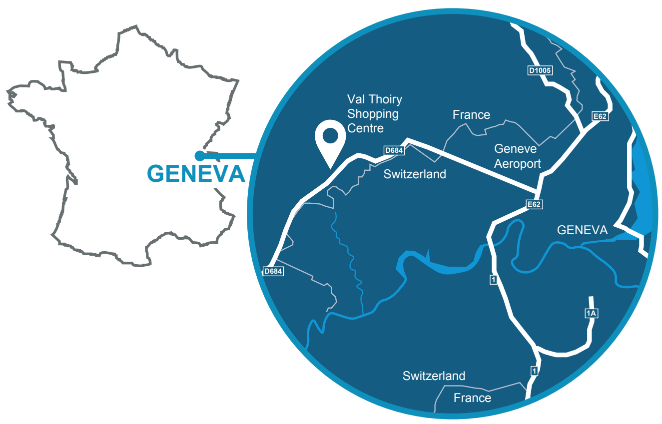
OPENED 1993

35,800
Gross lettable area Gallery
24,000
ECP-owned GLA

417,000
Catchment
(within 20 minutes)

68 Number of stores
4 Medium units
5 Restaurants

99%
Occupancy



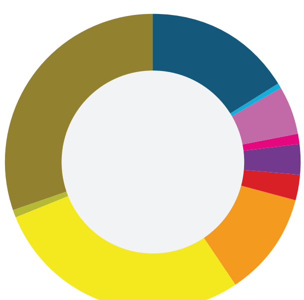
SERVICES

- Free Wi-Fi
- Gift Card
- Tax Free
- Electric Car Charging
- Welcome Desk

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



TOP BRANDS

H&M, SEPHORA, DECATHLON, COURIR, CAROLL, GO SPORT

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Green Committee
- Upgrade of BMS
- Waste audit
- Climate change audit

SOCIAL/COMMUNITY

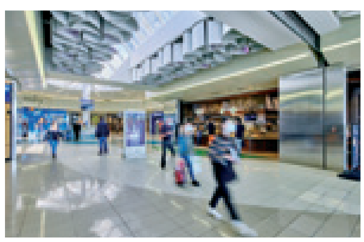
- Health awareness
- Job forum
- Sports events

Atlantes
La Vallée du shopping

TOURS – OPENED 1992
Refurbished in 2011

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

OPENED 1992

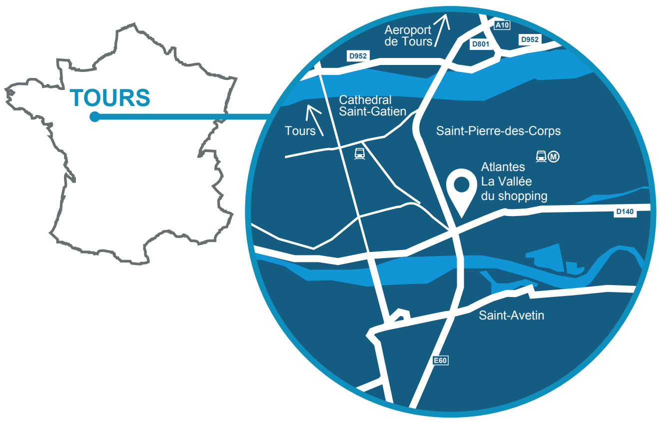


39,500 Gross lettable area
23,000 ECP-owned GLA

359,000 Catchment

68 Number of stores
4 Medium units
6 Restaurants

98% Occupancy



SERVICES

- Free Wi-Fi
- Loyalty programme
- Welcome Desk
- Digital Signage/ Advertising
- Electric Car Charging

ACCESSIBILITY

- Bus 4 lines
- Parking (1,600 spaces recently renovated)

BROAD RANGE OF RETAILERS

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

TOP BRANDS

Go Sport, Boulanger, Blackstore, Courir, Pandora, Sephora

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Green Committee
- Upgrade of BMS
- Waste audit
- Climate change audit

SOCIAL/COMMUNITY

- Health awareness

CENTR'
AZUR

Hyères – OPENED 1993
Refurbished in 2013

Located on the Côte d'Azur coast road to the west of Hyères in the south of France, this popular local shopping centre first opened in 1993 and features 54 stores. Centr'Azur is anchored by a Casino hypermarket and provides a broad mix of retail and food and beverage outlets. The shopping centre is undergoing a renovation project to improve its access and car park.

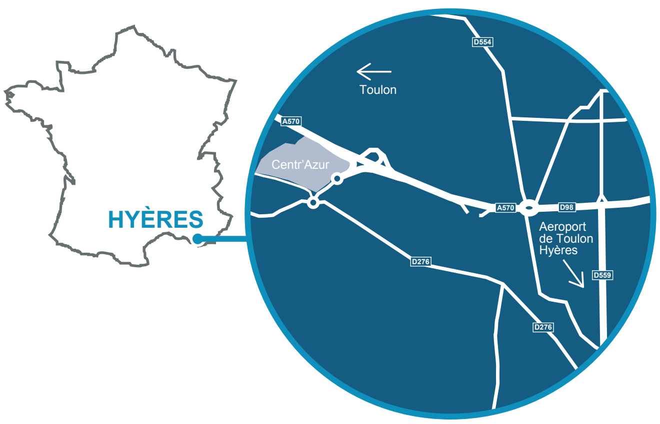
OPENED 1993

24,500
Gross lettable area
24,500
ECP-owned GLA

332,000
(within 20 minutes)

54 Number of stores
6 Restaurants

98%
Occupancy



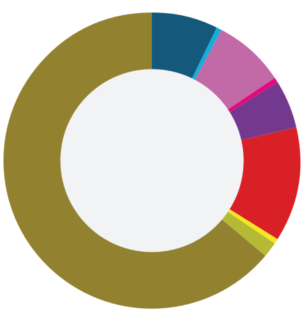
SERVICES

- Free Wi-Fi
- Digital Signage/ Advertising
- Loyalty programme
- Gift card
- Electric Car Charging

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

SEPHORA JACK&JONES KIKO carréblanc MORGAN

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Green Committee
- Waste audit
- Climate change audit

SOCIAL/COMMUNITY

- Toys collection charity
- Sports events

MO-DO
CENTRE COMMERCIAL
MOISSELLES–DOMONT

Moisselles – OPENED 1985
Refurbished in 2017

Located to the north of Paris, close to the Francilienne ring road, MoDo is anchored by the leading Leclerc hypermarket of Val d'Oise and is situated in a strong catchment of upper-middle class inhabitants, with significantly improved access following recent roadworks. MoDo has 58 stores and benefits from a diversified merchandising mix with national and international brands, including JD Sports, Mango and Gémo. A dental clinic opened 2022.

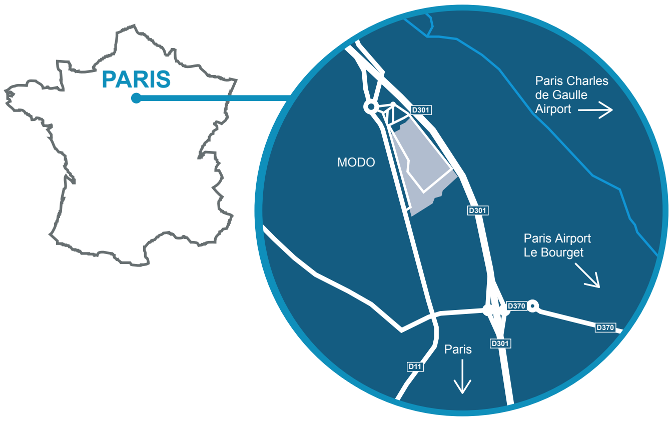
OPENED 1985

26,500
Gross lettable area
10,976
ECP-owned GLA

298,000
Catchment

58 Number of stores
3 Medium units
4 Restaurants

99%
Occupancy



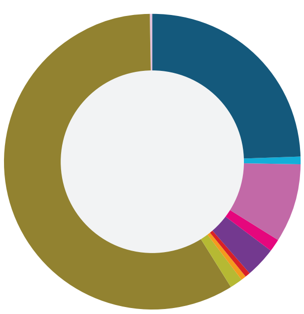
SERVICES

- Free Wi-Fi
- Electric Car Charging
- Digital Signage/ Advertising
- Gift card

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green Committee
- Waste audit
- Climate change audit

SOCIAL/COMMUNITY

- Food collection charity
- Job forum
- Dentist

LES PORTES DE TAVERNY

TAVERNY – OPENED 1990
Refurbished in 2005 and 2014

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

OPENED 1990

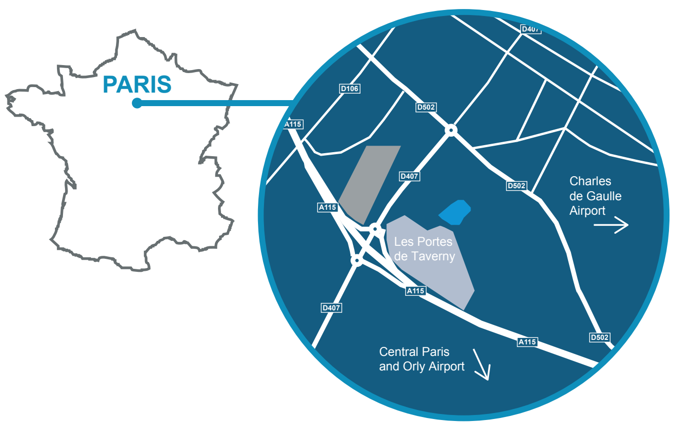
30,500* Gross lettable area
5,711 ECP-owned GLA

269,000 Catchment

50 Number of stores
4 Medium units
3 Restaurants

97% Occupancy

* Includes external units.



ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green Committee
- Waste audit
- Climate change audit
- Beehives

SERVICES

- Free Wi-Fi
- Electric Car Charging
- Digital Signage/ Advertising
- Gift card

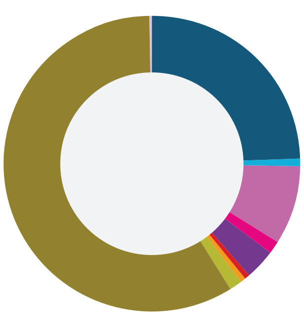
ACCESSIBILITY

- SNCF Gare Vaucelles
- Bus line 3010
- Parking (1,400 spaces)

SOCIAL/COMMUNITY

- Food collection
- Health awareness
- Sports events
- Supporting self development

BROAD RANGE OF RETAILERS



TOP BRANDS

promod | YVES ROCHER | Etam | COURIR | PANDORA | JACK&JONES

GRAND A AMIENS GLISY

AMIENS – OPENED 1994
Extended in 2017

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

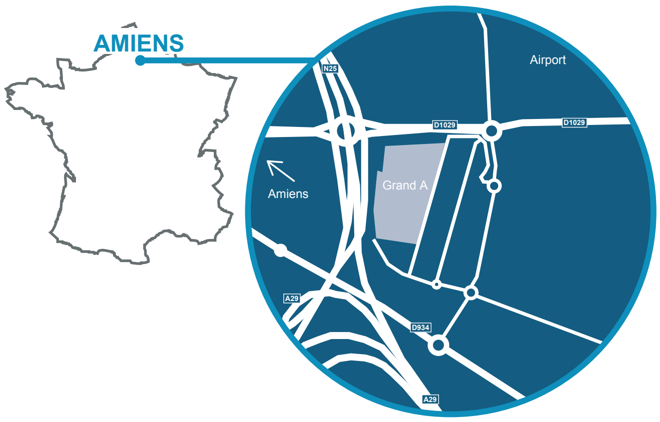
OPENED 1994

22,500
Gross lettable area
11,300
ECP-owned GLA

230,000
Catchment
(within 20 minutes)

60 Number of stores
2 Medium units
7 Restaurants

96%
Occupancy



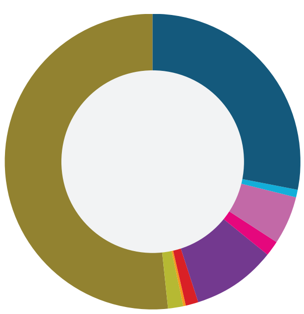
SERVICES

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

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

H&M NEW YORKER PROMOD PANDORA COURIR NOCIBÉ

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green Committee
- Waste audit
- Climate change audit

SOCIAL/COMMUNITY

- Food collection
- Health awareness
- Job forum

SHOPPING ÉTREMBIÈRES

Greater Geneva – OPENED 1994
Refurbished in 2018

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

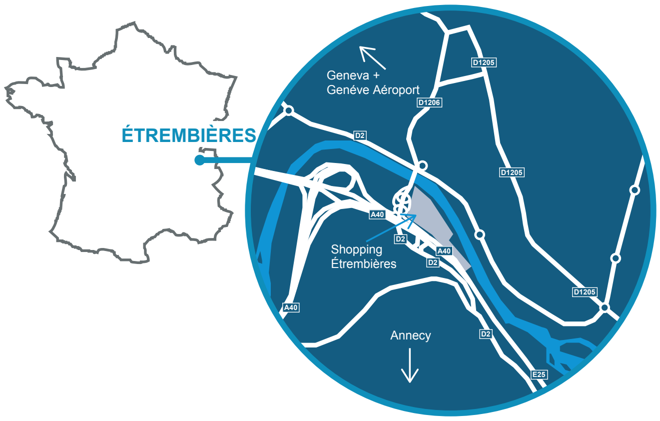
OPENED 1994

18,000
Gross lettable area
9,000
ECP-owned GLA

420,000
Catchment

49 Number of stores
3 Medium units
3 Restaurants

97%
Occupancy



SERVICES

- Gift card
- Tax Free
- Electric Car Charging
- Welcome Desk

ACCESSIBILITY

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

ESG

BREEAM®

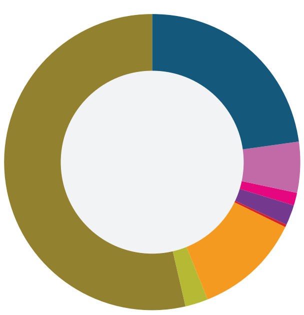
ENVIRONMENT

- BREEAM certification
- Green Committee
- Upgrade of BMS
- Waste audit
- Climate change audit
- Solar panels

SOCIAL/COMMUNITY

- Health awareness
- Sports events

BROAD RANGE OF RETAILERS



TOP BRANDS

Italy country report

Once again our portfolio proved resilient to external events affecting 2022 such as the war in Ukraine and rising inflation and interest rates. Our assets performed extremely well and turnovers were even higher than pre-Covid.

Salvatore Occini
Director, Eurocommercial Italy

€1,629.9m
Property value

8
Number of properties

0.6%
Valuation change (12 months)

759
Number of shops

8.8%
Average uplift from relettings & renewals

404,869m²*
Gross lettable area

6.5%
Rental growth

Property locations

1 I Gigli
Florence (Tuscany)

2 Carosello, Carugate,
Milan (Lombardy)

3 Fiordaliso, Rozzano,
Milan (Lombardy)

4 Collestrada
Perugia (Umbria)

5 Il Castello
Ferrara (Emilia Romagna)

6 Curno
Bergamo (Lombardy)

7 CremonaPo
Cremona (Lombardy)

8 I Portali
Modena (Emilia Romagna)

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

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 main sectors driving growth were F&B, sport and health & beauty. Turnovers were good, even outperforming by 4.6% 2019 pre-pandemic levels.

Leasing

Over the last 12 months, 114 relettings and renewals produced an uplift in rent of 8.8%. New lettings, representing almost 30% of 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 31 December 2022.

Valuations

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.

Snipes store in CremonaPo

Italy country report (continued)

Roof solar panels at Fiordaliso

ESG Activities

At the end of 2022, 100% of the electricity used in Fiordaliso, Castello, Curno, Carosello and I Gigli came from renewable sources. Six out of eight centres send no waste to landfill and only three out of eight centres still use gas fuelsystems. In 2022, we dismantled the gas plants at Collestrada and Curno, replacing them with highly efficient, electricity fuelled plants, which will reduce our emissions and also improve the Energy Performance Certificate (EPC) rating of the buildings. 90% of the energy used will be coming from renewable sources. As a result of such investments, the path on the road to carbon neutrality is well advanced: in 2022 we have already achieved our GHG Scope 1 emission objectives in Collestrada, CremonaPo, Curno and Fiordaliso, and we have already reached our GHG Scope 2 objectives in Carosello, Il Castello, Curno, Fiordaliso and I Gigli. In relation to renewable energy produced on site, Fiordaliso, Curno, I Gigli and Cremona Retail Park already have solar panels installed, while two additional solar panel systems (on car shelters and on land) will be operational at I Gigli and Carosello in 2023.

In order to reduce our consumption, we are upgrading our smart meters systems to be able to monitor the use of energy and water. In 2022, smart meters were installed in all centres to directly monitor overall consumption in common areas and by the mechanical systems. All our centres are BREEAM certified. In Q1 2023 we renewed the BREEAM certificate with the new protocol (V6) for Collestrada shopping centre. We also run a pre-assessment for the upcoming new BREEAM certification in the other centres, in order to obtain at least the same rating as the previous certificates or an upgrade to excellent. We commissioned a Climate Risk Assessment for all assets, according to SSP2-4.5 intermediate scenario and, in 2023, we will finalise a plan to mitigate risks, starting with the severe ones. We also commissioned a Carbon Risk Real Estate Monitor (CRREM) analysis to evaluate the progress of our portfolio's carbon reduction performance against reduction targets (the developed "pathways") in line with the Paris Agreement. We therefore focus on the transition risks that are part of the broader climate risks to which real estate may be exposed. Regarding green mobility, we aim to install additional electric car chargers in most of our centres to increase the overall number of charging stations above today's 20, which are spread among Curno, Fiordaliso, Gigli and Cremona.

The extension of the food court at Fiordaliso with nine new restaurants

Projects

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, on 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 CremonaPo 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 refurbished food court at Carosello

Outlook

In 2022, Italy's GDP grew by 3.9%, driven by domestic demand, in particular housing investment. The sharp increase in energy prices in the second half of the year, however, led to a marked slowdown in private consumption and rising financing costs slowed down many companies' investment plans. The energy support packages introduced by the Italian government in 2022, have been extended up to 31 March 2023 for low income households and for companies. In some cases the government's contribution has also increased, having an important impact on consumer confidence, business sustainability and, therefore employment. In the second half of the year, consumer spending is forecasted to resume growth, in parallel with accelerating investments, due to the public investment projects included in Italy's RRP (Resilience and Resistence Plan). On average, GDP is set to grow by 0.8% in real terms in 2023. Harmonised Index of Consumer Prices (HICP) inflation picked up substantially in 2022, fuelled by the sharp increase in energy prices. It is estimated to have peaked in the fourth quarter, averaging 8.7% over the whole year. Although international energy commodity prices have mostly fallen back to their 2021 levels, their increase has spread to producer and retail prices of food, industrial goods and eventually services. The higher inflation in the second half of 2022 has carried over into 2023, but base effects are projected to help bring the annual rate down to 6.1%.

GIGLI

FLORENCE – OPENED 1997
Refurbished in 2017, Extended in 2020

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

OPENED 1997

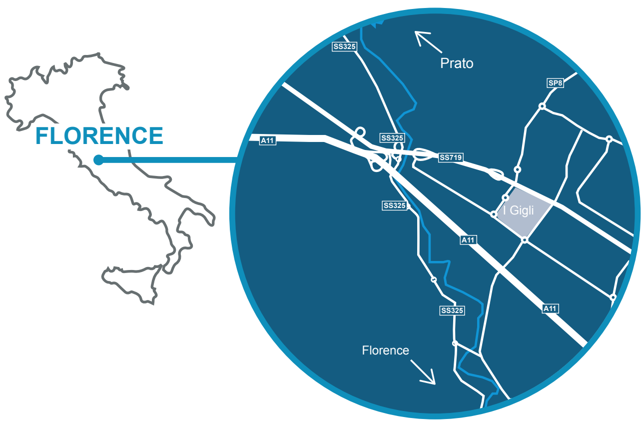
87,484* Gross lettable area
87,484 ECP-owned GLA

1.1 million Catchment

140 Number of stores
18 Medium units
30 Restaurants

100% Occupancy

* Includes retail park and cinema.



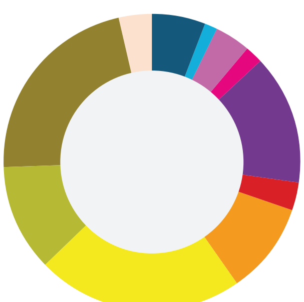
SERVICES

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

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



TOP BRANDS

PRIMARK ZARA SEPHORA MediaWorld NIKE

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green lease policy
- Solar panels
- Smart meters
- 100% electricity from renewable sources

SOCIAL/COMMUNITY

- Entertainment and live music
- Celebrities meet & greet
- Health awareness and free screening
- Food collection
- Local artisan street market
- Food contest

MILAN – OPENED 1997
Refurbished and extended in 2008

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

OPENED 1997

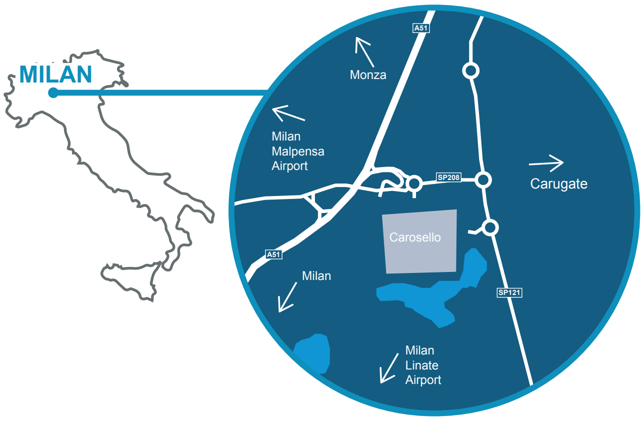
52,868* Gross lettable area
52,868 ECP-owned GLA

1.2 million Catchment

119 Number of stores
9 Medium units
15 Restaurants

99% Occupancy

* Includes external units.



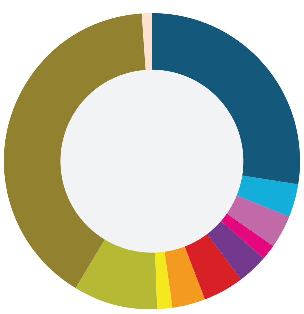
SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Electric Car Charging
- Digital Signage
- Welcome Desk

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Green lease policy
- Solar panels
- Smart meters
- 100% electricity from renewable sources

SOCIAL/COMMUNITY

- Diversity and inclusion awareness
- Anti-violence against women campaign
- Pet-friendly activities
- Student activities
- Sponsorship of local sport association
- Christmas entertainment
- Food contest

FIORDALISO

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

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

OPENED 1992

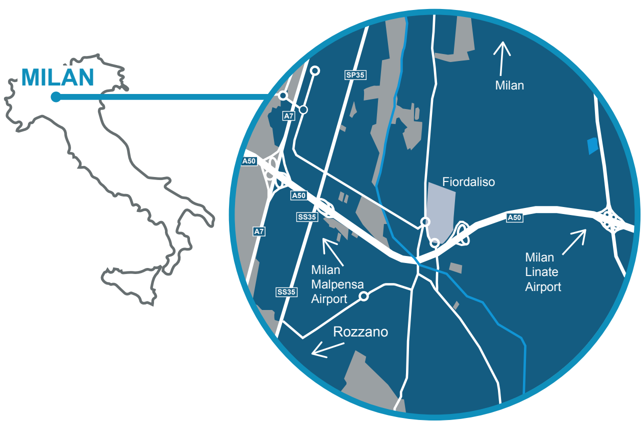
76,339* Gross lettable area
62,884 ECP-owned GLA (50% JV)

1.3 million Catchment

148 Number of stores
16 Medium units
28 Restaurants

99% Occupancy

* Includes retail park and external units.



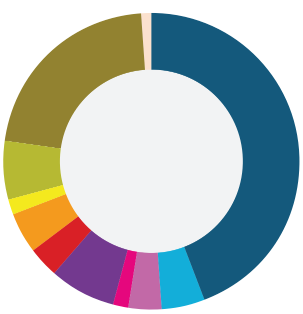
SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Electric Car Charging
- Digital Signage

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

PRIMARK, Apple, ZARA, Scarpe&Scarpe, OVS, MediaWorld, DECATHLON

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Upgrade of BMS
- Green lease policy
- Solar panels
- Smart meters
- 100% electricity from renewable sources

SOCIAL/COMMUNITY

- Entertainment (Guinness World Record for largest spritz)
- Celebrities meet & greet
- Pet-friendly activities

COLLESTRADA

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

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

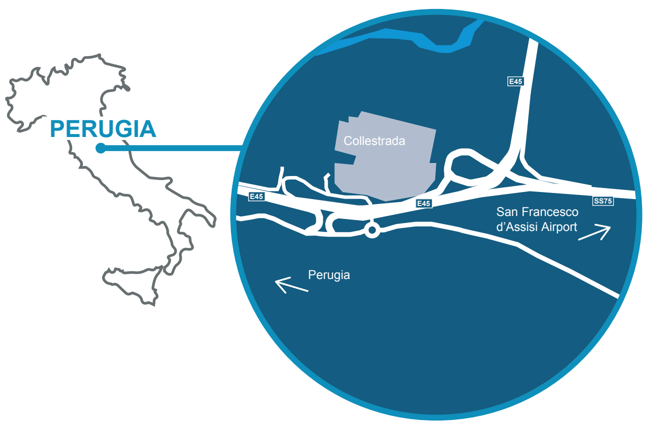
OPENED 1997

32,160
Gross lettable area
32,160
ECP-owned GLA

487,000
Catchment

51 Number of stores
7 Medium units
9 Restaurants

97%
Occupancy



SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Electric Car Charging
- Digital Signage

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS

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

TOP BRANDS

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

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- LED relamping
- Upgrade of BMS
- Green lease policy
- Smart meters

SOCIAL/COMMUNITY

- Health awareness initiatives
- Biodiversity awareness
- Entertainment
- Promotion of local culture, music and arts
- Donations to local associations (eyeglasses, second-hand toys)
- Pet-friendly activities

CREMONAPO

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

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

OPENED 2006

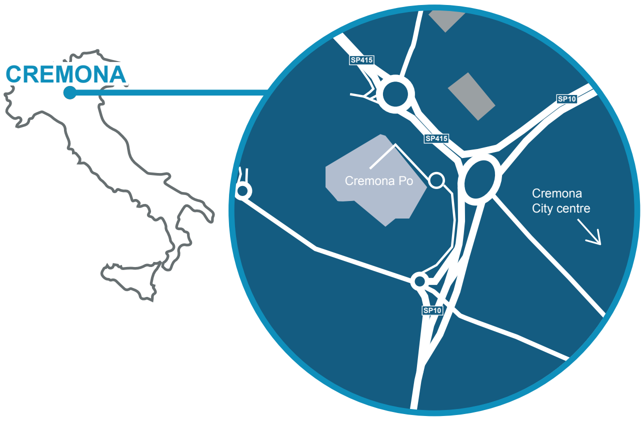
54,839* Gross lettable area
43,505 ECP-owned GLA

162,000 Catchment

82 Number of stores
17 Medium units
10 Restaurants

97% Occupancy

* Includes two retail parks and external units.



SERVICES

- Free Wi-Fi
- Click & Collect
- Electric Car Charging

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS

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

TOP BRANDS

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

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Upgrade of BMS
- Green lease policy
- Solar panels
- Smart meters

SOCIAL/COMMUNITY

- Health awareness initiatives
- Entertainment events
- Diversity and inclusion awareness events
- Free health checks
- Charity campaigns and donations
- Promotion of local culture, music and arts
- Vintage/second-hand/ circular economy (Vinokilo)

IL CASTELLO
CENTRO COMMERCIALE

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

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

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

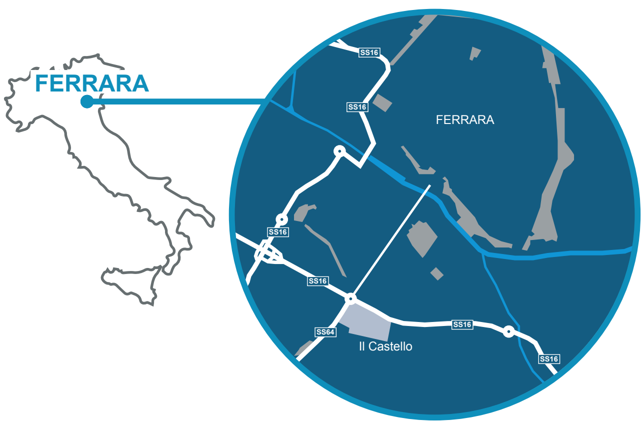
OPENED 1990

39,475 Gross lettable area
21,683 ECP-owned GLA

426,000 Catchment

87 Number of stores
5 Medium units
11 Restaurants

99% Occupancy



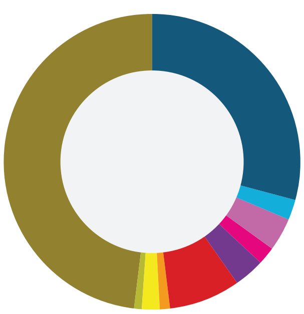
SERVICES

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

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

ZARA H&M OVS NESPRESSO Foot Locker Bershka

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green lease policy
- Smart meters
- 100% electricity from renewable sources
- Geothermal

SOCIAL/COMMUNITY

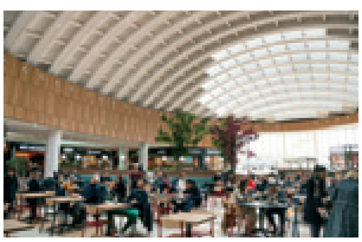
- Events promoting sustainable mobility
- Entertainment
- Diversity and inclusion awareness events
- Health awareness and free health checks
- Charity campaigns and donations
- Promotion of local culture, music and arts

curno
PENSATO PER TE

BERGAMO – OPENED 1991
Refurbished in 2004, Extended in 2019

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

OPENED 1991

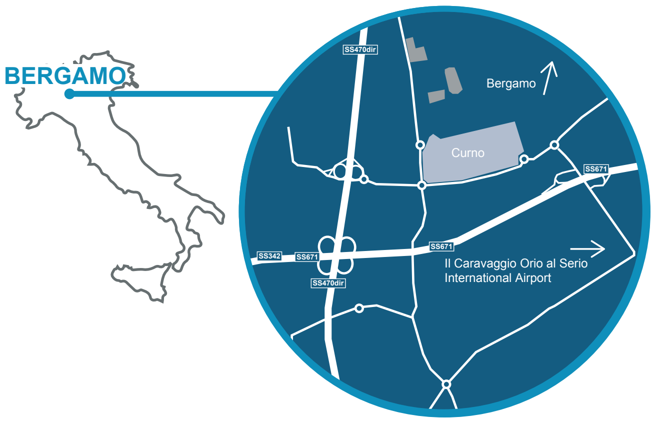


39,119
Gross lettable area
20,924
ECP-owned GLA

485,000
Catchment

82 Number of stores
6 Medium units
22 Restaurants

100%
Occupancy



SERVICES

- Free Wi-Fi
- Click & Collect
- Electric Car Charging
- Digital Signage/ Advertising
- Loyalty card

ACCESSIBILITY

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

ESG

BREEAM®

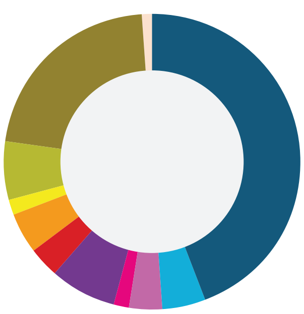
ENVIRONMENT

- BREEAM certification
- LED relamping
- Upgrade of BMS
- Solar panels
- Smart meters
- 100% electricity from renewable sources

SOCIAL/COMMUNITY

- Entertainment activities during the summer
- Charity campaigns and donations

BROAD RANGE OF RETAILERS



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

TOP BRANDS

MediaWorld, Bershka, Stradivarius, Terranova, Maisons du Monde, Sephora, Cisalfa

i Portali
CENTRO COMMERCIALE

MODENA – OPENED 1998
Refurbished in 2015

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

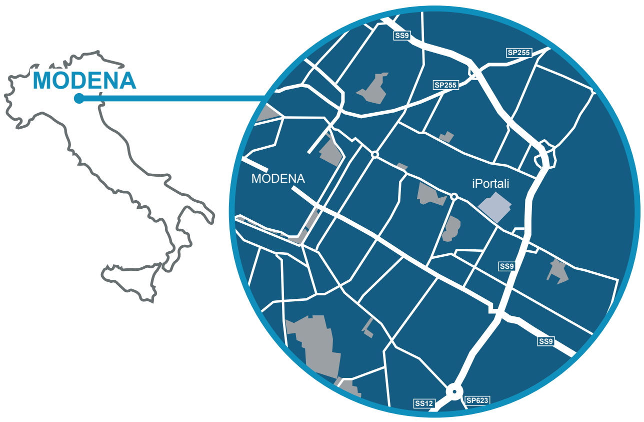
OPENED 1998

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

346,000
Catchment

49 Number of stores
2 Medium units
6 Restaurants

99%
Occupancy



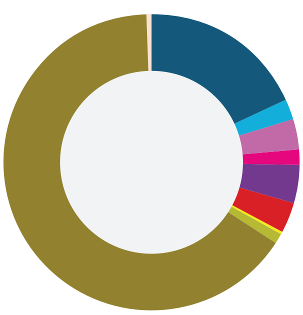
SERVICES

- Free Wi-Fi
- Click & Collect
- Electric Car Charging
- Digital Signage/ Advertising
- Gift card

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

PIAZZA ITALIA · Bata · OVS · CALZEDONIA · intimissimi

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Smart meters

SOCIAL/COMMUNITY

- Charity and social campaigns with local associations
- Pet-friendly activities
- Introduction of utility services: electric scooters, taxi for women and elderly, health point Sports Festival event

Sweden country report

> *Our shopping centres continued to perform well with significantly higher levels of retail sales and footfall compared to last year and the pre-pandemic period resulting in low vacancy and full rent collection.*

Patrik Sörnell and Jonas Gustavsson
Co-Directors, Eurocommercial Sweden

€814.6m
Property value

7
Number of properties

-1.7%
Valuation change (12 months)

457
Number of shops

5.7%
Average uplift from relettings & renewals

270,900m²*
Gross lettable area

3.0%
Rental growth

Property locations

1 Bergvik
Karlstad (Värmland)

2 Hallarna
Halmstad (Halland)

3 Grand Samarkand
Växjö (Småland)

4 Valbo
Gävle (Gästrikland)

5 Ingelsta Shopping
Norrköping (Östergötland)

6 Elins Esplanad
Skövde (Västergötland)

7 C4
Kristianstad (Skåne)

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

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

Leasing

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 lease transactions were new lettings producing an uplift of 17.5% and included new stores for Cassels, Hemtex, 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 & 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 (8,340m^2) finalised phase one of their refurbishment during the autumn resulting in a 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 lease terms.

The IKEA studio concept store has successfully established in three of our Swedish shopping centres

Sweden country report (continued)

Valuations

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 valuers raised exit yields by on average 35 bps.

The valuers generally commented on the strong offer in groceries and everyday goods, including Systembolaget, generating 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 rate throughout the year.

ESG activities

Our seven Swedish centres are now equipped with solar panels following the last installations on the roofs of Ingelsta Shopping, Valbo, Bergvik, Hallarna and C4 during summer 2021 and which became operational in the last quarter of 2021. We are now capable of producing around 3.4MKwh/year of green electricity on site. That is equivalent of around 10% of the annual electricity consumption in the Swedish portfolio. Furthermore all of our Swedish shopping centres now have multiple car charges installed and in June 2022, after signing a land lease agreement with us, Tesla opened Sweden's largest supercharger station with 28 car chargers at our Hallarna shopping centre in Halmstad. We are also in advanced discussions with Tesla for additional chargers in Grand Samarkand to be opened during spring 2023 while they are also showing interest for multiple car chargers in Valbo. In Bergvik, we have updated the geothermal heating and cooling system to further improve efficiency and reduce energy consumption.

During 2022, we have actively engaged with the local communities by providing services and organising events to support them. As our older customers have gradually come back to our shopping centres since the easing of the

Tesla's supercharger station at Hallarna pandemic, we have ensured that they continue to enjoy the high level of engagement from us that they value such as great customer service and personal contact and we have been involved with the local pensioners' associations to support this community. Promoting health and well-being is also very important and we have organised several sporting events during 2022, including the popular Football Festival at Ingelsta Shopping which promotes good sportsmanship and the handball referee event in Elins Esplanad. We have opened a new dentist practice at Grand Samarkand in an unoccupied ancillary space above the shopping centre. We continue to promote and support personal development with the Retail Academy and support young entrepreneurial initiatives.

Projects

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. Phase III of the refurbishment and new masterplan at 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.

The Football Festival at Ingelsta Shopping

Outlook

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 electricity 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 electricity prices now reducing, we expect a year of stable retail sales and a 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.

Hallarna

HALMSTAD – OPENED 1991
Refurbished and extended in 2017

Hallarna is the dominant regional shopping centre in Halland with 81 shops, restaurants and a newly renovated hotel. Hallarna is located alongside the E6 motorway outside Halmstad, a popular west coast tourist destination. A major refurbishment and 16,000m² extension recently opened fully let. Hallarna was awarded Best Shopping Centre of the year 2019 by NCSC.

OPENED 1991

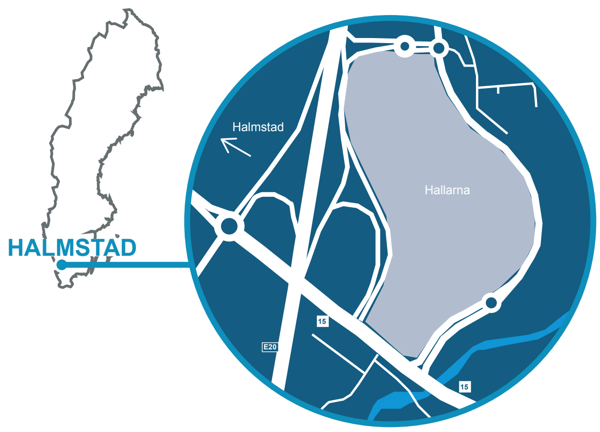
41,500* Gross lettable area
41,500 ECP-owned GLA

270,000 Catchment

81 Number of stores
12 Medium units
8 Restaurants

93% Occupancy

* Includes hotel.



SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

ACCESSIBILITY

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

ESG

BREEAM®

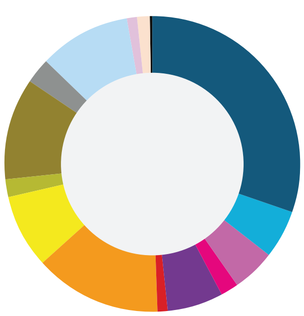
ENVIRONMENT

- BREEAM certification
- Green lease policy
- Solar panels
- 100% electricity from renewable source

SOCIAL/COMMUNITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

H&M XXL Normal SYSTEM BOLAGET coop stadium RITUALS

Bergvik

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

Bergvik was refurbished and extended in 2015 and comprises 68 shops and two hypermarkets and adjoins an IKEA. Bergvik fronts the E18 motorway to the west of Karlstad and serves a regional catchment of around 270,000 people.

OPENED 1982

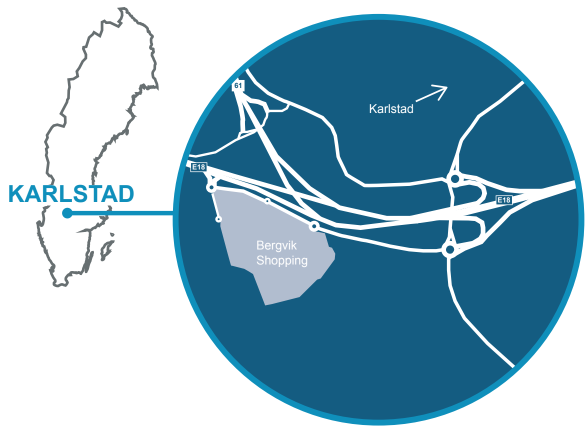
48,000* Gross lettable area
32,800 ECP-owned GLA

277,000 Catchment

68 Number of stores
8 Medium units
9 Restaurants

99% Occupancy

* Includes external units.



SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

ACCESSIBILITY

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

ESG

BREEAM®

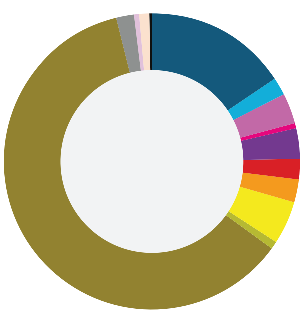
ENVIRONMENT

- BREEAM certification
- Green lease policy
- Beehives
- 100% electricity from renewable sources
- Geothermal heating and cooling
- Solar panels

SOCIAL/COMMUNITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

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

C4

Kristianstad – OPENED 2018

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

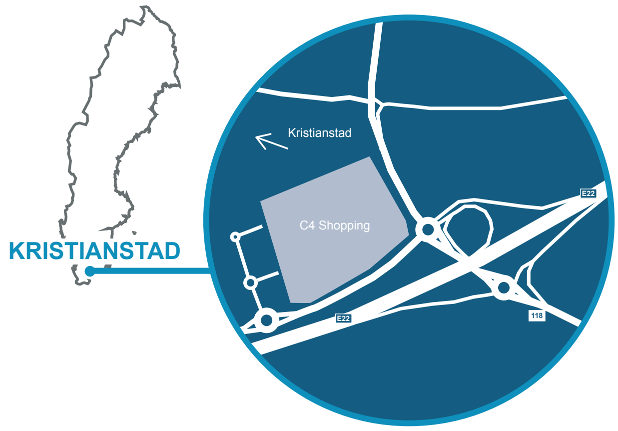
OPENED 2018

39,700
Gross lettable area
39,700
ECP-owned GLA

291,000
Catchment
(within 20 minutes)

88 Number of stores
13 Medium units
10 Restaurants

98%
Occupancy



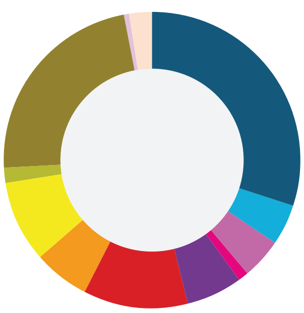
SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

H&M, Stadium, Lindex, Normal, Clas Ohlson, City Gross

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green lease policy
- Beehives
- Geothermal heating and cooling
- 100% electricity from renewable sources
- Solar panels

SOCIAL/COMMUNITY

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

GRAND SAMARKAND

Växjö – OPENED 1973
Refurbished and extended in 2011

Grand Samarkand is located in the main external retail zone of Växjö and is the most popular shopping destination in Småland. The shopping centre was redeveloped in 2011 to provide 63 shops and restaurants and adjoins an ICA hypermarket.

OPENED 1973

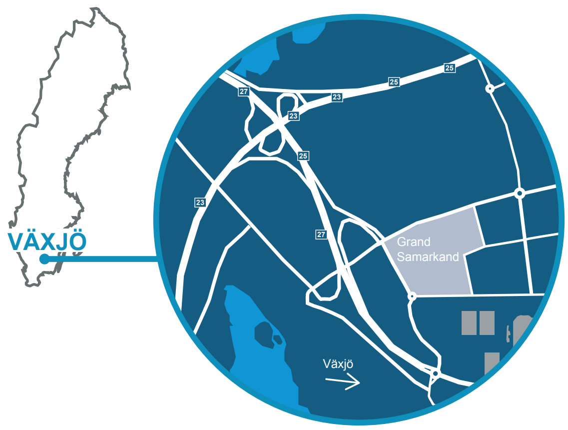
35,400* Gross lettable area
24,800 ECP-owned GLA

236,000 Catchment

63 Number of stores
9 Medium units
9 Restaurants

100% Occupancy

* Includes external units.



ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green lease policy
- Beehives
- Geothermal heating and cooling
- 100% electricity from renewable sources
- Solar panels

SOCIAL/COMMUNITY

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

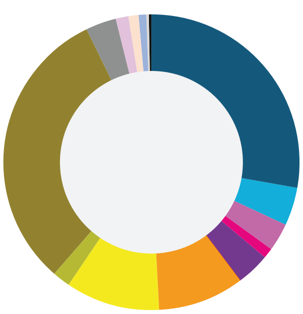
SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

H&M Kappahl stadium Normal SYSTEM BOLAGET LINDEX MAXI RITUALS

VALBO

Gävle – OPENED 1970
Refurbished in 2020

Valbo is located on the E16 motorway to the west of Gävle and is an established regional shopping centre having been inaugurated in 1970. Valbo comprises 37,000m² and is let to 69 retailers including a Coop hypermarket and part of the adjoining IKEA. An adjoining retail park further strengthens the retail zone. A major refurbishment and improvement to the masterplan was recently completed to include new stores for New Yorker, Hemtex and a full-concept H&M.

OPENED 1970

54,500* Gross lettable area
36,500 ECP-owned GLA

241,000 Catchment

69 Number of stores
11 Medium units
8 Restaurants

99% Occupancy

* Includes retail park and external units.

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green lease policy
- Solar panels
- 100% electricity from renewable sources

SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

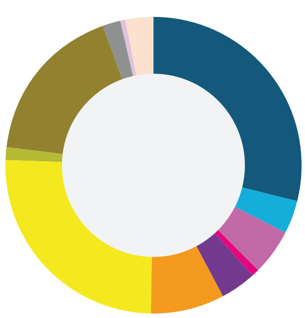
ACCESSIBILITY

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

SOCIAL/COMMUNITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

H&M, Kappahl, Stadium, Normal, Systembolaget, Coop, IKEA

ELINS ESPLANAD

Skövde – OPENED 1997
Refurbished and extended in 2020

Elins Esplanad provides 38 shops and an ICA hypermarket and is the first shopping choice in Skövde, with a catchment of 240,000 people. Recent store openings include H&M, Cassels and a Nordic Wellness gym. Planning approval for a further 5,000m² GLA has been obtained and could provide 13 additional shops and restaurants.

OPENED 1997

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

189,000
Catchment

38 Number of stores
10 Medium units
5 Restaurants

100%
Occupancy

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Green lease policy
- Solar panels
- 100% electricity from renewable sources

SOCIAL/COMMUNITY

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

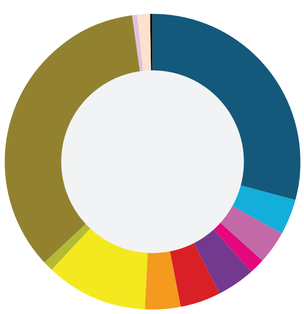
SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



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

TOP BRANDS

H&M · Kappahl · stadium · LINDEX · MAXI · clas ohlson

NORRKöPING – OPENED 1994
Refurbished in 2009 Extended in 2008 and 2018

Ingelsta Shopping is located in the main external retail area of Norrköping at the city's northern entrance from the E4 motorway. Ingelsta Shopping was refurbished and extended and comprises an ICA hypermarket and 50 shops and a recently renovated foodcourt.

OPENED 1994

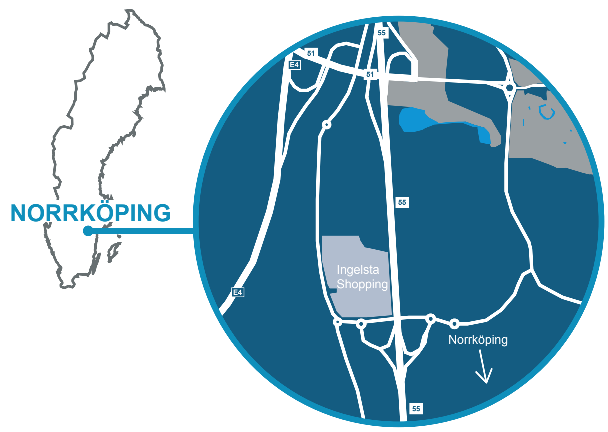
25,300* Gross lettable area
25,300 ECP-owned GLA

284,000 Catchment

50 Number of stores
7 Medium units
6 Restaurants

100% Occupancy

* Includes external units.



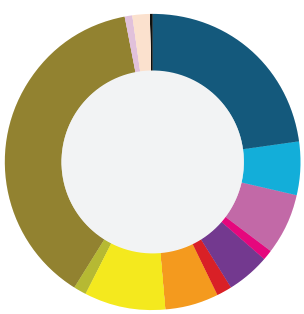
SERVICES

- Free Wi-Fi
- Click & Collect
- Gift Card
- Bus
- Electric Car Charging
- Digital signage

ACCESSIBILITY

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

BROAD RANGE OF RETAILERS



TOP BRANDS

H&M LINDEX Kappahl MAXI stadium clas ohlson

ESG

BREEAM®

ENVIRONMENT

- BREEAM certification
- Solar panels
- 100% electricity from renewable sources
- Green lease policy

SOCIAL/COMMUNITY

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

Corporate Governance

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

General Meeting of Shareholders

The General Meeting of Shareholders has overriding powers on such matters as statutory changes, adoption of the annual accounts and profit appropriation. It has powers regarding the appointment, suspension, dismissal and remuneration of members of the Board of Management and the Supervisory Board. Shareholders are entitled to attend and to vote at the General Meeting of Shareholders. Each share has a nominal value of € 10 and carries one vote. Upon written request by shareholders who solely or jointly represent 10% of the issued share capital, the Board of Management and the Supervisory Board shall be required to convene a General Meeting of Shareholders. The notice calling that meeting shall specify the items to be considered. The Secretary appointed for the meeting will take minutes of the proceedings at the meeting. The minutes will be signed by the Chairman of the meeting and by the Secretary. In principle, the minutes will be published on the Company's website within three months after the meeting.

Supervisory Board

The Supervisory Board's primary task is to supervise the activities of the Company and to provide advice and guidance to the Board of Management. In pursuing these responsibilities, the Supervisory Board takes the interests of all stakeholders into account. Supervision focuses on the vision of the Board of Management on long-term value creation for the Company, the related strategy and the achievement of corporate goals. In addition, the Supervisory Board supervises the proper management of internal risks and execution of control structures, the property and financial reporting process, and legal and regulatory compliance. Finally, the Supervisory Board is involved in drawing up the remuneration policy of the Company and ratifies the individual remuneration of the Board of Management members according to the policy and remuneration proposals approved by the General Meeting of Shareholders. Under powers granted to it by the General Meeting of Shareholders for the period to 31 December 2023, the Board of Management, subject to the approval of the Supervisory Board, is authorised to issue new shares up to a maximum of 10% of the issued share capital and to determine the terms of issue, including the power to limit or exclude the pre-emptive rights of existing shareholders. Mutatis mutandis the same applies to the granting of rights to subscribe for shares.

The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Supervisory Board. This Board also determines the number of Managing Directors and Supervisory Directors of the Company. The General Meeting of Shareholders determines the remuneration of members of the Supervisory Board. All members of the Supervisory Board are independent of one another, the Board of Management and any particular interest. Pursuant to the Articles of Association, the Supervisory Directors retire under a rotation scheme. Any proposal for appointment or reappointment to the General Meeting of Shareholders shall be properly explained. In the case of a reappointment, account will be taken of the candidate's performance and functioning as a Supervisory Director. The rules and regulations of the Supervisory Board stipulate that the maximum term of office is 12 years. The Code provides for the basic principle that Supervisory Directors are appointed for two periods of four years. Reappointment is possible for a maximum term of a further two two-year periods. A resolution by the General Meeting of Shareholders to dismiss or suspend a Supervisory Director can be passed with a simple majority of the votes cast, representing more than half of the issued share capital.

The Supervisory Board meets according to a fixed schedule of meetings. In the financial year under review the Supervisory Board met nine times and held video meetings with management to be kept up to date in respect of the business of the Company. Furthermore, there are special meetings dedicated to a discussion – without the Board of Management being present – of the Supervisory Board's own functioning, the relationship with the Board of Management and the composition, assessment and remuneration of the Board of Management. The Supervisory Board profile with which the members of the Supervisory Board are expected to comply will be evaluated annually and, where necessary, revised.

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

Board of Management

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

The members of the Board of Management are appointed by the General Meeting of Shareholders from a binding nomination to be drawn up by the Supervisory Board. Managing Directors are appointed for a maximum renewable period of four years. The Board of Management's remuneration is determined in line with the policy set out in the Remuneration Report. Key indicators for their remunerations are based on aligning the Board of Management's interests with those of the stakeholders. The remuneration and the remuneration policy for the Board of Management is submitted to the General Meeting of Shareholders for approval. The Supervisory Board annually prepares a Remuneration Report which is posted on the Company's website.

A resolution by the General Meeting of Shareholders to dismiss or suspend a Managing Director can be passed with a simple majority of the votes cast, representing more than half of the issued share capital. The amount of compensation that a member of the Board of Management may receive on termination of his or her employment may not exceed one year's base salary.

Evert Jan van Garderen, Chief Executive Officer

Evert Jan van Garderen (61) joined Eurocommercial in 1994 after experience in a major law firm and an international investment group. He held the position of Chief Financial Officer from 1994 until he was appointed Chief Executive Officer in November 2020. Mr van Garderen, a graduate of Erasmus University Rotterdam, is both a Chartered Accountant and a qualified lawyer.

Roberto Fraticelli, Chief Financial Officer

Roberto Fraticelli (51) joined Eurocommercial in 1998. He was appointed Chief Financial Officer in November 2020 and holds the position of Head of Italy since 2016. Mr Fraticelli holds a university degree in Business Administration from the LUISS University (Rome), a degree in Political Science from the University of Amsterdam and an Executive MBA from the Erasmus University Rotterdam. He is also a Chartered Surveyor.

Peter Mills, Chief Investment Officer

Peter Mills (64) joined Eurocommercial in 1993 after experience at major international property consultants covering the UK and European retail markets. Mr Mills was responsible for the Company's operations in Sweden until he was appointed Chief Investment Officer in November 2020. Mr Mills is a Chartered Surveyor and read Land Economy at Cambridge University.

Corporate Governance (continued)

External auditor

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

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

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

Corporate governance best practice

The only principles and best practice provisions of the Code with which the Company does not fully comply or which require an explanation are:

Principle 1.3 of the Code

There is no separate department for the internal audit function, but this function is outsourced to a reputable audit firm.

Principle 3.2 of the Code

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

Provision 4.3.3 of the Code

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

Corporate responsibility

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

The Company holds events in its centres to educate and entertain its visitors and to enhance their enjoyment of the shopping centre facilities. The events are often held in conjunction with a local government body, charity or corporate sponsors to align it with a particular cause. Many of the Company's shopping centres also support local sports teams through sponsorship agreements.

The Company is committed at both the corporate and operational level to minimising the impact of its business activities on the environment.

The Company discloses its energy and water consumption, waste production and greenhouse gas emissions on an annual basis. This information can be found on page 75.

Consumption information related to properties acquired during the reporting period is included in the absolute data from the date the acquisition completed but does not appear in the like-for-like comparisons until the properties have been owned for a full two years. Information related to properties disposed of during the reporting period is included in the absolute data up until the date the sale is completed but is excluded from the like-for-like comparisons.

The reported energy and greenhouse gas performance measures relate to all Company-obtained energy and water consumed in the Company's properties. Consumption data at each property is collected from utility invoices and entered into a centralised database. Data was not estimated. The advisory firm UpCycle assisted the Company in preparing the data in line with the EPRA reporting guidelines.

Renewable energies (bio-gas, water, wind and geothermal) are used to a greater or lesser extent in all of the Swedish centres, while in France and Italy photovoltaic panels have been, and will continue to be, installed on properties as part of ongoing maintenance and upgrade works. Several centres now have facilities to collect rainwater to use for irrigation and waste facilities.

Recycling is carried out in all of the Company's retail properties, and in many instances customers can also bring their residential refuse to the shopping centres to be recycled. As the properties continue to be upgraded and extended, the Company's aim is to introduce more environmentally friendly materials and mechanisms to increase energy efficiency and minimise waste.

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

The Company employed an average of 97 full-time equivalent persons during the financial reporting period, of whom 22 are employed in The Netherlands, 34 in Italy, 29 in France and 12 in Sweden. 60% of employees are female and 40% are male. Of the workforce, 6 are under the age of 30, 67 are between the ages of 30 and 50 and 24 are over the age of 50. These facts show how diversity is implemented throughout the organisation by differences in nationality, age and gender.

The Company understands that its employees are its most important asset. To this end, it actively encourages and supports employees to further their professional training and development, where appropriate. The Company prides itself on being a good employer, which is epitomised in the lengthy average tenure of employment and very low personnel turnover.

Corporate Governance (continued)

Organisation, culture and long-term value creation

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

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

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

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

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

Remuneration

The remuneration policy for Supervisory Directors and Managing Directors, which has been approved by the General Meeting of Shareholders on 14 June 2022. Supervisory Directors receive a fixed fee. Managing Directors may be entitled to cash bonuses in addition to their base salaries. These bonuses, like those of the senior managers, are directly linked to the annual growth in the Company's adjusted net asset value, the annual total return and annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as to two ESG key performance indicators. These growth percentages, if any, and ESG KPIs are used to calculate the variable income as a percentage of base salary. Since 2012, a Performance Share Plan has been in place for Managing Directors, regional directors and permanent staff of the Company. Under this scheme, conditional shares receipts may be granted from time to time, but these only vest after three years have lapsed from the date of granting, provided certain targets are met. After vesting, these shares are blocked for another two years. The remuneration policy is set out in the Remuneration Report posted on the Company's website. A summary of the Remuneration Report is included in the Report of the Board of Supervisory Directors on page 156.

Risk Management

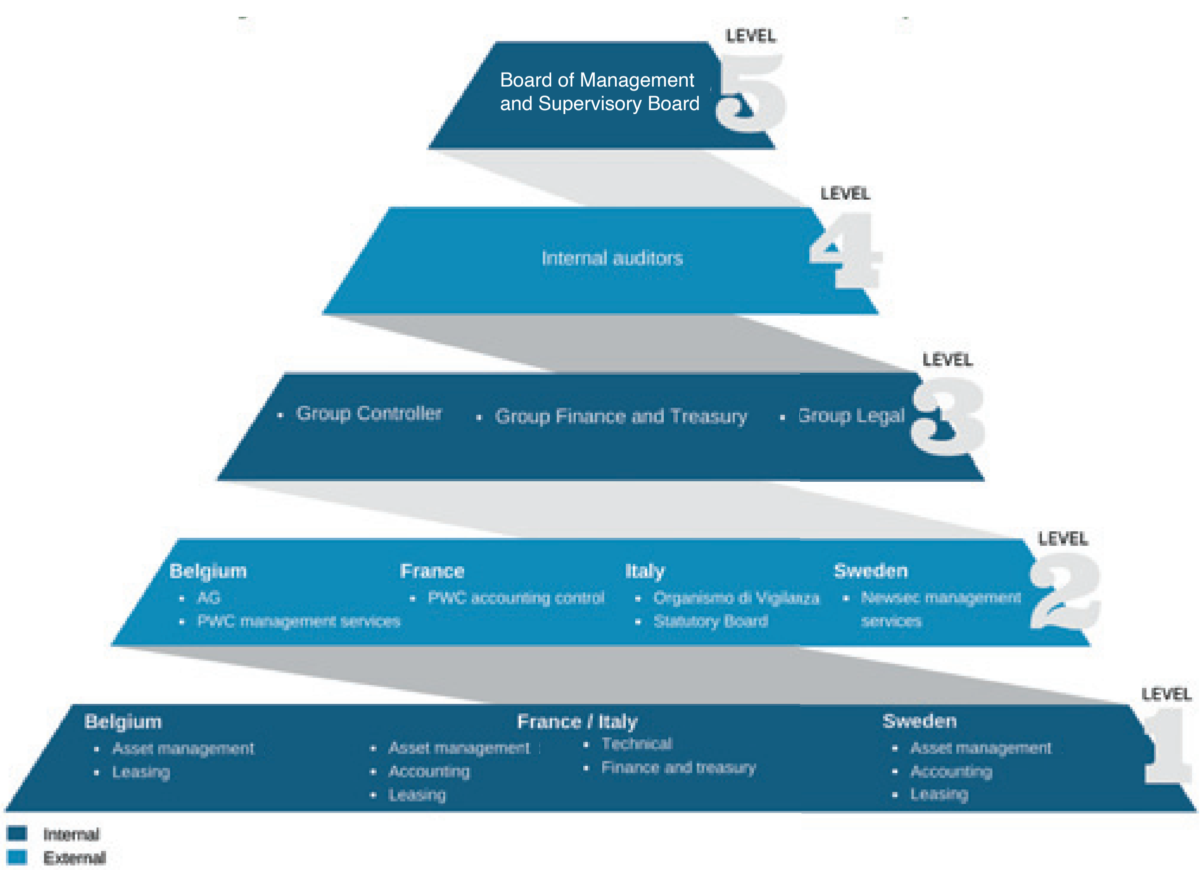
Internal risk management and control systems

The Company has clearly identified its risks, comprising strategic risks, operational risks, financial risks, reporting risks and compliance and reputation risks.

The strategic risks mainly concern the global economy, the occurrence of a pandemic and other very remote risks with an extreme impact, the property sector and country allocation, as well as the timing of investments and divestments and the leverage used. Operational risks include asset and tenant selection, performance by suppliers, third parties and the Company's organisation and systems, and also the technical condition of the properties and risks related to taxation. Financial risks comprise interest rate and currency risk as well as refinancing risk. The Company operates a comprehensive insurance programme for those risks which can be effectively and efficiently insured.

The Company has appropriate internal risk management and control systems, which mitigate, amongst other risks, fraud risks. Key elements of the internal control systems are a management structure designed to enable effective and collegiate decision-making, monthly review of important indicators, such as turnover in shopping centres, rent collection, vacancy, arrears and doubtful debtors, and weekly meetings between the Board of Management and the Country Directors and senior staff to review each country's performance against budgets and long-term financial plans.

Control systems for Eurocommercial Properties



Risk Management (continued)

Detailed procedures and responsibilities for the various country teams, as well as for the segregation of duties and authorisation structures have been implemented and maintained. Payment procedures are very detailed and strict. Payments always require the involvement of the Amsterdam head office, where all payments for the Group are finally authorised by at least two senior signatories, as country offices cannot make any payments under the procedures in place. Strict procedures are also observed for the periodic drawing up of monthly, quarterly and annual figures on the basis of the adopted policies. The internal management reporting system is designed to directly identify developments in the value of investments and in income and expenses. For this purpose, use is made of electronic data processing within automated, integrated central information systems. There is a back-up and recovery plan in place so that data can be restored. IT systems and data bases are located at a professional specialised external data centre with high protection against disruptions and power failure. Professionally managing and controlling risks associated with safeguarding the continuity, availability, functioning and security of its IT systems is of vital importance to the Company. The Company invests in further digitalising its corporate processes, focusing extensively on the security of its data and other information, to prevent serious business interruptions and cybercrime and to comply with prevailing privacy legislation.

Due to its size, the Company has no internal audit department, but has outsourced the internal audit function to a reputable audit firm. The Supervisory Board discusses the external auditors' findings on the Company's internal control environment with the Board of Management and the external auditors. The Supervisory Board supervises the internal control framework and procedures and the assessment of risks facing the Company and its subsidiaries.

Risk management policies

The Company has a long-term investment horizon and carefully monitors its exposure to risks deriving from its investment policies. Established controls are in place covering the implementation of its policies and the monitoring of the related results and implications. Policies, guidelines, reporting systems and segregation of duties have been issued and are currently in place to enable the above-mentioned controls.

The Company's management structure and corporate strategy are designed to serve long-term value creation including maximisation of shareholder value while minimising risks to the accepted risk appetite.

All major corporate, property and financial decisions are discussed and reviewed at regular meetings of the Board of Management together with senior management comprising the finance team, the heads of the Belgian, French, Italian and Swedish businesses, the Group Leasing Director, the research department and the Group Economist. The team reviews the item – be it an acquisition, renovation project, property management, leasing, extension/refurbishment, divestment, fundraising or financing issue – against a number of key criteria including financial implications, strategic fit and the impact it will have on the rest of the Company.

Additional controls have been put in place to identify and minimise risk through assigning responsibilities to certain executives and regularly reviewing procedures.

During the financial reporting period, the risk management policies and any changes were reviewed and discussed with the Supervisory Board and were approved by the Board of Management.

Strategic risk

Occurrence of a pandemic

Since early 2020, the global economy and our business have been heavily impacted by the COVID-19 pandemic. COVID-19 has resulted in (temporary) closures of our shopping centres and further restrictions for visitors to our shopping centres, when open. In all four countries where the Company operates shopping centres, the national and local governments have taken strict measures to limit the spread of the virus. The Company may be exposed to an increased risk due to COVID-19 or other epidemics or pandemics, which are likely to have a material adverse effect on the Company, its operations, financial position and/or results, financial forecast/guidance and share price. Factors potentially impacting the financial results and the financial forecast/guidance include: temporary or total closure of assets, rent concessions, decisions by tenants to reduce or cease their operations, retailer insolvencies or bankruptcies, ongoing local or national operational restrictions, such as customer capacity restrictions, ongoing closure of assets, cinemas, food courts, restaurants etc. and other measures aimed at containing and reducing the impact of viruses.

Evolution of the retail market

In the countries where the Company operates its shopping centres, online shopping has been increasing over the past years. However, physical retail still forms the foundation of our retailers' predominantly omnichannel business.

The Company owns shopping centres which have a good mix of shops and a supermarket/hypermarket for daily shopping needs. Notwithstanding the increased use of online shopping during the lockdowns, customers have returned to our shopping centres with a full recovery of retail sales.

Country and sector weighting of assets

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

Timing of investments and divestments

Timing is of fundamental importance in all investments and divestments, and management will take into account the broadest possible parameters, whether economic, political or fiscal.

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

Risk Management (continued)

Operational risk

Asset selection

The Company seeks to minimise risks by investing in properties where rents can survive a downturn in consumer spending and at a yield that provides an adequate return in light of financing costs. Management conducts thorough due diligence on assets before an acquisition is made, assisted by external parties including property consultants, lawyers, surveyors, tax advisers and accountants. The Company also has a potential asset rotation programme in place, which includes disposal of assets in the interest of the Group's financial position and to maintain a robust balance sheet.

Counterparty risks

The risk of the Company doing business with parties that are found not to operate in good faith, are fraudulent or have a bad reputation. It also concerns the risk of our employees being part of a fraudulent transaction. The Company only wishes to do business with parties of good standing and reputation. A Know Your Counterparty (KYC) check is a standard element of the due diligence process for acquisitions and divestments, as well as for new lease contracts, new suppliers or for entering into new partnerships. The Company's Code of Conduct provides the core rules for management and staff exposed to counterparty risks.

Tenant selection and credit risk

The creditworthiness of tenants is researched thoroughly and bank guarantees or deposits are always required in Belgium, France and Italy but not in Sweden where this is not market practice. The credit risk in Sweden is no different as compared to the risk in other countries. Property performance is reviewed by analysing monthly retail sales and visitor numbers, vacancies and arrears. Such information allows the Board of Management to make prompt judgements about how a tenant is performing and its impact on the performance of the rest of the centre. The credit risk associated with lease debtors is determined through a detailed analysis of the tenant's outstanding debt. The credit risk has also been reduced by investing in mature markets and by choosing major tenants on the basis of their financial strength.

Physical condition of properties

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

Property extension/redevelopment risk

Extensions and redevelopments will only proceed if planning consent has been received, the financing is arranged, the majority of the project is pre-let and other commitments have been received from anchor tenants. The Company is always guided and advised by an external project team but also employs in-house specialists. The building works are outsourced to a contractor with a sound reputation. During the works the Company takes out additional property and liability insurance policies.

Taxation

The Company is tax-exempt in Belgium, France and The Netherlands and subject to corporate income tax in Italy and Sweden. It is difficult to assess whether the Company will have to pay more taxes in the future due to changes made to the tax systems in the countries where the Company operates, but it cannot be excluded.

Cybersecurity risk

The rapid technological advancements, the constant change in the cyber threat landscape and the increasing digitalisation of the economic and social environments, result in greater cybersecurity risks that may potentially have an adverse impact on the Company's organisation and the achievement of its business objectives. The Company manages these cybersecurity risks as effectively as possible by identifying and classifying them and providing a business analysis of the impacts and of the processes linked to its digital assets.

Financial risk

Credit risk
The Company minimises the risks related to the possible default of its counterparties by dealing with major financial institutions for all its borrowings, interest rate swaps, foreign exchange contracts and deposits. The counterparty risk associated with these transactions is limited to the cost of replacing these agreements at the current market rate should an event of default occur. The Company, however, considers the risk of incurring losses as a result of default very low.

Interest rate risk
As the Company's policy is to have long-term investments, the borrowings used to fund them are also long-term (three to ten years but preferably for ten years or more). The Company uses fixed interest loans, interest rate swaps and other financial instruments to manage its interest rate risk. It is Company policy to operate a defensive interest rate hedging policy to protect the Company against increases in interest rates. The Company is hedged at an average interest rate of 1.6% and only 14% of the total borrowings are exposed to the fluctuation of the market interest rates. An increase in interest rates of 1% would therefore only have a limited negative impact of an additional annual interest expense of €2.1 million, or 2.0%, of the reported direct investment result.

Liquidity risk
In order to reduce liquidity risk the Company has adopted a strategy of spreading the debt maturity profile of its borrowings and the relative repayment dates. Moreover, in some cases the Company has at its disposal flexible long-term borrowings (which allow no penalty repayments and re-drawing of funds up to agreed amounts) and short-term committed and uncommitted lines. An analysis of the liquidity risk related to future cash flows due to interest payments, repayment of borrowings, rental deposits and payments to other creditors is provided in note 20 (financial instruments) of the consolidated financial statements.

Currency risk
The only significant foreign currency exposure for the Company is to the Swedish property markets. However, due to SEK loan facilities with major financial institutions and currency swaps (if applicable), a hedging of the foreign currency is achieved up to 40% The remaining exposure is relatively limited compared with the total size of the portfolio and will in principle not be hedged. Net SEK income may also be hedged from time to time by using defensive currency derivatives. A weakening of this currency by 5% would result, for example, in a decrease of shareholders' equity of only 1.0% and in a decrease of only 1.3% of reported direct investment result.

Reporting risk

The Company draws up an annual budget by country and individual asset, which is compared on a monthly basis with actual results. Furthermore, budgets for capital expenditure and liquidity forecasts are prepared. Quarterly figures are discussed with the external auditor prior to publication and then published to the market in the form of a press release. The annual accounts are audited by the external auditor.

Compliance risk and reputation risk

At corporate level the Company complies with the Netherlands Corporate Governance Code and the Netherlands Act on Financial Supervision (Wet op het financieel toezicht) as it is listed on Euronext Amsterdam, which is its home market. The Company has a secondary listing on Euronext Brussels. All employees are made aware of the regulations, and procedures are in place to ensure that employees comply with the rules and are aware of the high standards of ethics applicable. It is very important that any, even small, deviation of what is required under these standards could trigger that the reputation of the Company and its management and staff becomes at risk. The Company has an internal code of conduct and a whistleblower's code that all employees are required to read, understand and adhere to. The Country Directors are also responsible for complying with local laws and regulations.

Risk Management (continued)

Climate and related risks

We recognise that climate change poses risks to our assets, tenants, investors and local communities. Physical climate risks such as flooding are evaluated during our asset level risk assessments aligned with the international scheme of BREEAM In-Use. This year we have initiated a portfolio wide analysis of the impact of climate-related risks on our business and operations and we will report accordingly. Further, it is noted that the majority of the assets in the consolidated statement of financial position consists of investment property valued at fair value. We concluded that the effect of climate-related risks does not have a material impact on accounts and disclosures, including judgments and estimates in the financial statements for the financial year ended 31 December 2022. For more information, please refer to the Be Green chapter of the ESG section in this report.

In control statement

The Company has a description of the organisation of its business operations (Administrative Organisation and Internal Control). During the financial year ended 31 December 2022, the Company has evaluated various aspects of the Company's Administrative Organisation and Internal Control and found nothing to indicate that the description of the structure of the Company's Administrative Organisation and Internal Control does not meet the requirements as included in the Code. Also, there have been no indications during the financial year ended 31 December 2022 that the Company's Administrative Organisation and Internal Control were ineffective and did not function in accordance with the description. The Board of Management therefore states with a reasonable level of assurance that the organisation of its business operations functioned effectively and in accordance with the description. It is not expected that during the current financial year a major change will be made to the design of the Company's administrative organisation and internal control. Due to its size, the Company has no internal audit department, but has outsourced the internal audit function to a reputable audit firm.

Given the nature and size of the Company and its operations, inherent internal control limitations exist including limited possibilities to segregate duties, disproportionate control costs versus benefits, catastrophe and collusion risk etc. Absolute assurance cannot be provided as a result of these inherent limitations.

The Board of Management believes that the design of the internal controls for financial reporting provide a reasonable level of assurance: (i) to prevent material inaccuracies in the financial statements of the Company for the financial year ended 31 December 2022, as included in this Annual Report; and (ii) that the risk management and control systems as described above worked properly in the financial year ended 31 December 2022.

As required by provision 1.4.3 of the Code and on the basis of the foregoing, the Board of Management states that: (a) this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems; (b) the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; (c) based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and (d) this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of this report.

Insurance

The Company is fully insured against property damage, liability and consequent loss of income for the period during which the property is rebuilt and relet. Terrorism, flooding and earthquake cover is limited by current market conditions, but the Company believes it has achieved a reasonable balance of risk cover and premium costs. The insurance programme is benchmarked against its peer groups on an annual basis.

Taxation

As a tax-exempt quoted Netherlands-based Fiscal Investment Institution, all investment income, whatever its source, is tax-free at the corporate level if it is distributed to shareholders. The Company is also tax-exempt in France as a SIIC (Société d'investissements Immobiliers Cotée) and in Belgium as the Company's subsidiary is subject to the special tax regime under which property revenues are tax exempt (FIIS/GVBF). In Italy and Sweden the Company's subsidiaries are subject to corporate income tax and are in a corporate income tax payable position.

Amsterdam, 19 April 2023
Board of Management
E.J. van Garderen
R. Fraticelli
J.P.C. Mills

Responsibility statement

With reference to the EU Transparency Directive and Article 5:25c, section 2 c sub 2 of the Act on Financial Supervision, we hereby state to the best of our knowledge that the financial statements for the financial year ended 31 December 2022 give a true and fair view of the assets, liabilities, financial position and results of the Group, and that the management report of the Board of Management includes a fair review of the development and performance of the business during the financial year and the position of the Group at the balance sheet date, together with a description of the principal risks associated with the Group.

Amsterdam, 19 April 2023
Board of Management
E.J. van Garderen
R. Fraticelli
J.P.C. Mills.

Report of the Board of Supervisory Directors

To the General Meeting of Shareholders

Financial statements

We are pleased to present the Annual Report of Eurocommercial Properties N.V. for the financial year ended 31 December 2022, as drawn up by the Board of Management. The auditors, KPMG Accountants N.V., have audited the financial statements and have issued an unqualified report thereon. We recommend that you adopt the financial statements.

Dividend proposal

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 on the 2023 results provided by the Board of Management, the Supervisory Board supports the proposal of the Board of Management to declare a total dividend of €1.60 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.

Provision of information

During the financial year under review, there were nine formal meetings of the Supervisory Board which were also attended by the Board of Management. In the year under review there were numerous contacts between (members of) the Supervisory Board and (members of) the Board of Management to share information in respect of various subjects, as the impact of the COVID-19 pandemic on the business of the Company; per 1 May 2022 all restrictions due to the pandemic were lifted in our four countries. Other important topics discussed were the impact of the war in Ukraine, the high inflation levels and the rising interest rates. Also several workshops with external experts were held regarding the strategy of the Company. In addition to the extensive information provided in connection with these meetings, the Supervisory Board is kept informed on a monthly basis of activities and financial performance through monthly wide-ranging management accounts which contain detailed analyses of rental income, rent collection, liquidity, costs of maintenance and extensions, interest, financing, Company expenses, investment developments, relevant markets and various other operational and financial items during the month under review, set off against budget and previous relevant periods.

Monitoring role

The Supervisory Board fulfils its monitoring role through several channels. The monthly management accounts are reviewed by all members of the Supervisory Board and provide a starting point for assessing and monitoring the performance of the Company. These accounts are also regularly discussed between members of the Supervisory Board and the Chief Financial Officer. Points raised as a result of analysing the management accounts were discussed in the Board meetings throughout the year.

Among the recurring topics discussed in the Board meetings were:

- Strategy and risk
- Property and financial markets
- Management and financial accounts
- Bank covenants
- Rent collection, liquidity and funding
- Rent concessions and leasing
- Foreign currencies and dividend policy
- The system of internal controls, remuneration levels, IT systems and corporate governance
- ESG strategy and performance

The discussions included, inter alia, the impact of the COVID-19 pandemic on the business of the Company, rent collection, rent concessions, the changes in property markets, valuations and rents, the impact of the internet, e-commerce, social media and digitalisation in general. Also, marketing in the various countries, and the Company's bank loans and bank covenants were addressed and monitored during the financial reporting period. The Supervisory Board was informed of the liquidity of the Company on a weekly basis and about the the funding of the Company.

The Board was also informed on and actively discussed with the Board of Management the review and update of the strategy of the Company, aimed at is long term sustainble value creation. The review and updated resulted an increased focus on ESG, digitalisation and communities. Furthermore, the contents of press releases, the Annual Report, the Interim Report and the quarterly reports and Internal Audit were discussed.

The Supervisory Board convened in total nine times in 2022. These meetings were mostly held at a shopping centre or in the Amsterdam office one meeting was held by videoconference. As the COVID – 19 travel restrictions were lifted, the members of the Supervisory Board have visited shopping centres in all four countries where the Company is active and were again able to meet the local staff and have valuable discussions with them on the business. The Supervisory Board also carried out a self-evaluation with the assistance of an external professional.

All meetings held during the financial year were attended by all Supervisory Board members, except that one member apologised for the August meeting. There have been no conflicts of interest.

Advisory role

There has been frequent contact between Supervisory Directors and the Board of Management, through formal and informal meetings, telephone calls and written communication. Furthermore, the Supervisory Board advised on matters relating to strategy, governance and international financial and economic trends such as interest rates and inflation.

Stakeholder and relationship management

The Supervisory Board established that the Company has remained in intensive contact with retailers to keep the Company's shopping centres in line with tenants' needs. The Company actively addresses changes in customer behaviour and the resulting strategic consequences for further developing and expanding the function of shopping centres. This policy has resulted in a well-managed tenant mix and high occupancy. Through roadshows, investor conferences (in some case also by video) and one-on-one meetings, the relationship with the Company's shareholders has been maintained and strengthened. The Company also has developed a Investor Relations Policy, which is published on the website.

Professional training

During the year, Supervisory Directors participated in seminars and courses provided by the big four audit firms and major law firms and other institutions. The Supervisory Board has engaged in a number of activities relating to education and representation. These activities included following formal education programmes, contacts with professional service industry and sector associations, country visits and visits to shopping centres, meetings with major retailors and retail specialists and various other individual activities.

Diversity

The Netherlands Corporate Governance Code requires the Supervisory Board to draw up a diversity policy. For the Supervisory Board this policy was included in the profile of the Supervisory Board and was published on the Company's website.

Gender diversity quota – new legislation

A bill introducing a quota for the supervisory boards of Dutch Amsterdam-listed companies and setting gender balance targets for board and senior management level of "large" listed and non-listed Dutch NVs and BVs has entered into force per 1 January 2022. In the event of non-compliance with the one-third quota, new appointments will be declared null and void. The Company's gender

Report of the Board of Supervisory Directors (continued)

balance targets will have to be reported to the Dutch Social and Economic Council (SER) annually and be included in the management report for transparency purposes. Amsterdam-listed Dutch NVs and BVs will have to comply with a quota of at least one-third for both women and men on their supervisory boards. The Company complies with this new law as its Supervisory Board is composed of one male member and two female members. The Company has also developed gender balance targets for board and senior management levels.

Corporate governance

In accordance with the recommendations of the Netherlands Monitoring Committee of the Corporate Governance Code, a broad outline of the corporate governance structure of the Company is presented in the Report of the Board of Management. In this Report, the Company reviews various corporate governance items in compliance with the Committee's recommendation.

Audit Committee

The Audit Committee is composed of all members of the Supervisory Board. Mrs Attout is Chair of the Audit Committee. The Audit Committee had three meetings with the auditors of the Company as well as two meetings with the auditors of the Company in the absence of the Board of Management. During those meetings, the Audit Committee discussed the report of the auditors, as well as the Annual Report and the Interim Report. The KPMG audit plan was also discussed. The internal audit function is outsourced to the audit firm BDO. Although in early 2022 the COVID-19 circumstances delayed the implementation of the internal audit work, BDO has been able to examine and audit a number of business processes of the Company in accordance with the audit plan for 2022. The Audit Committee has analysed and reviewed the work performed by BDO for the year 2022 and discussed the audit plan for the year 2023. The Audit Committee has also discussed in detail the cybersecurity risk management policy and the plan to mitigate the related risks.

Nomination and Remuneration Committee

The committee is composed of all members of the Supervisory Board. Mr Steins Bisschop was until 24 November 2022 Chair of the Nomination and Remuneration Committee; since 25 November 2022 Mrs Laglas is Chair of the Nomination and Remuneration Committee. Remuneration of the Management Team was discussed in one meeting on the basis of the draft updated Remuneration Report. The final 2022 Remuneration Report will be posted on the website of the Company when this Annual Report is published. The combined Nomination/Remuneration Committee had numerous contacts and meetings regarding various aspects of succession in the Board of Management and the Supervisory Board and prepared proposals for the reappointment of Mr Steins Bisschop, Mrs Attout, Mr Fraticelli and Mr Mills at the AGM that was held on 14 June 2022. The Committee has also prepared the search for a successor of Mr Steins Bisschop, who will retire in the 2024 AGM. After a thorough process with the involvement of a reputable search firm, the Committee recommended a candidate to the Supervisory Board to be nominated as a member of the Supervisory Board in the AGM to be held on 13 June 2023 and to succeed Mr Steins Bisschop as Chairman of the Supervisory Board when he retires in 2024.

Summary remuneration report

The purpose of the remuneration policy is to attract, motivate and retain qualified executives and staff who will contribute to the success of the Company. The remuneration policy aims to reward management and staff for their contribution to the performance of the Company and its subsidiaries. The Supervisory Board proposes the remuneration policy, and any material adjustments to it, at the Annual General Meeting of Shareholders based on recommendations of the Board of Management.

The Supervisory Board recommends to the Annual General Meeting of Shareholders decisions on all aspects of the remuneration of the members of the Board of Management, within the scope of the remuneration policy. The Annual General Meeting of Shareholders is invited to approve both the remuneration policy and the remuneration of the members of the Board of Management. At the end of each financial year, the Supervisory Board reviews and discusses the remuneration of the members of the Board of Management. The level of remuneration for the members of the Board of Management and other members of the Management Team reflects the differences in responsibilities of the members, as well as their individual performance.

The Company's remuneration package for employees and members of the Board of Management comprises the following elements:

- Base salary – total annual gross fixed income including holiday allowance
- Short-term variable – annual performance-related gross cash bonuses
- Long-term incentives through a performance share plan

The Supervisory Board proposed some amendments to the remuneration policy for the Board of Management, which include, among other changes, the introduction of ESG key performance indicators as performance targets and a decrease of the cap for short term incentives and an increase of the cap for long term incentives. This amendment of the remuneration policy was approved by the Annual General Meeting held on 14 June 2022.

Variable cash bonuses may be granted each year in addition to the base salary. Variable cash bonuses for Directors and members of the Management Team are directly linked to the annual growth in the Company's net asset value, the annual absolute performance and the annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as two ESG key performance indicators. There is no minimum guaranteed bonus and variable cash bonuses are capped at 70% of one year's base salary. There are also claw-back possibilities for the Company.

Performance shares granted under the Performance Share Plan are also linked to the aforesaid metrics, are capped to a maximum of one year's base salary and there is no minimum guaranteed number of performance shares. Mr Mills has joined a defined benefit pension scheme, which is limited by the applicable earnings cap. Mr Fraticelli joined a defined Italian contribution scheme and Mr van Garderen joined a defined contribution scheme with current annual premiums being capped using a maximum pensionable salary.

Supervisory Directors receive a fixed compensation only.

It is proposed for the financial year 2023 to maintain the remuneration of the Supervisory Directors unchanged at €47,000 for each member and at €61,000 for the Chairman and to maintain the base salaries for the members of the Board of Management. The General Meeting of Shareholders to be held on 13 June 2023 is invited to approve the proposed remuneration of Supervisory Directors and the members of the Board of Management.

Composition of the Supervisory Board

All members of the Supervisory Board are independent. The profile, role and responsibilities of the Supervisory Board are laid down in specific rules and regulations which are posted on the Company's website. At 31 December 2022, the Supervisory Board was composed as follows:

1. Bas Steins Bisschop (73), Chairman, of Dutch nationality, was appointed as member of the Supervisory Board in 2014 and reappointed in 2018 for a period of four years. As "advocaat" he practised law from 1975 until 2019 in The Netherlands and abroad. He is also a (em) professor of Corporate Law and Corporate Governance at Maastricht University and Nyenrode Business University

2. Emmanuèle Attout (63), of Belgian nationality, was appointed as a member of the Supervisory Board in 2018 for a period of four years. She was a former senior audit partner of PwC Brussels until she retired in 2014. Mrs Attout is a non-executive board member of Atenor, Oxurion, Schréder and AG Insurance and she is a co-founder and director of the Belgian NGO "Women on Board", whose aim is to promote women in Boards of Directors.

3. Karin Laglas (63), of Dutch nationality, was appointed as a member of the Supervisory Board

Report of the Board of Supervisory Directors (continued)

in 2019 for a period of four years. She was Chief Executive Officer of the largest Dutch affordable housing investor Ymere, active in the greater Amsterdam area, until she retired in June 2021 after a long career in real estate in several senior and board positions. She is a Supervisory Board member of Royal De Vries Yachtbuilders (part of Feadship), of Brink Groep, of TBI Holdings B.V., Chair of the Supervisory Board of Utrecht University and Board member of Stichting Cokopen.

Rotation scheme

Under a rota devised by the Supervisory Board, each Director will retire by rotation every four years. This rotation scheme for the next few years is as follows:

2023: Mrs Laglas could be re- elected for another four years. The proposal for her reappointment will be put forward at the upcoming AGM.

2024: Mr Steins Bisschop's term will end.

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.

Conclusion

We look back on an intense and successful year which had many challenges for the Company and its Board of Management and staff. We take this opportunity to express our gratitude to the Management Team and all staff for their efforts during the financial reporting period.

Amsterdam, 19 April 2023

Board of Supervisory Directors

1. B.T.M. Steins Bisschop (Chairman)
2. E.R.G.M. Attout
3. K. Laglas

From left to right:

Karin Laglas
Bas Steins Bisschop
Emmanuèle Attout

Ten year financial summary*

Key financial information n consolidated

For the financial year ended	30-06-13 €'000	30-06-14 €'000	30-06-15 €'000	30-06-16 €'000	30-06-17 €'000	30-06-18 €'000	30-06-19 €'000	31-12-20** €'000	31-12-21 €'000	**31-12-22 €'000**
Profit or loss account										
Net property income***	144,368	146,978	145,528	155,370	163,036	171,828	178,606	253,254	163,211	**173,727**
Net interest expenses***	(51,769)	(52,674)	(45,780)	(38,727)	(41,260)	(42,326)	(45,766)	(63,166)	(39,413)	**(39,158)**
Company expenses ***	(10,576)	(11,206)	(12,297)	(14,645)	(12,434)	(13,743)	(13,766)	(18,042)	(11,020)	**(12,128)**
Total direct investment result	81,518	82,870	87,400	102,785	108,044	115,729	120,208	170,416	110,597	**119,544**
Total indirect investment result	41,790	16,920	80,374	104,614	152,709	(43,665)	(45,622)	(55,049)	(5,910)	**81,193**
Result after taxation	123,308	99,790	167,774	207,399	260,753	72,064	74,586	115,367	104,687	**200,737**
Balance sheet										
Total assets***	2,889,027	2,807,083	3,112,410	3,656,361	3,963,635	4,170,783	4,325,165	4,196,825	4,127,815	**4,044,208**
Property investments***	2,806,023	2,688,603	2,907,726	3,489,358	3,835,195	4,078,285	4,201,185	4,036,648	3,970,519	**3,832,846**
Cash and deposits***	51,422	85,372	170,249	131,541	90,424	44,278	75,566	64,401	59,095	**71,036**
Borrowings***	1,286,923	1,173,236	1,160,222	1,496,210	1,595,263	1,835,349	1,995,139	1,833,591	1,737,710	**1,619,501**
Shareholders' equity	1,366,064	1,386,632	1,658,245	1,791,670	1,973,694	1,939,784	1,906,559	1,885,597	1,957,702	**2,043,866**
Number of shares in issue after deduction of shares bought back, if any, at balance sheet date	41,740,054	42,319,567	47,388,471	47,978,844	48,631,957	49,358,734	49,534,024	49,402,758	52,146,993	**52,842,238**
Average number of shares in issue	41,410,071	42,311,667	42,916,246	47,729,745	48,364,199	49,046,502	49,585,907	49,302,982	50,778,635	**52,497,473**
Per share (€)										
Net asset value (IFRS)	32.73	32.77	34.99	37.34	40.58	39.30	38.49	38.17	37.54	**38.68**
Adjusted net asset value	36.47	36.74	39.24	43.00	46.42	45.08	44.83	41.78	40.63	**39.62**
Direct investment result	1.97	1.96	2.04	2.15	2.23	2.36	2.42	3.45	2.18	**2.28**
Indirect investment result	1.01	0.40	1.87	2.19	3.16	(0.89)	(0.92)	(1.11)	(0.12)	**1.54**
Dividend	1.92	1.94	1.98	2.05	2.10	2.15	2.18	Scrip+€0.50	Scrip+€1.50	**1.60**
Property information – Geographical spread (%)***										
Belgium	0	0	0	0	0	11	13	15	15	**15**
France	41	39	41	36	35	31	29	24	22	**21**
Italy	37	39	38	43	43	37	37	39	40	**43**
Sweden	22	22	21	21	22	21	21	22	23	**21**
	100	100	100	100	100	100	100	100	100	**100**
Stock market – Euronext										
Closing price at the end of period (€ per share:)	28.20	36.02	37.41	38.45	34.99	36.36	23.50	15.38	19.09	**22.60**
Market cap	1,176,928	1,540,754	1,783,118	1,855,530	1,710,563	1,802,240	1,172,878	767,611	995,486	**1,194,235**

* This statement contains additional information which is not part of the IFRS financial statements.
** The figures are based on an eighteen month reporting period. These items have been restated due to the reclassification of Italian local tax from property expenses to current tax (net property income) and reclassification of interest on the put option non-controlling interest from direct investment result to indirect investment result.
*** The items net property income, net interest expenses, total assets, property investments, cash and deposits, borrowings and property information are presented including the Group's share of the joint ventures (proportional consolidation).

Note

The Company's shares are listed on Euronext Amsterdam and Brussels. The calculation of the direct and indirect investment results per share is based on the weighted average of the shares in issue over the financial year.

Statement of consolidated direct, indirect and total investment results*

	Note	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Rental income	4	**199,307**	198,344
Service charge income	4	**42,741**	39,393
Service charge expenses	4	**(46,152)**	(41,547)
Property expenses	5	**(31,958)**	(41,091)
Interest income	11	**108**	11
Interest expenses** ****	11	**(37,323)**	(37,845)
Company expenses***	7	**(12,124)**	(11,020)
Other income	10	**3,707**	3,056
Current tax	12	**(2,247)**	(1,291)
Direct investment result including non-controlling interest		**116,059**	108,010
Direct investment result joint ventures	14	**6,232**	5,334
Direct investment result non-controlling interest	28	**(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	6	**(13,211)**	(14,931)
Gain/loss (derivative) financial instruments	11	**131,612**	33,007
Investment expenses** ***	7/9	**(2,484)**	(598)
Deferred tax	12	**(43,632)**	(25,482)
Indirect investment result properties including non-controlling interest		**72,285**	(8,004)
Indirect investment result joint ventures	14	**11,938**	633
Indirect investment result non-controlling interest	28	**(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		**3.82**	2.06

* These statements contain additional information which is not part of the IFRS financial statements.
** The interest expenses and investment expenses in the actuals of this year differ slightly from the amounts in the consolidated profit or loss account due to a different accounting policy for pension costs.
*** The company expenses and investment expenses in the comparative figures 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.
***** The average number of shares on issue (after deduction of the shares bought back) during the financial year was 52,497,473 compared with 50,778,635 for the financial year ending 31 December 2021.

Alongside the consolidated profit or loss account, the Company presents its direct and indirect investment results, enabling a better understanding of its performance. The direct investment result consists of net property income, net interest expenses, company expenses, other income and current tax. The indirect investment result consists of investment revaluation, disposal of investment properties, fair value movement of derivative financial instruments, investment expenses and deferred tax.

Statement of adjusted net equity*

	31-12-22 €'000	31-12-21 €'000
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.

EPRA performance measures*

The European Public Real Estate Association (EPRA) promotes, develops and represents the European public real estate sector. EPRA sets out best practice reporting guidelines on a number of financial and operational performance indicators relevant to the real estate sector. The definitions of the EPRA performance indicators can be found in the glossary of this annual report.

			Per share €	
	31-12-22	31-12-21	31-12-22	31-12-21
EPRA earnings**	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

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

Reconciliation EPRA earnings:

	Twelve months ended 31-12-22	Twelve months ended 31-12-21
IFRS profit after taxation	200,737	104,687
Adjustments to IFRS profit 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:

	EPRA NRV		EPRA NTA		EPRA NDV	
	31-12-22 €'000	31-12-21 €'000	**31-12-22 €'000**	31-12-21 €'000	**31-12-22 €'000**	31-12-21 €'000
IFRS equity Eurocommercial shareholders	**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 assets and 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 Group IFRS balance sheet.

EPRA NRV: Deferred tax assets and deferred tax liabilities (DTA and DTL) for capital gains or losses from property investments, property investments under development, property investments held for sale and financial instruments are excluded from IFRS equity for this calculation.

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

EPRA performance measures* (continued)

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

	Belgium		France		Italy		Sweden		Total	
(€'000)	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

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

Reconciliation EPRA vacancy rate:*

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

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

Capital expenditure disclosure:*

	Twelve months ended 31-12-22			Twelve months ended 31-12-21		
	Group €'000	**Joint Ventures** €'000**	**Total €'000**	Group €'000	Joint Ventures** €'000	Total €'000
Acquisitions	**0**	**0**	**0**	47,926	0	47,926
Investment properties						
– Incremental lettable space	**11,619**	**2,727**	**14,346**	8,760	7,270	16,030
– No incremental lettable space	**10,095**	**115**	**10,210**	9,014	2,033	11,047
– Tenant incentives/capitalised letting fees	**4,821**	**232**	**5,053**	1,138	(144)	994
Capitalised interest	**19**	**23**	**42**	0	92	92
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
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.

EPRA performance measures* (continued)

Reconciliation EPRA cost ratio:

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

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

The EPRA cost ratio is not directly comparable between companies due to the costs associated with different countries of operation, business models and accounting treatments. The EPRA cost ratio is very sensitive to which property sector the company is investing in. The retail sector is an example where property expenses are in general much higher than in other sectors. Therefore the EPRA cost ratio only works for comparison purposes, if pure play property companies are compared.

Another important factor is whether the property company is investing in higher yielding properties or in lower yielding properties (usually higher quality properties). Investment in higher yielding properties will in most cases lead to a lower EPRA cost ratio, which wrongly suggests that a company is more cost efficient.

Capitalised overhead and operating expenses do not form part of the EPRA cost ratio, although EPRA recommends an additional disclosure on capitalised items. Eurocommercial does not capitalise any of its overhead or local offices costs to extensions or developments in its IFRS financial statements with the exception of some capitalised costs for the Italian office (2022: €0.7 million). In the above EPRA cost ratio calculation, and only for better comparison purposes, an additional amount of €3.2 million (2021: €2.7 million) of overhead and other operating expenses has been capitalised for the financial year 2022, so a total amount of €3.9 million.

EPRA LTV Metric:

(€'000) 31/12/2022	Group IFRS as reported €M	Share of Joint Ventures €M	Group Proportional Consolidation as reported €M	EPRA Adjustments €M	Share of Material Associates €M	Non-controlling interest €M	EPRA LTV Combined Interest €M
Include:							
Borrowings from financial institutions	**1,519.1**	**100.4**	**1,619.5**	**0**	**0**	**(73.2)**	**1,546.3**
Net payables*	**0**	**0**	**0**	**127.4**	**0**	**(0.8)**	**126.6**
Exclude:							
Cash and cash equivalents	**65.3**	**5.7**	**71.0**	**0**	**0**	**(0.6)**	**70.4**
Net debt (a)	**1,453.8**	**94.7**	**1,548.5**	**127.4**	**0**	**(73.4)**	**1,602.5**
Net debt (a)							
Investment properties at fair value	**3,642.9**	**189.9**	**3,832.8**	**0**	**0**	**(148.2)**	**3,684.6**
Intangibles	**0**	**0**	**0**	**3.2**	**0**	**0**	**3.2**
Total Property Value (b)	**3,642.9**	**189.9**	**3,832.8**	**3.2**	**0**	**(148.2)**	**3,687.8**
Net debt (a)							
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
Net debt (a)							
Investment properties at fair value	3,786.0	184.5	3,970.5	0	0	(148.4)	3,822.1
Intangibles	0	0	0	2.5	0	0	2.5
Total Property Value (b)	3,786.0	184.5	3,970.5	2.5	0	(148.4)	3,824.6
Net debt (a)							
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 put option liability for non-controlling interest.

Consolidated statement of profit or loss

	Note	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Rental income	4	**199,307**	198,344
Service charge income	4	**42,741**	39,393
Total revenue		**242,048**	237,737
Service charge expenses	4	**(46,152)**	(41,547)
Property expenses	5	**(31,958)**	(41,091)
Total expenses	2	**(78,110)**	(82,638)
Net property income	2	**163,938**	155,099
Share of result of joint ventures	14	**18,170**	5,967
Investment revaluation and disposal of investment properties	6	**(13,211)**	(14,931)
Company expenses	7	**(12,124)**	(11,118)
Investment expenses	9	**(2,459)**	(500)
Other income	10	**3,707**	3,056
Operating result		**158,021**	137,573
Interest income	11	**108**	11
Interest expenses	11	**(39,725)**	(39,986)
Gain (derivative) financial instruments	11	**133,989**	35,148
Net financing result		**94,372**	(4,827)
Profit before taxation		**252,393**	132,746
Current tax	12	**(2,247)**	(1,291)
Deferred tax	12	**(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	28	**5,777**	1,286
		206,514	105,973
Per share (€)*			
Profit after taxation	29	**3.80**	1.98
Diluted profit after taxation	29	**3.80**	1.98

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

* These results per share are based on the number of shares in issue after the balance sheet date 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

	Note	**Twelve months ended 31-12-22 €'000**	Twelve months ended 31-12-21 €'000
Profit after taxation		**206,514**	105,973
Foreign currency translation differences (subsequently reclassified to profit or loss)	27	**(36,282)**	(8,904)
Actuarial result on pension scheme (subsequently reclassified to profit or loss)	27	**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	28	**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

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

* These figures are based on the number of shares in issue after the balance sheet date 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

Assets	Note	31-12-22 €'000	31-12-21 €'000
Property investments	13	**3,642,946**	3,757,419
Property investments under development	13	**0**	6,100
Investments in joint ventures	14	**95,965**	77,690
Tangible fixed assets	15	**3,848**	3,347
Deferred tax assets	21	**0**	9,288
Receivables	16	**137**	139
Derivative financial instruments	20	**62,006**	2,207
Total non-current assets		**3,804,902**	3,856,190
Property investments held for sale	13	**0**	22,500
Trade and other receivables	16	**65,085**	90,254
Prepaid tax	16	**2,133**	1,814
Cash and deposits	17	**65,307**	55,618
Total current assets		**132,525**	170,186
Total assets		**3,937,427**	4,026,376
Equity			
Issue shared capital	25	**533,492**	526,539
Share premium reserve	26	**263,774**	263,853
Currency translation reserve	27	**(83,812)**	(40,293)
Other reserves	27	**1,129,675**	1,102,916
Undistributed income		**200,737**	104,687
Equity attributable to the owners of the Company		**2,043,866**	1,957,702
Non-controlling interest	28	**67,305**	61,528
Total equity		**2,111,171**	2,019,230
Liabilities			
Trade and other payables	18	**14,070**	13,853
Tax payable	18	**0**	7,458
Borrowings	19	**1,322,723**	1,429,083
Derivative financial instruments	20	**13,345**	92,652
Deferred tax liabilities	21	**111,482**	84,018
Put option liability non-controlling interest	22	**63,448**	55,769
Provisions for pensions	23	**569**	1,162
Total non-current liabilities		**1,525,637**	1,683,995
Trade and other payables	18	**93,832**	96,451
Tax payable	18	**10,448**	10,004
Borrowings	19	**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

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

	Note	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Profit after taxation		**206,514**	105,973
Adjustments:			
Movement performance shares granted	5/7/9	**(74)**	91
Investment revaluation and disposal of investment properties	6	**15,633**	10,272
(Derivative) financial instruments	11	**(133,989)**	(35,148)
Share of result of joint ventures	14	**(18,170)**	(5,967)
Interest income	11	**(108)**	(11)
Interest expenses	11	**39,714**	39,986
Deferred tax	12	**43,632**	25,482
Current tax	12	**2,247**	1,291
Depreciation tangible fixed assets	7	**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	19	**145,215**	238,257
Repayment of borrowings	19	**(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

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

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

	Issued share capital €'000	Share premium reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Undistributed income €'000	Equity attributable to owners of the Company €'000	Non-controlling interest €'000	Total equity €'000
31-12-2021	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	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
Profit previous financial year	0	0	0	4,221	(4,221)	0	0	0
Reallocation currency translation movements	0	0	(7,237)	7,237	0	0	0	0
Dividends distribution in cash	0	(4)	0	0	(78,218)	(78,222)	0	(78,222)
Dividends distribution in shares	6,953	0	0	15,295	(22,248)	0	0	0
Performance shares granted	0	(75)	0	0	0	(75)	0	(75)
31-12-2022	533,492	263,774	(83,812)	1,129,675	200,737	2,043,866	67,305	2,111,171

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

	Issued share capital €'000	Share premium reserve €'000	Foreign currency translation reserve €'000	Other reserves €'000	Undistributed income €'000	Equity attributable to owners of the Company €'000	Non-controlling interest €'000	Total Equity €'000
31-12-2020	249,548	513,315	(36,633)	1,044,000	115,367	1,885,597	60,242	1,945,839
Profit after taxation	0	0	0	0	104,687	104,687	1,286	105,973
Other comprehensive income	0	0	(3,660)	(4,308)	0	(7,968)	0	(7,968)
Total comprehensive income	0	0	(3,660)	(4,308)	104,687	96,719	1,286	98,005
Profit previous financial year	0	0	0	8,339	(8,339)	0	0	0
Issued shares	249,549	(249,549)	0	0	0	0	0	0
Dividends distribution in cash	0	(4)	0	0	(24,701)	(24,705)	0	(24,705)
Dividends distribution in shares	27,442	0	0	54,885	(82,327)	0	0	0
Performance shares granted	0	91	0	0	0	91	0	91
31-12-2021	526,539	263,853	(40,293)	1,102,916	104,687	1,957,702	61,528	2,019,230

The notes to the consolidated financial statements on the following pages are an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. Principal accounting policies

Eurocommercial Properties N.V. (the Company) domiciled at Herengracht 469, 1017 BS in Amsterdam, The Netherlands, is a closed end property investment company. The Company is registered with the Commercial Register under number 33230134 since 18 June 1991. The consolidated financial statements of the Company for the financial year starting 1 January 2022 and ending 31 December 2022 will comprise the Company and its subsidiaries (together referred to as the "Group").

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) as per 1 January 2022 and Part 9 of Book 2, section 2:362(9) of the Netherlands Civil Code.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2023. The Group has decided not to immediately adopt such standards, amendments and interpretations. Standards that are mandatory for the Group's accounting periods beginning on 1 January 2022 are adopted as such by the Group. Additional information on new standards, amendments, interpretations and the relating effect on the financial statements, if significant and applicable to the Company, has been disclosed in note 1c.

(b) Basis of preparation

The financial statements are presented in euros, rounded to the nearest thousand euros unless stated otherwise. They are prepared on the historical cost basis except for the following assets and liabilities which are stated at fair value: property investments, property investments under development, property investments held for sale and derivative financial instruments. Borrowings and non-current creditors are stated at amortised costs.

The financial statements are prepared on a going concern basis and have been authorized for issue on 19 April 2023. During the early part of 2022, particularly in January, the highly contagious Omicron variant affected footfall and therefore retail sales in the 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 above 2021 and even above the pre-pandemic 2019. For the 12 month reporting period to 31 December 2022 the Group reported an IFRS profit after taxation, attributable to the owners of the Company, of €200.7 million. As per 31 December 2022, the Group reported a negative working capital of €168.1 million, which is primarily related to the current borrowings of €196.3 million. A total amount €169.9 of the current borrowings relates to long term loans on the four properties in Sweden with Nordea Bank and Allianz which will be due in July 2023 (€107.9 million) and September 2023 (€62.0 million) respectively.

On 23 March 2023, the Company closed a three-year green loan for an amount of SEK 1.2 million (€107.9 million) with Nordea Bank and discussions have started for the financing of the remaining long-term loan refinancing maturing later in 2023 (€62 million). Furthermore, the Company has the possibility to use existing loan facilities for a total amount of €161 million and the cashflow generated by the operational result of the Company. Finally, the Board of Management have put in place several measures to preserve liquidity, amongst others the deferral of large development projects and the proposed option for shareholders to take up a stock dividend for July 2023 which may increase the available cash. Based on the performed stress testing the Board of Management concludes that in the anticipated scenarios sufficient liquidity remains available and/or other measures are at the disposal of the Company. Based on the above, our current knowledge and information, the Board of Management considers the preparation of the financial statements based on the going concern assumption appropriate.

(c) Change in accounting policies and reclassifications

The accounting policies adopted are consistent with those of the previous financial year.

Standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. Earlier application is permitted.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1), effective date 1 January 2023
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts, effective date 1 January 2023
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) , effective date 1 January 2023
- Definition of Accounting Estimates (Amendments to IAS 8) , effective date 1 January 2023

(d) Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revisions affect only that period or in the year of the revisions and future periods if the revisions affect both current and future periods.

(e) Critical accounting judgements in applying the Group's accounting policies

The critical accounting judgements in applying the Group's accounting policies have been described in the property investment and financial instruments (accounting policy) notes. Most important is that all property investments and property investments under development are revalued every six months by qualified independent valuation experts. The Group uses a rotation scheme when instructing valuers. The fair value of the property portfolio is based upon the opinions of the external experts and not internal valuations made by the Company. The fair value of the derivative financial instruments is determined using a valuation model.

(f) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, the exposure, or rights, to variable returns from its involvement and the ability to use its power to affect the amount of the returns of the entities. In assessing control, potential voting rights that are presently exercisable are taken into account. Some entities are classified as joint ventures when there is joint control in these entities and whereby the Group has rights to the net assets, rather than rights to its assets and obligations for its liabilities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date when control ceases.

1. Principal accounting policies continued

The consolidated financial statements include those of the holding company and its owned subsidiaries:

Holgura B.V., Amsterdam	AB Skövde K-mannen 2, Stockholm
Sentinel Holdings B.V., Amsterdam	Bergvik Köpet 3 KB, Stockholm
Eurocommercial Properties Belgium S.A., Brussels (74%)	C4 Shopping Fastighet 1 AB, Stockholm
Eurocommercial Properties Ltd., London	C4 Shopping Fastighet 2 AB, Stockholm
ECP Collestrada S.r.l., Milan	ECP Fastighet Köpet 1 KB, Stockholm
ECP Cremona Po S.r.l., Milan	ECP Kristianstad AB, Stockholm
ECP Curno 2022 S.r.l., Milan	ECP Moraberg Holding AB, Stockholm
ECP I Portali S.r.l., Milan	ECP Valbo Centrum AB, Stockholm
ECP Il Castello, S.r.l., Milan	ECP Valbo Holding AB, Stockholm
ECP Service S.r.l., Milan	ECP Valboön-Fastigheten KB, Stockholm
Eurocommercial Management Italia S.r.l., Milan	Silvret Nio AB, Stockholm
Eurocommercial Properties Italia S.r.l., Milan	Eurocommercial Properties Sweden AB, Stockholm
Immobiliare 2011 S.r.l., Milan	Fastighets AB Juveleraren 11, Stockholm
Eurocommercial Properties Caumartin S.N.C., Paris	Fastighetsbolaget ES Örebro AB, Stockholm
Eurocommercial Properties France S.A.S., Paris	Lagergatan i Växjö AB, Stockholm
Eurocommercial Properties Taverny S.N.C., Paris	Premi Fastighets AB, Stockholm
S.N.C. Val Commerces, Paris	Samarkandfastigheter AB, Stockholm
S.N.C. Winter, Paris	SAR Degeln AB, Stockholm
AB Norrköping Silvret 1, Stockholm	Ugglum Fastigheter AB, Stockholm

Unless otherwise stated, these subsidiaries are wholly owned.

Furthermore, the consolidated financial statements include the joint venture Galleria Verde S.r.l. in Milan, Italy.

(ii) Transactions eliminated on consolidation
Intragroup balances and any (un)realised gains and losses arising from intragroup transactions are eliminated when preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency translations
The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency. Assets and liabilities denominated in foreign currencies are translated into euros at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the average monthly exchange rate. Foreign exchange differences arising on translation are recognised in the statement of profit or loss.

The functional currency of the Swedish and UK subsidiaries are SEK and GBP, respectively. As at the reporting date, the assets and liabilities of these Swedish and UK subsidiaries are translated into the presentation currency of the Company at the rate of exchange ruling at the balance sheet date and their profit or loss accounts are translated at the average monthly exchange rates for the period. The exchange differences arising on the translation are taken through the other comprehensive income to equity (currency translation reserve). On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation will be recognised in the statement of profit or loss.

Property investments and property investments under development
Property investments and property investments under development are stated at fair value. Property investments and property investments under development are held to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. It is the Company's policy that all property investments and property investments under development be valued semi-annually by qualified independent experts.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

These experts are instructed to appraise in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). Both documents contain mandatory rules, best practice guidance and related commentary for all RICS members and appraisers undertaking property valuations. These revaluations represent the price, net of normal purchaser's costs, at which the property could be sold in the open market on the date of revaluation. At the balance sheet date the fair value of each property investment is based on comprehensive valuation reports from the independent experts. Valuations are prepared based on current prices for comparable investment properties in an active market. If, however, such information is not available, property valuations are prepared based on standard valuation techniques such as the capitalisation method and discounted cash flow method.

Movements in the fair value of property investments and property investments under development are recognised in the statement of profit or loss in the period in which they occur.

To avoid any double counting, the carrying amount of accrued income from spreading of the lease incentives is reduced from the fair value of property investments or property investments under development.

Any realised gains or losses from the sale of a property investment or a property investment under development are recognised at closing date as the balance between the net sale proceeds and the latest published fair value in the statement of profit or loss. Depreciation is not provided on property investments and property investments under development since these are stated at fair value in accordance with IAS 40.

Property investments and property investments under development are initially brought to account at their full acquisition cost, including registration duties, legal and other consultants' fees until the first reporting date, when the fair value is presented. Any subsequent capital expenditure, including the aforesaid duties and fees and any directly attributable costs to bring the asset to working order for its intended use, is added to the cost of the property investment or the cost of the property investment under development respectively. The cost of financing the renovation or extension of property investments or the building of property investments under development is capitalised as part of the cost of the investment, the cost amount of which will be published in the notes in addition to the fair value.

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

A sensitivity analysis is carried out by the valuer with particular focus on the most important drivers, which are changes in the rental value and net initial yield, and their effect on the property investment valuation.

Property investments held for sale

Investment property is transferred to property investments held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case, the property must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such property and its sale must be highly probable. On re-classification, investment property continues to be measured at fair value, less cost to sell and any movements in the fair value are recognised in the statement of profit or loss.

Investments in joint ventures

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investments in joint ventures are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date, measured in accordance with the Group's accounting policies. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the difference in the statement of profit or loss account. Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit or loss. In case of a purchase of the remaining 50% of the shares of the joint venture during the financial year, the balance sheet items will be reported as a 100% subsidiary. With regard to the items in the statement of income and expense, the result up to and including the date of purchase of the remaining 50% of the shares will be reported as income joint ventures. The result after the date of purchase of the remaining 50% of the shares will be reported as a 100% shareholding.

1. Principal accounting policies continued

Non-controlling interests
Non-controlling interests (NCI) are initially measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. They are depreciated over the expected useful lives of the assets concerned varying from two to five years using the straight-line method taking into account the residual value of the respective assets. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Receivables
Receivables are recognised initially at fair value and subsequently at amortised cost, less allowance for expected credit losses.

Cash and deposits
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Issued share capital
The shares in the capital of the Company, are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds. When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from equity. Dividends are recognised as a liability in the period in which they are declared.

Borrowings
Borrowings are recognised initially at fair value, less attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the borrowings are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as net financing costs in the statement of profit or loss.

Creditors
Creditors are recognised initially at fair value and, for non-current creditors, subsequently at amortised cost basis using the effective interest method.

Derivative financial instruments
The Company and its subsidiaries use derivative financial instruments to hedge (part of) their exposure to foreign exchange (if any instruments at year end date) and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments will not be held or issued for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are on the balance sheet at their fair value and the value changes are recognised immediately in the statement of profit or loss. The Company does not apply hedge accounting.

Derivative financial instruments are recognised initially at trade date at fair value (cost price). Subsequent to initial recognition, derivative financial instruments are stated at their fair value. The gain or loss on measurement to fair value is recognised in the statement of profit or loss. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates, the current creditworthiness of the swap counterparties and the Group’s own creditworthiness. Derivative financial instruments concern only derivative interest rate swap contracts. The fair value of the derivatives is estimated using a valuation technique and discounting expected future cash flows using current market interest rates and the yield curve over the remaining term of the instrument that are directly or indirectly observable market data. In connection with the non-current borrowings the derivative financial instruments are presented as non-current assets and non-current liabilities.

Put option liability non-controlling interest
The financial liability related to the put option non-controlling interest capitalized is recognised initially at the present value and subsequently measured at amortised cost using the effective interest rate method. Any subsequent changes in the measurement of the put option non-controlling interest capitalized are recognised in the statement of profit or loss. The discount rate used in the amortised cost calculations is 4.1%.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

If the Group has acquired a present ownership interest as part of a business combination, the present value of the redemption amount of the put option is recognised as a financial liability with any excess over the carrying amount of the non-controlling interest recognised as goodwill. In such a case, the non-controlling interest is deemed to have been acquired at the acquisition date and therefore any excess arising should follow the accounting treatment as in a business combination. All subsequent changes in the redemption value of the financial liability are recognised in the income statement and no earnings are attributed to the non-controlling interest.

However, where the Group has not acquired a present ownership interest as part of a business combination, the non-controlling interest continues to receive an allocation of profit or loss and is reclassified as a financial liability at each reporting date as if the acquisition took place at that date. Any excess over the reclassified carrying amount of the non-controlling interest and all subsequent changes in the redemption value of the financial liability are recognised directly in retained earnings.

Leases

(i) Leases as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in tangible fixed assets and lease liabilities in creditors in the statement of financial position. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including office accommodation, office and IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Leases as a lessor

The Group has entered into commercial leases on its investment property portfolio and therefore refers to the accounting policy for the rental income.

Provisions

A provision is recognised in the consolidated statement of financial position when a legal or constructive obligation would exist, as a result of a past event and when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for pensions

The Company has various defined contribution pension plans and only one defined benefit pension plan for a limited number of employees. The net receivable or liability in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of the plan assets is deducted. The defined benefit obligation is calculated semi-annually by an independent external actuary using the projected unit credit method. Actuarial gains and losses arising from experience adjustments or changes in assumptions are recognised in other comprehensive income. The majority of the Company's employees are members of a defined contribution scheme for which the annual premiums are an expense of the period.

Other assets and liabilities

Unless stated otherwise, assets and liabilities are shown at the amounts at which they were acquired or incurred.

Bad debts (expected credit losses) for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, if appropriate.

Rental income

Rental income from property investments leased under operational leases is recognised in the profit or loss account on a straight-line basis over the term of the lease. Lease incentives, like rent-free periods, rent discounts and other rent concessions are recognised over the term of the lease, or over the period until the first break option if shorter, on a straight-line basis as a reduction of rental income. This applies mutatis mutandis for entry fees as an increase of rental income.

1. Principal accounting policies continued

Government grants
Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses (bad debts related to fully or partially waived rent payments) are recognised, unless the condition for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Service charge income and service charge expenses
Service charge is an integral, but separately identifiable, part of rental contracts. The Group has identified that the service charge is distinct from rentals and are therefore accounted separately. The service charge is priced and contracted based on market prices relevant for the region of operation. The service charge income is recognized evenly over time of the service rendered as the customer simultaneously receives and consumes the benefits from the provided service. Service charges for which the Company acts as a principal are presented in the profit or loss account. Therefore, for those property investments for which the Company is in full control of the service charges, the service charges invoiced to tenants and the corresponding expenses are shown separately on an accrual basis. In addition, service charge expenses also include charges related to vacant units and/or other irrecoverable service charges due to contractual limits or insolvent tenants.

Property expenses (direct and indirect)
These expenses include costs directly related to the leasing of investment property, such as maintenance, insurance, management, property tax etc. and are expensed as incurred. These expenses at a property level are referred to as direct property expenses. Letting fees, relocation expenses, certain dispossession indemnities and other outgoings when a lease is concluded are recognised over the term of the lease on a straight-line basis as indirect property expenses. Property expenses also include expenses associated with non-Netherlands property-holding companies and their staff and offices and some local taxes, accounting, audit and advisory fees, which are charged to the relevant buildings rather than the general expense pool. These expenses at a Group level are referred to as indirect property expenses.

Result in joint ventures
Result in joint ventures reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture. The aggregate of the Group's share of the result of a joint venture is shown in the profit or loss account and represents the result after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint ventures are prepared for the same reporting period as the Group.

Net financing income/cost
Net financing income/cost comprises interest payable on borrowings calculated using the effective interest rate method net of interest capitalised, interest income, debt extinguishment and fair value movements of derivative financial instruments that are recognised in the profit or loss account. Interest income is recognised in the profit or loss account as it accrues.

Company expenses and investment expenses
Company expenses comprise general overheads such as advisory fees, office expenses, personnel costs and Directors' fees. Expenses relating to the investigation of potential property investments and the valuation of property investments, including the part of staff bonuses linked to property value performance, are recognised as investment expenses.

Performance shares granted to employees
Since the financial year 2011/2012 a Performance Share Plan (PSP) has been in place for Managing Directors and certain staff of the Company. The cost of performance shares granted under these plans is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model. The cost is recognised, together with a corresponding increase in shareholders' equity, over the period in which the performance and service conditions are fulfilled ending on the vesting date.

Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Current tax and deferred tax

As an Investment Institution under Netherlands tax law (fiscale beleggingsinstelling) the Company is subject to a nil rate of Netherlands corporate income tax, provided it meets certain conditions, notably the distribution of all taxable income (after permitted deductions) to shareholders within eight months of the end of each financial year. As of 1 July 2005, the Company has opted for the French tax regime applicable to "Sociétés d'investissements immobiliers cotées" (SIIC). As from that date the revenues and capital gains from the French portfolio of the Company are tax-exempt, provided it meets certain conditions, notably a listing at a stock exchange in an EU country and the distribution of at least 85% of French tax-exempt income and of at least 50% of tax-exempt capital gains to shareholders. In Belgium, the Company incorporated a wholly owned FIIS/GVBF ("Fonds d'investissement immobilier spécialisé"/"gespecialiseerd vastgoedbeleggingsfonds"). The FIIS/GVBF will be subject to corporate income tax, but its taxable basis will be limited to disallowed expenses and abnormal or gratuitous advantages received. Rental income, capital gains on real estate assets, and dividend and interest income will remain untaxed as a matter of principle, provided that the fiscal result is distributed by way of a dividend.

However, corporate income tax may be payable on the fiscal results of Netherlands and foreign subsidiaries which do not have the aforesaid special tax status. This tax on taxable income for the year is recognised in the profit or loss account.

Tax on profit or loss for a year comprises current tax and deferred tax.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period using tax rates prevailing at the balance sheet date and any adjustment to taxation in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the book value of assets and liabilities and their fiscal book value for tax purposes, taking into account the applicable taxation rate, any fiscal facilities available and recoverable tax losses which can probably be utilised. Deferred tax recognised in the profit or loss account is the movement in deferred tax assets and deferred tax liabilities, if any, during the period. Deferred tax assets and liabilities are netted if there is a legal enforceable right to offset, settlement dates are similar and tax is levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash flows in foreign currencies are translated at average exchange rates. Exchange rate differences affecting cash items are shown separately in the cash flow statement. Cash and deposits include bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Segment information

Segment information is presented by country (Belgium, France, Italy, Sweden and The Netherlands). The segment information in the financial statements is in line with the segments used for internal reporting; however, joint ventures are presented in the internal reporting using proportional consolidation. The Netherlands represents assets and liabilities of Eurocommercial Properties N.V. and its office in Amsterdam.

ESEF Company information

Name of reporting entity or other means of identification	Eurocommercial Properties N.V.
Domicile of entity	The Netherlands
Legal form of entity	Public Limited Liability Company
Country of incorporation	The Netherlands
Address of entity's registered office	Herengracht 469, 1017 BS Amsterdam
Principal place of business	Amsterdam
Description of nature of entity's operations and principal activities	The Company is a closed end property investment company

2. Segment information

For the consolidated statement of financial position all items are allocated to the respective segments, whereas for the consolidated statement of profit or loss the items net financing result, company expenses, investment expenses, other income and taxation are not allocated to the respective segments.

2022

For the 12 months ended 31-12-22 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	26,572	45,075	91,564	46,364	0	209,575	(10,268)	199,307
Service charge income	7,427	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
Acquisitions, divestments and capital expenditure (including capitalised interest)	3,713	(75,021)	6,448	6,217	0	(58,643)	(2,505)	(61,148)

As per 31-12-22 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	578,090	810,280	1,629,850	814,626	0	3,832,846	(189,900)	3,642,946
Investment in joint ventures	0	0	0	0	0	0	95,965	95,965
Tangible fixed assets	0	2,148	790	592	318	3,848	0	3,848
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

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

Notes to the consolidated financial statements (continued)

2. Segment information continued

2021

For the twelve months ended 31-12-21 €'000	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
Acquisitions, divestments and capital expenditure (including capitalised interest)	2,406	(59,613)	16,842	2,062	0	(38,303)	37,796	(507)

As per 31-12-21 €'000	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
Investment 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
Derivative financial instruments	0	0	(3)	0	2	(1)	15,083	15,082
Cash and deposits	0	0	2,715	391	0	3,106	(899)	2,207
	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	11,148	44,610	45,396	32,732	1,786	135,672	(7,906)	127,766
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

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

3. Exchange rates

It is generally the Company's policy for non-euro investments to use debt denominated in the currency of investment to provide a (partial) hedge against currency movements. Exceptionally, forward contracts may be entered into from time to time when debt instruments are inappropriate for cost or other reasons. The only non-euro investment assets and liabilities of the Company are in Sweden. As at 31 December 2022, €1 was SEK 11.1218 (31 December 2021: SEK 10.2503). The average €/SEK exchange rate during 2022 was SEK 10.6232 (2021: SEK 10.1444).

4. Rental income and service charge income and expenses

Rental income

Rental income in the current financial year comprised:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Gross lease payments collected/accrued	**205,420**	202,624
Straight-lining of rent concessions	**(2,309)**	(4,237)
One off amortization of rent concessions	**(4,064)**	0
COVID-19 rent concessions	**0**	(1,522)
COVID-19 state support	**0**	1,097
Entry fees received/accrued	**260**	382
	199,307	198,344

The Group leases out its property investments under operating leases of various expiry terms. The leases specify the space, the rent, the other rights and obligations of the landlord and the tenant, including notice periods, renewal options and service charge arrangements. In general, the rent is indexed annually over the term of the lease.

Entry fees are defined as non-recurring amounts received from a new or existing tenant in connection with a new or renewed lease. Such proceeds must be straight-lined over the term of the lease. This term is defined as the period to the first possible date the tenant can terminate the lease.

The future aggregated minimum guaranteed rent (turnover rent not included) receivable under non-cancellable operating leases and to the first possible tenant break option amounts approximately to:

	As at 31-12-22 €'000	As at 31-12-21 €'000
– less than one year	**188,147**	163,098
– between one and five years	**371,734**	288,477
– more than five years	**138,445**	125,588
	698,325	577,163

The significant increase in the future aggregated minimum guaranteed rent between one and five years reported in the current financial year is mainly related to Belgium where the lease end date is applied as expected lease end date taking into account the applicable lease law for tenants to break the lease.

Approximately 1.69% of the rental income for the financial year ended 31 December 2022 is turnover rent (2021: 0.89%).

The Company has not recognised government assistance in relation to rent concessions for the financial year, as was the case for the previous financial year.

The following table sets out a maturity analysis of the rent concessions related to COVID-19 granted and accounted for under IFRS 16:

	As at 31-12-22 €'000	As at 31-12-21 €'000
– less than one year	**0**	2,310
– between one and five years	**0**	3,179
– more than five years	**0**	881
	0	6,370

Notes to the consolidated financial statements (continued)

4. Rental income and service charge income and expenses continued

According to the amortization schedule of the capitalised COVID-19 lease incentives, the remaining balance as at 31 December 2022 would be € 4.1 million which has instead been fully written off to increase transparency, also considering that this residual amount is not material and relates to a past event whose effects are concluded. The main effect is that the direct investment result decreased with €4.1 million due to the one off amortisation, whereas the indirect investment result increased with € 4.1 million as a consequence of the elimination of this rent concession correction.

Service charge income and expenses

Service charge income of €42.7 million (2021: €39.4 million) represents income receivable from tenants for the services of utilities, caretakers etc. when the Group acts as principal.

Service charge expenses of €46.2 million (2021: €41.5 million) represent costs related to the services of utilities, caretakers etc. which are rendered to tenants. The service charge expenses can be higher than the service charge income as costs are not always fully recoverable from tenants.

5. Property expenses

Property expenses in the current financial year were:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Direct property expenses		
Bad debts (expected credit loss)	**2,372**	4,218
Centre marketing expenses	**2,411**	1,708
Impairment on tenant receivables (COVID-19 rent concessions)	**(1,114)**	8,068
Insurance premiums	**950**	829
Managing agent fees	**2,182**	2,056
Property taxes	**3,171**	3,416
Repair and maintenance	**1,096**	775
Shortfall service charges	**910**	832
	11,978	21,902
Indirect property expenses		
Accounting fees	**817**	791
Audit fees	**531**	392
Depreciation fixed assets	**457**	538
Depreciation right-of-use assets	**897**	802
Dispossession indemnities	**23**	25
Legal and other advisory fees	**1,920**	2,430
Letting fees and relocation expenses	**955**	1,257
Local office and accommodation expenses	**1,698**	1,535
Pension contributions	**198**	193
Salaries, wages and bonuses	**7,650**	7,217
Social security charges	**3,469**	3,167
Performance shares granted (IFRS 2)	**(22)**	28
Travelling expenses	**709**	330
Other local taxes	**667**	324
Other expenses	**11**	160
	19,980	19,189
	31,958	41,091

Indirect property expenses include the expenses of the Brussels, Milan, Paris and Stockholm offices.

Depreciation right-of-use assets include the depreciation of right-of-use assets related to operating leases for the Company's Group offices in Milan for €408,000 (2021: €428,000), in Paris for €297,000 (2021: €181,000) and Stockholm for €192,000 (2021: €193,000). These leases are standard lease contracts with no contingent rents and sublease payments and expire in February 2024, September 2028 and September 2025 respectively.

The depreciation of fixed assets for the financial year is €171,000 for the Paris office (2021: €134,000), €262,000 for the Milan office (2021: €366,000) and €24,000 for the Stockholm office (2021: €38,000). No depreciation is recorded for Brussels.

6. Investment revaluation and disposal of investment properties

Realised and unrealised value movements on investments in the current financial year were:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Revaluation of property investments	**(14,681)**	(9,827)
Revaluation of property investments under development	**547**	(1,474)
Revaluation of property investments held for sale	**0**	(533)
Divestment property sold	**(1,499)**	(994)
Elimination of accrued entry fees	**(134)**	(221)
Elimination of capitalised letting fees	**(2,992)**	(1,629)
Elimination of COVID-19 rent discounts	**6,373**	719
Movement long-term creditors	**(183)**	(523)
Foreign currency results	**(642)**	(449)
	(13,211)	(14,931)

The divestment property sold is a loss of €1,499,000, that relates to the sales of Passage du Havre and Les Grands Hommes (all in France) as a result of additional costs due to sale.

7. Company expenses

Company expenses in the current financial year comprised:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Audit fees	**458**	407
Depreciation fixed assets	**277**	362
Depreciation right-of-use assets	**227**	263
Directors' fees	**2,735**	2,423
IT expenses	**1,098**	1,036
Legal and other advisory fees	**970**	671
Marketing expenses	**193**	155
Office and accommodation expenses	**1,361**	1,314
Pension costs*	**0**	98
Pension contributions*	**585**	503
Salaries, wages and bonuses	**2,540**	2,475
Social security charges	**366**	412
Statutory costs	**358**	435
Performance shares granted (IFRS 2)	**(15)**	18
Travelling expenses	**251**	86
Other expenses	**720**	460
	12,124	11,118

* The pension costs are allocated to the indirect investment result and the pension contributions are allocated to the direct investment result.

Depreciation right-of-use assets includes the lease for the Company's head office at Herengracht 469, Amsterdam. This lease is a standard lease contract with no contingent rents and sublease payments and expires in September 2023. The depreciation of fixed assets for this financial year is €277,000 (2021: €362,000).

Notes to the consolidated financial statements (continued)

8. Personnel costs

Total personnel costs in the current financial year comprised:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Salaries and wages	**10,474**	10,156
Social security charges and taxes	**4,540**	3,826
Pension costs	**1,023**	1,057
Bonuses	**3,108**	1,214
Performance shares granted (IFRS 2)	**(74)**	91
	19,071	16,344

Total personnel costs are partly presented under (indirect) property expenses €11,295,000 (2021: €10,605,000), partly under company expenses (remuneration of the members of the Board of Management inclusive) €6,056,000 (2021: €5,929,000) and partly under investment expenses €1,720,000 (2021: €45,000). These expenses do not include the remuneration of the members of the Supervisory Board. The pension costs consist of €783,000 of pension contributions (2021: €503,000) and an amount of €0 of fair value movement defined benefit plan (2021: positive amount of €98,000). In accordance with the Company's remuneration policy the bonuses paid to senior executives are directly linked to the annual growth in the Company's adjusted net asset value, the annual absolute and the annual relative performance, as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies as well as two ESG key performance indicators achieved for this financial year. For this financial year there was no growth of the net asset value per share. The Group employed an average of 98 full-time equivalent persons during the financial year (2021: 92), of whom 16 are resident in The Netherlands, 6 in the UK, 31 in France, 34 in Italy and 11 in Sweden. The Group staff (members of the Board of Management excluded) holds 84,559 shares, representing 0.16% of the issued share capital of the Company.

9. Investment expenses

Investment expenses in the current financial year comprised:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Aborted acquisition costs	**315**	143
Bonuses (included in the bonus amounts as part of Personnel costs)	**1,421**	0
Social security charges and taxes related to bonuses (included in the amounts as part of Personnel costs)	**336**	0
Performance shares granted (IFRS 2)	**(37)**	45
Property valuation fees	**424**	312
	2,459	500

10. Other income

Other income is related to advisory, management and guarantee fees received from joint ventures and recharges of local management fees to tenants.

11. Net financing costs

Net financing costs in the current financial year comprised:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Interest income	**108**	11
Gross interest expenses	**(37,367)**	(37,846)
Interest on put option non-controlling interest*	**(2,377)**	(2,140)
Capitalised interest	**19**	0
Early close out costs	**0**	(2,609)
Fair value movement derivative financial instruments	**139,290**	38,921
Movement in present value put option (other than interest)	**(5,301)**	(1,164)
	94,372	(4,827)

* The interest on put option non-controlling interest is allocated to the indirect investment result.

11. Net financing costs continued

Gross interest expense consists of interest on lease liabilities, interest payable on loans calculated using the effective interest rate method and on derivative financial instruments. The interest payable to finance the extension/acquisition of an asset is capitalised until completion/acquisition date and is reported as capitalised interest. The interest rate used for capitalised interest during this financial year was 2.1% (2021: 1.9%).

The interest expenses related to lease liabilities for the financial year were €60,000 (2021: €60,000).

12. Taxation

Total tax in the current financial year comprised:

	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Current tax Italy	**920**	(498)
Current tax Belgium	**135**	310
Current tax Sweden	**1,183**	1,465
Current tax United Kingdom	**9**	14
Current tax	**2,247**	1,291
Deferred tax on unrealised value movements investment property Italy and Sweden	**15,302**	18,722
Deferred tax on unrealised value movements derivative financial instruments Italy and Sweden	**24,345**	4,757
Movement tax losses recognised Italy and Sweden	**3,985**	2,003
Deferred tax	**43,632**	25,482
Total tax	**45,879**	26,773

Tax-exempt income (including effect of FBI, FIIS and SIIC)	**45,212**	17,569
Result before tax attributable to Swedish tax rate of 20.6%	**10,787**	30,857
Result before tax attributable to Italian tax rate of 24%	**178,286**	78,369
Result before tax attributable to UK tax rate of 19.0%	**(62)**	(16)
Result before taxation	**234,223**	126,779
Tax on result before tax attributable to Swedish taxable subsidiaries at a tax rate of 20.6%	**2,222**	6,357
Tax on result before tax attributable to Italian taxable subsidiaries at a tax rate of 24%	**42,789**	21,865
Tax on result before tax attributable to UK taxable subsidiary at a tax rate of 19.0%	**(12)**	(3)
Property investments fiscal step up and realignment	**0**	(3,476)
Change in tax rate	**0**	187
Non-taxable income/expense Belgium, Italy, Sweden and UK	**880**	1,843
Total tax	**45,879**	26,773

The result before taxation does not include the share of the result from joint ventures.

As an Investment Institution under Dutch tax law (fiscale beleggingsinstelling), the Company is subject to a nil rate of Netherlands corporate income tax. In Belgium the revenues and capital gains are exempt as a "Fonds d'investissement immobilier spécialisé" (FIIS) and the revenues and capital gains from the French portfolio of the Company are tax-exempt as a "Société d'investissements immobiliers cotée" (SIIC).

In Italy and Sweden, the properties are held by taxable entities. In Italy, the nominal tax rate applied for deferred tax and corporate income tax is 24%, except a minor taxable amount for which the nominal tax rate is 27.9%. In Sweden the nominal tax rate of 20.6% has been applied for deferred tax. The nominal tax rate for the subsidiary in the United Kingdom is 19%.

The increase in the result before taxation attributable to Italy is mainly related to the positive properties revaluation and derivatives movement accounted in 2022.

The Italian Tax Authorities issued two notices of assessment on the property depreciation and the following use of the fiscal losses carry forward for the fiscal years 2014/2015 and 2015/2016 of the Italian subsidiary Eurocommercial Properties Italia S.r.l.. In October 2020 and April 2021 respectively, the Italian tax court rendered a decision in the second degree confirming the first degree decision in favour of the Company. The Italian tax authorities have appealed to the final court for both the notices. No provisions have been accounted for in the financial statements.

Notes to the consolidated financial statements (continued)

13. Property investments, property investments under development and property investments held for sale

Property investments, property investments under development and property investments held for sale are stated at fair value. It is the Company's policy that all property investments and property investments under development be revalued semi-annually by qualified independent experts. The independent valuation figures for the Company's properties represent the net price expected to be received by the Company from a notional purchaser who would deduct any purchaser's costs including registration tax. All properties in the Group are freehold. The qualified independent valuers have prepared their appraisals in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). These standards require that valuers, among other activities, collect a variety of data, including general economic data, property-specific data and market supply and demand data. Property-specific data includes passing rent and future rent, expenses, lease terms, lease incentives, vacancies, rent concessions, etc. The Board of Management reviews the valuation reports and determines that the source data provided by the Company is processed correctly. The data and valuation methodologies used are set out in the independent valuation reports. All properties were revalued at 31 December 2022.

On 22 March 2022 the Company completed the sale of Les Grands Hommes, Bordeaux for a price of €22.5 million. On 24 March 2022 the Company also completed the sale of its remaining 50% ownership of the office and residential parts of Passage du Havre together with two smaller adjoining buildings to AXA - IM Alts, on behalf of clients which are the Companies joint venture partners, for a price of €57 million. The Company remained owner of 50% of the retail part of the main building of Passage du Havre representing a GLA of around 14,000m² and continued to manage this retail asset which includes 40 tenants anchored by Fnac. These sales were all achieved at or around their latest book values and form the final parts of the Company's €200 million disposal programme announced in August 2020.

Purchasers' costs

The total purchasers' costs including registration tax, which are excluded from the fair value of the property investments, property investments under development and property investments held for sale, for the financial year ended 31 December 2022 were as follows:

	31-12-2022					31-12-2021				
	Belgium	**France**	**Italy**	**Sweden**	**Total**	Belgium	France	Italy	Sweden	Total
Purchasers' costs (%)	**2.5%**	**6.9%-7.5%**	**1.0%**	**1.0%**	**2.6%**	2.5%	7.0%	1.3%	1.0%	2.7%
Purchasers' costs (€'000)	**14,456**	**56,745**	**14,326**	**8,148**	**93,675**	14,520	62,072	18,004	8,931	103,527

In France the purchasers' costs varies mainly from 6.9% to 7.5%. A percentage of 1.8% is applied as purchaser's costs on lands acquired in France.

Vacancy

EPRA vacancy for the property portfolio is 1.5% (31 December 2021: 1.5%).

Fair value hierarchy

Property investments, including property investments under development and property investments held for sale are at level 3.

Property portfolio

The current property portfolio is:

	31-12-22 Net value €'000	31-12-21 Net value €'000	**31-12-22 Costs to date €'000**	31-12-21 Costs to date €'000
Belgium	**578,090**	579,000	**658,953**	655,240
France	**810,280**	889,800	**602,119**	636,718
Italy	**1,439,950**	1,423,600	**1,051,079**	1,047,135
Sweden	**814,626**	893,619	**761,575**	755,357
Total	**3,642,946**	3,786,019	**3,073,726**	3,094,450
Less: Property investments under development	**0**	(6,100)	**0**	(13,104)
Less: Property investments held for sale	**0**	(22,500)	**0**	(22,871)
Property investments	**3,642,946**	3,757,419	**3,073,726**	3,058,475

The amount of €22.5 million of investment property held for sale as at 31 December 2021 related to Les Grand Hommes, Bordeaux. The investment property under development of €6.1 million as at 31 December 2021 related to the project adjoining Shopping Etrembières, which was completed during the financial year and which has been reallocated to the Property investments.

13. Property investments, property investments under development and property investments held for sale continued

Assumptions and sensitivity analysis

The assumptions and sensitivity analysis of the valuations are made by the valuers and represent the property investments, excluding land and property held for development. The following assumptions were applied as per 31 December 2022:

	31-12-22				31-12-21			
	Belgium	**France**	**Italy**	**Sweden**	Belgium	France	Italy	Sweden
Passing rent per m² (€; average)	**614**	**373**	**325**	**224**	587	373	309	244
Estimated rent value per m² (€; average)	**586**	**397**	**331**	**224**	575	393	323	245
Net initial yield (%; average)	**4.7**	**5.0**	**6.0**	**5.6**	4.4	4.9	5.4	5.0
Reversionary yield (%; average)	**4.4**	**5.5**	**5.8**	**5.6**	4.3	5.2	5.6	5.0
Inflation rate (%; min/max)*	**n.a.**	**n.a.**	**1.9/2.0**	**2.0/2.6**	n.a.	n.a.	1.3/1.7	2.0/2.5
Long-term growth in rental value (%; min/max)*	**n.a.**	**n.a.**	**1.8/2.0**	**2.0**	n.a.	n.a.	1.3/1.7	2.0/2.5

* When DCF method is used.

The DCF valuation is used by all valuers, except in Belgium and France where the valuers use the capitalisation method. There were no changes in the valuation method compared to previous valuations.

A sensitivity analysis of the valuations is based on the assumptions of 1) the increase/decrease in net initial yield (NIY) and 2) the increase/decrease of the estimated rental value (ERV). The amounts reflect the increase or decrease of the net value of the respective property portfolio.

	31-12-22					31-12-21				
	Belgium €'000	**France €'000**	**Italy €'000**	**Sweden €'000**	**Total €'000**	Belgium €'000	France €'000	Italy €'000	Sweden €'000	Total €'000
Increase average NIY by 25 bps	**(29,940)**	**(36,899)**	**(47,310)**	**(33,298)**	**(147,447)**	(32,420)	(40,750)	(48,940)	(35,582)	(157,692)
Increase average NIY by 50 bps	**(56,860)**	**(70,673)**	**(91,890)**	**(65,375)**	**(284,798)**	(61,810)	(78,200)	(93,470)	(72,344)	(305,824)
Decrease average NIY by 25 bps	**33,470**	**40,591**	**52,270**	**37,386**	**163,717**	35,940	45,975	53,480	48,210	183,605
Decrease average NIY by 50 bps	**71,150**	**72,406**	**108,230**	**77,678**	**329,464**	76,580	97,025	112,230	97,598	383,433
Increase ERV of 5%	**27,660**	**34,455**	**42,330**	**34,841**	**139,286**	28,640	36,675	39,240	41,576	146,131
Increase ERV of 10%	**55,310**	**68,756**	**84,680**	**68,519**	**277,265**	57,270	73,150	78,780	84,460	293,660
Decrease ERV of 5%	**(27,670)**	**(34,526)**	**(42,000)**	**(33,943)**	**(138,139)**	(28,640)	(36,350)	(35,040)	(40,491)	(140,521)
Decrease ERV of 10%	**(55,320)**	**(69,086)**	**(83,630)**	**(69,419)**	**(277,454)**	(57,270)	(72,900)	(78,750)	(84,148)	(293,068)

Changes in property investments and property investments held for sale for the financial year ended 31 December 2022 were as follows:

	Property investments 31-12-22 €'000	**Property investments held for sale 31-12-22 €'000**	Property investments 31-12-21 €'000	Property investments held for sale 31-12-21 €'000
Book value at beginning of year	**3,757,419**	**22,500**	3,776,848	34,400
Acquisitions	**0**	**0**	47,927	0
Transfer from joint venture	**0**	**0**	47,052	0
Capital expenditure – general	**10,095**	**0**	9,015	0
Capital expenditure – extensions and refurbishments	**11,266**	**0**	8,101	0
Capitalised interest	**19**	**0**	0	0
Capitalised letting fees	**2,993**	**0**	1,858	0
Capitalised rent concessions	**(6,373)**	**0**	(719)	0
Elimination of capitalised letting fees	**(2,993)**	**0**	(1,858)	0
Elimination of capitalised rent concessions	**6,373**	**0**	719	0
Revaluation of property investments	**(14,681)**	**0**	(9,793)	0
Revaluation of property investments held for sale	**0**	**0**	0	(533)
Reallocation from property investments held for sale	**0**	**0**	(23,033)	23,033
Reallocation from property investments under development	**7,000**	**0**	0	0
Book value divestment property	**(57,000)**	**(22,500)**	(80,000)	(34,400)
Exchange rate movement	**(71,172)**	**0**	(18,698)	0
Book value at end of year	**3,642,946**	**0**	3,757,419	22,500

Notes to the consolidated financial statements (continued)

13. Property investments, property investments under development and property investments held for sale continued

The capitalised rent concessions movement of €6.4 million negative is related to the straight-lining of the COVID-19 rent concessions for the properties in Italy as a result of the application of IFRS 16. According to the amortization schedule of the capitalised COVID-19 lease incentives, the amortization of the COVID-19 rent concessions for the year 2022 would be €2.4 million and the remaining balance as at 31 December 2022 would be € 4.1 million. To create more transparency, but also considering that this residual amount to be amortised is not material and as it linked to a past event whose effects are concluded, the Company has decided to write off the remaining amount of € 4.1 million in December 2022.

Changes in property investments under development for the financial year ended 31 December 2022 were as follows:

	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	**6,100**	4,400
Capital expenditure	**353**	659
Revaluation property investments under development	**547**	1,041
Reallocation to property investments	**(7,000)**	0
Book value at end of year	**0**	6,100

The investment property under development of €6.1 million as at 31 December 2021 relates to the project adjoining Shopping Etrembières, which was completed during the financial year and which has been reallocated to the property investments.

14. Investments in joint ventures

The Italian joint venture reported in this statement has the same calendar year end as the Group. There are no contingent liabilities or other post balance sheet events in the joint venture other than mentioned below. There are no unrecognised losses and no restrictions on the joint ventures' cash dividends or on the repayment of loans and advances. During this financial year no dividend was paid by the joint venture (2021: €2.5 million).

The Italian joint venture is financed by ING and BNP Paribas who granted a loan of originally €177 million, maturing in 2026 with mortgage on the gallery of Fiordaliso, by Banca Intesa Sanpaolo who granted a loan of originally €21 million maturing in 2024 with a mortgage on the retail park of Fiordaliso, and by Banca Popolare di Milano who provided in 2020 a loan State guaranteed unsecured facility of originally €21.5 million with a mortgage on the new portion of the gallery of Fiordaliso opened in 2021 for a term of three years. Banca Popolare di Milano also provided in 2020 a loan State guaranteed unsecured facility of originally €5.5 million that is currently under contractual amortisation and that will be fully repaid on 30 June 2023. The loans are hedged with interest rate swaps, including forward starters, for a notional amount of €160 million, with an average maturity of 7.2 years and an average rate 0.18%. The two shareholders in addition granted in 2020 to the joint venture two intercompany loans for a total amount of €30 million with an interest rate at market, which are still outstanding at 31 December 2022 for a total amount of €16 million.

In March 2023, the existing ING and BNP Paribas loan, financing the gallery of Fiordaliso and maturing in 2026 with an outstanding amount at 31 December 2022 of €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 have been used to finance this green property.

14. Investments in joint ventures continued

Property	Fiordaliso	Etrembières	Fiordaliso	Total
Country	Italy	France	Italy	
ECP ownership	50%	50%	50%	
Company name	Galleria Verde S.r.l.	SCI Winter and SCI Val Commerces	Galleria Verde S.r.l.	
Summarised profit or loss account	Twelve months ended 31-12-22 €'000	Period ended 05-11-21 €'000	Twelve months ended 31-12-21 €'000	Twelve months ended 31-12-21 €'000
Rental income	**20,536**	3,772	16,876	20,648
Property expenses	**(968)**	(480)	(3,116)	(3,596)
Service charge income	**6,530**	406	4,814	5,220
Service charge expenses	**(6,520)**	(1,136)	(4,910)	(6,046)
Investment revaluation	**5,618**	(2,076)	4,374	2,298
Net interest expenses	**(3,888)**	0	(3,160)	(3,160)
Net derivatives movements	**29,646**	0	4,912	4,912
Other expenses to Group companies	**(3,042)**	0	(2,242)	(2,242)
Financial and investment expenses	**(32)**	(6)	(22)	(28)
Deferred tax	**(11,364)**	0	(5,924)	(5,924)
Corporate income tax	**(176)**	0	(148)	(148)
Result after taxation	**36,340**	480	11,454	11,934
Total comprehensive income	**36,340**	480	11,454	11,934
ECP share of total comprehensive income	**18,170**	240	5,727	5,967

Property	Fiordaliso	Etrembières	Fiordaliso	Total
Country	Italy	France	Italy	
ECP ownership	50%	100%	50%	
Company name	Galleria Verde S.r.l.	SCI Winter and SCI Val Commerces	Galleria Verde Srl	
Summarised statement of financial position	31-12-22 €'000	31-12-21 €'000	31-12-21 €'000	31-12-21 €'000
Property investments	**379,800**	0	369,000	369,000
Cash and deposits	**11,458**	0	6,954	6,954
Debtors	**1,994**	0	1,398	1,398
Deferred tax assets	**0**	0	9,274	9,274
Derivatives financial instruments (non-current)	**28,240**	0	1,798	1,798
Total assets	**421,492**	0	388,424	388,424
Creditors (current)	**9,722**	0	12,356	12,356
Borrowings (current)	**5,944**	0	3,590	3,590
Loan from Group companies (current)	**16,000**	0	30,166	30,166
Creditors (non-current)	**906**	0	3,456	3,456
Borrowings (non-current)	**194,934**	0	180,272	180,272
Deferred tax liabilities	**2,056**	0	0	0
Derivatives financial instruments (non-current)	**0**	0	3,204	3,204
Total liabilities	**229,562**	0	233,044	233,044
Net assets	**191,930**	0	155,380	155,380
ECP share of net assets in joint ventures	**95,965**	0	77,690	77,690

Notes to the consolidated financial statements (continued)

15. Tangible fixed assets

Tangible fixed assets represent office equipment and inventory for the Company's head office at Herengracht 469, Amsterdam and the Group offices at 200, rue Saint-Lambert, Brussels; Via della Moscova 3, Milan; 107, rue Saint Lazare, Paris and Kungsgatan 48, Stockholm as well as the right-of-use assets related to the lease of these offices. The costs for office equipment and inventory are depreciated over the expected useful lives of the assets concerned varying from two to five years. The movements in the current financial year and the previous financial reporting period were:

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Book value at 1 January 2021	3,541	1,213	4,754
Additions	229	543	772
Disposals	(201)	(7)	(208)
Depreciation	(1,065)	(900)	(1,965)
Exchange rate movement	(5)	(1)	(6)
Book value at 31 December 2021	2,499	848	3,347
Additions	**1,942**	**504**	**2,446**
Disposals	**(49)**	**(1)**	**(50)**
Depreciation	**(1,124)**	**(734)**	**(1,858)**
Exchange rate movement	**(33)**	**(4)**	**(37)**
Book value at 31 December 2022	**3,235**	**613**	**3,848**

	Right-of-use assets €'000	**Office equipment €'000**	**Total €'000**
Cost at 31 December 2022	**7,040**	**9,120**	**16,160**
Accumulated depreciation	**(3,786)**	**(8,457)**	**(12,243)**
Accumulated exchange rate movement	**(19)**	**(50)**	**(69)**
Book value at 31 December 2022	**3,235**	**613**	**3,848**

During the financial year ended 31 December 2022, tangible fixed assets with a total cost price of €1,271,000 were disposed of or out of use (31 December 2021: €164,000).

16. Receivables

	31-12-22 €'000	31-12-21 €'000
Trade receivables		
Rents receivable	**43,063**	43,684
Provisions for bad debts (expected credit losses)	**(11,649)**	(10,066)
Provisions for bad debts (expected credit losses) – COVID-19 rent concessions	**(1,195)**	(5,398)
	30,219	28,220
Other receivables		
Funds held by managing agents	**9,697**	6,821
Loan to joint venture	**8,000**	15,000
VAT receivable	**2,414**	3,153
Settlement service charges	**674**	(175)
Deposit gift cards	**3,577**	4,084
Funds held by bank	**0**	21,499
Escrow account sale Grenoble	**1,900**	1,499
Other receivables and prepayments	**8,741**	10,292
	35,003	62,173
Total trade and other receivables	**65,222**	90,393
Prepaid Tax		
Other prepaid tax	**1,414**	1,095
COVID-19 government support	**719**	719
	2,133	1,814

16. Receivables continued

Under IFRS 9, the lease receivables are subject to impairment testing. When the landlord has invoiced the rent as defined according to the existing contract and the tenant does not pay, the (expected) risk related losses are fully recognised in property expenses.

The loan to joint venture is the shareholder loan granted to the joint venture Galleria Verde S.r.l.

The funds held by bank are related to the transfer of the mortgage on the sold property Chasse Sud in favour of the bank Deutsche Hypo to shopping centre Etrembières and have been released after the registration of the new mortgage on 25 March 2022.

Receivables at 31 December 2022 include an amount of €137,000 (31 December 2021: €139,000) which is due after one year.

17. Cash and deposits

Cash and deposits consist of amounts held as bank balances and other liquid assets. All bank balances and deposits are freely available.

	31-12-22 €'000	31-12-21 €'000
Bank balances	**56,119**	55,550
Deposits	**9,188**	68
	65,307	55,618

18. Creditors

	31-12-22 €'000	31-12-21 €'000
(i) Current liabilities		
Interest payable	**8,612**	6,827
Lease liabilities	**1,169**	869
Local and property tax payable	**1,149**	1,320
Payable on purchased property/extensions	**14,006**	17,514
Rent received/invoiced in advance	**27,983**	29,413
Service charge accruals	**4,833**	3,410
VAT payable	**4,393**	10,507
Gift card debts	**3,577**	4,084
Other creditors and accruals	**28,110**	22,507
	93,832	96,451
(ii) Non-current liabilities		
Lease liabilities	**2,165**	1,711
Tenant rental deposits	**11,905**	12,142
	14,070	13,853
Tax payable		
Current liabilities corporate tax payable	**10,448**	10,004
Non-current liabilities corporate tax payable	**0**	7,458
	10,448	17,462

The corporate tax payable of €10.4 million under the current liabilities is mainly due to the fiscal step up of Italian tax book values.

19. Borrowings

	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	**1,645,779**	1,741,088
Drawdown of funds	**145,215**	238,257
Repayments	**(245,347)**	(327,746)
Exchange rate movement	**(27,519)**	(7,613)
Movement prepaid borrowing costs	**934**	1,793
Book value at end of year	**1,519,062**	1,645,779

Notes to the consolidated financial statements (continued)

19. Borrowings continued

73% of the borrowings are at a floating interest rate (31 December 2021: 73%), rolled over for a period of generally three months. The interest rate risk is managed by using interest rate swaps and other derivatives. 27% of the borrowings are at a fixed interest rate and the interest rate risk is managed by fixing the interest to maturity at the drawdown date (31 December 2021: 27%).

	Borrowings €'000	Borrowing cost €'000	31-12-22 €'000	Fair value €'000	31-12-22 %	31-12-21 €'000	Fair value €'000	31-12-21 %
Borrowings with floating interest rate	**1,111,253**	**(5,623)**	**1,105,630**	**1,105,630**	**73**	1,207,642	1,207,642	73
Borrowings with fixed interest rate	**415,409**	**(1,977)**	**413,432**	**404,102**	**27**	438,137	435,685	27
Total borrowings	**1,526,662**	**(7,600)**	**1,519,062**	**1,509,732**	**100**	1,645,779	1,643,327	100

The fair value of the borrowings with a fixed interest rate from drawdown date to maturity is based on a model taking into account the appropriate interest rate curve of the underlying loan. The fair value of the floating interest rate loans is considered equal to the relevant carrying value, as the impact of the margin of the loans is not significant.

The borrowings are all directly from major banks, with the exception of one loan which is from an insurance company, with an average committed unexpired term of over three years. Borrowings of €1,516 million are secured on property (31 December 2021: €1,559 million).

The average interest rate during the financial year ended 31 December 2022 on non-current borrowings including hedges was 2.2% (2021: 2.2%). The average interest rate is calculated as the weighted average interest rate over the remaining principals until the respective interest maturity dates. There have been no defaults during the financial year in respect of any of the borrowings at 31 December 2022.

	31-12-22				31-12-21
Borrowings maturity profile	Secured €'000	Unsecured €'000	Total borrowings €'000	Average interest rate as at 31 December %	Total borrowings €'000
Current borrowings	**185,589**	**10,750**	**196,339**	**1.5**	216,696
Non-current borrowings:					
One to two years	**173,476**		**173,476**		210,967
Two to five years	**931,602**		**931,602**		988,405
Five to ten years	**225,245**		**225,245**		179,170
More than ten years	**0**		**0**		59,076
Total non-current borrowings	**1,330,323**	**0**	**1,330,323**	**2.2**	1,437,618
Borrowing costs	**(7,600)**	**0**	**(7,600)**		(8,535)
Total borrowings	**1,508,312**	**10,750**	**1,519,062**	**2.2**	1,645,779

Currency and interest rate profile	Fixed rate borrowings €'000*	Floating rate borrowings €'000**	Total borrowings €'000	Average interest rate at 31 December %	Average interest maturity in years	Average maturity of borrowings in years
2022						
Euro	**219,892**	**983,844**	**1,203,736**	**2.6**	**5.7**	**4.0**
Swedish krona	**195,517**	**127,409**	**322,926**	**2.7**	**2.0**	**1.4**
Borrowing costs	**(1,977)**	**(5,623)**	**(7,600)**			
	413,432	**1,105,630**	**1,519,062**	**2.6**	**5.4**	**3.4**
2021						
Euro	227,181	1,074,458	1,301,639	2.0	6.0	4.3
Swedish krona	213,408	139,267	352,675	2.0	3.3	3.4
Borrowing costs	(2,452)	(6,083)	(8,535)			
	438,137	1,207,642	1,645,779	2.0	5.8	3.9

* Fixed rate borrowings consist of ten fixed rate loans and external floating interest rate financing for which fixed interest rate swaps are in place with a remaining term of more than one year.

** Floating rate borrowings consist of all external financing with a remaining interest period of less than one year taking into account the effect of interest rate swaps.

The table above shows the average interest rate of the Company at December 2022 excluding the effect of the interest rate swaps (2.6%). The average interest rate at December 2022 including the effect of interest rate swaps was 2.4%.

At 31 December 2022 the Company had entered into five sustainability linked loans for a total amount of €216.5 million. Two of these loans for a total amount of €117 million are also green loans. In 2023 the Company converted into "green" an additional loan and so far it has in total green and sustainability linked 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.

20. Financial instruments

Financial risks

In the normal course of business the Group is exposed to credit risks, liquidity risks, interest rate risks and foreign currency risks. The overall risk management policy focuses on the unpredictable nature of the financial markets with emphasis on minimising any negative impact on the financial performance of the business. The Group closely monitors its financial risks linked to its activities and the financial instruments it uses. However, as the Group is a long-term property investor, it believes that the funding of its investments should also be planned on a long-term basis, reflecting the overall risk profile of the business.

Credit risk

The credit risk is defined as the unforeseen losses on assets if counterparties should default. The credit risk associated with lease debtors is determined through a detailed analysis of the outstanding debt and mitigated by requiring deposits, upfront payments or bank guarantees from tenants to cover rents for a limited period. The risk is further reduced by investing in mature markets and by choosing major tenants also on the basis of their financial strength. The carrying amounts of the financial assets represent the maximum credit risk and were made up as follows:

Carrying amounts of financial assets	Note	**31-12-22 €'000**	31-12-21 €'000
Receivables	16	**65,222**	90,393
Derivative financial instruments		**62,006**	2,207
Cash and deposits	17	**65,307**	55,618
		192,535	148,218

The ageing analysis of the receivables on the balance sheet date was as follows:

	31-12-22				31-12-21			
	Rents receivable €'000	**Provision for bad debts (expected credit loss) €'000**	**Other receivables €'000**	**Receivables €'000**	Rents receivable €'000	Provision for bad debts €'000	Other receivables €'000	Receivables €'000
Not due	**24,213**	**0**	**0**	**24,213**	17,089	0	0	17,089
Overdue by 0–90 days	**5,263**	**(2,747)**	**35,003**	**37,519**	6,313	(882)	62,173	67,604
Overdue by 90–120 days	**1,205**	**(1,092)**	**0**	**113**	3,048	(1,673)	0	1,375
Overdue by more than 120 days	**12,382**	**(9,005)**	**0**	**3,377**	17,234	(12,909)	0	4,325
	43,063	**(12,844)**	**35,003**	**65,222**	43,684	(15,464)	62,173	90,393

With respect to the rents receivable, the Group holds rental deposits from its tenants totalling €13.5 million (31 December 2021: €12.1 million) in addition to bank guarantees.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets at a reasonable price. In order to reduce liquidity risk, the repayment dates of borrowings are well spread over time and 87% of borrowings are long term, with 15% of borrowings with a remaining term of over five years. The Group aims to enter into long-term loans, preferably five to ten years or longer. At the balance sheet date the average maturity of the borrowings was just over three years. Group net borrowings on a proportional consolidated basis will not exceed 60% of the fair value of the property portfolio on a proportional consolidated basis, which further mitigates risk. The ratios to which the Group has committed itself are monitored at regular intervals. The loan to value ratio at 31 December 2022 was 39.9% on IFRS basis and 40.4% on consolidated basis (31 December 2021: 42% and 42.3% respectively). Apart from these obligations and commitments, the Netherlands Fiscal Investment Institution status of the Company imposes borrowing limits and requires the Company to distribute its fiscal income as a dividend to the shareholders.

The risk related to the possible defaults of the Group's counterparties is minimised by dealing directly with a number of reputable banks for all its borrowings, interest rate swaps, foreign exchange contracts and deposits. These banks in their position as lenders have a credit rating AA- (22%), A (25%), A- (7%), BBB+ (7%), BBB (20%), B+ (4%) and 15% have no rating from Fitch; and, Aa1 (11%), Aa3 (23%), A1 (35%), A3 (3%), Baa1 (18%), B1 (4%), Ba1 (2%) and 4% have no rating according to Moody's.

For further disclosures on the liquidity risk, we refer to the going concern paragraph in note 1b. Basis of preparation of the consolidated financial statements.

Notes to the consolidated financial statements (continued)

20. Financial instruments continued

The following table shows the undiscounted contractual flows required to pay the Company's financial liabilities:

Undiscounted cash flows	31-12-22 Total cash flows €'000	31-12-22 Less than 1 year €'000	31-12-22 1–5 years €'000	31-12-22 More than 5 years €'000	31-12-21 Total cash flows €'000	31-12-21 Less than 1 year €'000	31-12-21 1–5 years €'000	31-12-21 More than 5 years €'000
Non-current borrowings	**1,330,323**	**0**	**1,105,078**	**225,245**	1,437,617	0	1,199,372	238,245
Current borrowings	**196,339**	**196,339**	**0**	**0**	216,696	216,696	0	0
Interest derivative financial instruments	**(48,148)**	**(13,465)**	**(42,731)**	**8,048**	96,536	15,046	29,539	51,951
Financial liability related to put option non-controlling interest	**67,000**	**0**	**67,000**	**0**	67,000	0	67,000	0
Interest on borrowings	**185,463**	**52,015**	**119,791**	**13,657**	94,400	18,075	60,269	16,056
Non-current creditors	**13,541**	**6,631**	**4,672**	**2,238**	13,552	1,665	10,007	1,880
Non-current tax payable	**0**	**0**	**0**	**0**	7,892	0	7,892	0
Current creditors	**92,663**	**92,663**	**0**	**0**	95,582	95,582	0	0
Current tax payable	**10,448**	**10,448**	**0**	**0**	10,004	10,004	0	0
	1,847,629	**344,631**	**1,253,810**	**249,188**	2,039,279	357,068	1,374,079	308,132

Foreign currency risk

Foreign exchange risk is the risk that the profitability and shareholders' equity of the Group might be affected by currency fluctuations. Individual subsidiaries primarily execute their operating activities in their respective functional currencies which primarily comprise the euro and the Swedish krona. As a result, the Company has only a rather limited foreign currency exposure related to its day-to-day operations in the various countries. Since the financial reporting currency of the Company is the euro, the financial statements of those non-euro operating subsidiaries are translated so that the financial results can be presented in the Company's consolidated financial statements.

Due to Swedish property investments, the Group is exposed to the Swedish krona, the only significant foreign currency exposure for the Group. However, due to SEK loan facilities, this exposure is partly hedged. SEK borrowings amount to €323 million (31 December 2021: €352 million). The total property investments in Sweden are €815 million (31 December 2021: €894 million). Therefore 40% of this SEK exposure is hedged through these borrowings at 31 December 2022 (31 December 2021: 39%). The remaining exposure is relatively limited compared with the total size of the portfolio and will, in principle, not be hedged. A weakening of this currency by 5% would result, for example, in a decrease of shareholders' equity of only 1% and in a decrease of only 1.3% of direct investment result.

Interest rate risk

The Company operates a defensive interest rate hedging policy by using derivatives to protect the Company against increases in interest rates. The Company intends to hedge the majority of its loans outstanding for the medium to long term (five to 15 years). The fair value (mark to market) of the current interest rate hedge instruments as at 31 December 2022 is a positive value of €48.6 million (31 December 2021: negative €90.4 million).

The interest rate hedge instruments as at 31 December 2022 have a weighted average maturity of over five years and the Company is hedged at an average interest rate of 1.6% (31 December 2021: 1.6%). Only 14% (31 December 2021: 25%) of the total borrowings is at a floating rate without interest hedge. An increase in interest rates of 1% would therefore only have a limited negative impact of an additional annual interest expense of €2.1 million (31 December 2021: €1.5 million) or 2% (31 December 2021: 1.4%) of reported direct investment result.

If at 31 December 2022, the euro interest curve and the Swedish krona interest curve were 50 basis points higher, the fair value movement for derivative financial instruments would have increased the shareholders' equity by €18.9 million. If the interest curves were 50 basis points lower, the fair value movement for derivative financial instruments would have decreased the shareholders' equity by €20.0 million. Both calculations assume that all other variables were held constant and do not take into account the impact of deferred tax.

Maturity profile derivative financial instruments	31-12-22 Notional amount €'000	31-12-22 Fair value €'000	31-12-21 Notional amount €'000	31-12-21 Fair value €'000
Up to one year	**84,781**	**433**	62,000	(655)
From one year to two years	**135,911**	**5,093**	86,463	(2,206)
From two years to five years	**329,200**	**21,940**	434,389	(10,709)
From five years to ten years	**284,721**	**31,977**	297,660	(17,362)
Over ten years	**85,000**	**(10,782)**	85,000	(59,512)
	919,613	**48,661**	965,512	(90,444)

20. Financial instruments continued

Derivative financial instruments comprise the fair value of interest rate swap contracts entered into to hedge the Group's interest rate exposure.

In addition to the notional amounts of the derivative financial instruments presented in the previous table, the financial instruments portfolio as per the balance sheet date includes forward starting interest rate swaps to extend existing interest rate swaps then maturing for a notional amount of €20 million (31 December 2021: €75 million). Although the notional amounts of the aforesaid financial instruments are not included in the previous table, the fair value of these financial instruments is reported Moreover, the IFRS reporting does not include the additional interest rate swaps of the 50% owned Italian joint venture company Galleria Verde for a total notional amount of €80 million (Group share).The Company accounts for the purchase/sale of an interest rate swap at its transaction date.

Changes in net derivative financial instruments for the financial year ended 31 December 2022 were as follows:

Net derivative financial instruments	**31-12-22 €'000**	31-12-21 €'000
Book value at beginning of year	**(90,444)**	(129,593)
Fair value movement derivative financial instruments	**139,290**	38,921
Settlement derivative financial instruments	**0**	211
Exchange rate movement	**(185)**	16
Book value at end of year	**48,661**	(90,445)

Effective interest rate and ageing analysis

The following table shows the effective interest rate (variable rate is based on Euribor/Stibor as at 31 December 2022) on financial assets on which interest is receivable and liabilities on which interest is payable as at the balance sheet date. This table also includes an ageing analysis according to interest rate revision dates of these assets and liabilities.

	31-12-22				31-12-21			
	Borrowings floating rate	**Borrowings fixed rate**	**Swaps fixed rate paid**	**Swaps floating rate received**	Borrowings floating rate	Borrowings fixed rate	Swaps fixed rate paid	Swaps floating rate received
Effective interest rate (%)	**2.86**	**2.00**	**1.13**	**1.53**	0.75	2.00	1.19	(0.51)
Up to one year (€'000)	**46,581**	**149,758**	**84,781**	**84,781**	208,124	8,557	62,000	62,000
From one year to two years (€'000)	**164,743**	**8,732**	**135,911**	**135,911**	49,108	161,859	225,852	225,852
From two years to five years (€'000)	**856,028**	**75,574**	**329,200**	**329,200**	907,593	80,828	295,000	295,000
From five years to ten years (€'000)	**43,900**	**181,345**	**284,721**	**284,721**	48,900	130,270	297,660	297,660
Over ten years (€'000)	**0**	**0**	**85,000**	**85,000**	0	59,075	85,000	85,000
	1,111,252	**415,409**	**919,613**	**919,613**	1,213,725	440,589	965,512	965,512

The following table shows the periods in which the interest cash flows (variable interest is based on Euribor/Stibor as at 31 December 2022) on both borrowings and derivatives are expected to occur on the basis of the loan and interest rate swap agreements entered into by the Group, as per the balance sheet date:

Interest cash flows 31-12-22	**Borrowings floating rate €'000**	**Borrowings fixed rate €'000**	**Swaps fixed rate €'000**	**Swaps floating rate €'000**	**Total €'000**
Up to one year	**44,531**	**7,485**	**9,706**	**(23,066)**	**38,655**
From one year to two years	**48,796**	**4,930**	**8,712**	**(27,466)**	**34,972**
From two years to five years	**53,463**	**12,601**	**20,067**	**(44,043)**	**42,089**
From five years to ten years	**3,501**	**10,157**	**19,236**	**(24,031)**	**8,863**
Over ten years	**0**	**0**	**40,564**	**(27,722)**	**12,843**
	150,291	**35,173**	**98,285**	**(146,328)**	**137,421**

Fair value of financial instruments

The financial statements have been prepared on an historical cost basis, except for property investments, property investments under development, property investments held for sale and some of the financial instruments, which are carried at fair value. IFRS 9 contains the following principal classification categories for financial assets and liabilities: A. Financial assets and liabilities measured at amortised cost; and C. Financial assets at fair value through P&L.

Notes to the consolidated financial statements (continued)

20. Financial instruments continued

The carrying amounts of the financial instruments and their fair values were as follows:

	Note	Categories in accordance with IFRS 9	31-12-22 €'000 Carrying amount	31-12-22 €'000 Fair value	31-12-21 €'000 Carrying amount	31-12-21 €'000 Fair value
Receivables	16	A	**65,222**	**65,222**	92,207	92,207
Derivative financial instruments		C	**62,006**	**62,006**	2,207	2,207
Cash and deposits	17	A	**65,307**	**65,307**	55,618	55,618
			192,535	**192,535**	150,032	150,032
Creditors	18	A	**118,348**	**118,348**	127,766	127,766
Borrowings	19	A	**1,519,062**	**1,509,732**	1,645,779	1,681,246
Put option liability non-controlling interest	22	A	**63,448**	**63,448**	55,769	55,769
Derivative financial instruments		C	**13,345**	**13,345**	92,652	92,652
			1,714,203	**1,704,873**	1,921,966	1,957,433

The fair values of the financial instruments were determined as explained in the principal accounting policies (note 1) to the extent that for those borrowings with a fixed interest rate (carrying amount of €413,432,000), the fair value was based upon the relevant yield curves.

For the borrowings with a floating interest rate (carrying amount of €1,105,630,000), the carrying amount is deemed to approximate the fair value because the floating interest rate approximates the market interest rate and own credit risk is not deemed significant. Due to their short-term nature the carrying amount approximates to fair value for the other balance sheet items.

Fair value hierarchy

All derivative financial instruments are at level 2. For the level 2 derivative financial instruments the Group uses a model to determine the fair value with inputs that are directly or indirectly observable market data.

Climate and related risks

We recognize that climate change poses risks to our assets, tenants, investors and local communities. Physical climate risks such as flooding are evaluated during our asset level risk assessments aligned with the international scheme of BREEAM In-Use. Eurocommercial conducted an initial study in 2022 in order to understand the physical risks from climate change to our assets by reviewing information from relevant websites and databases. Our climate risk assessment included evaluating transition risks. Input was solicited from local teams and senior management to determine the potential likelihood and impact of each risk on our organisation. Based on the results, management will assess current business plans and determine if additional steps are needed to safeguard our assets and minimise negative effects.

21. Deferred tax assets and liabilities

Deferred tax assets are attributable to the following items in the current year and previous is entirely related to Italy:

	31-12-21 €'000	Recognised in profit or loss €'000	Release to profit or loss due to property sale €'000	Reallocation to tax payable €'000	Exchange rate movement €'000	31-12-22 €'000
Investment property	**(7,713)**	**7,713**	**0**	**0**	**0**	**0**
Derivative financial instruments	**777**	**(777)**	**0**	**0**	**0**	**0**
Tax value of loss carry-forwards recognised	**16,224**	**(16,224)**	**0**	**0**	**0**	**0**
Total deferred tax assets	**9,288**	**(9,288)**	**0**	**0**	**0**	**0**

Deferred tax assets are attributable to the following items in the previous reporting period :

	31-12-20 €'000	Recognised in profit or loss €'000	Release to profit or loss due to property sale €'000	Reallocation to tax payable €'000	Exchange rate movement €'000	31-12-21 €'000
Investment property	1,302	(11,176)	1,948	213	0	(7,713)
Derivative financial instruments	5,396	(4,619)	0	0	0	777
Tax value of loss carry-forwards recognised	18,160	(1,936)	0	0	0	16,224
Total deferred tax assets	24,858	(17,731)	1,948	213	0	9,288

21. Deferred tax assets and liabilities continued

Deferred tax liabilities are attributable to the following items in the current financial year:

	31-12-21 €'000	Recognised in profit or loss €'000	Release to profit or loss due to property sale €'000	Reallocation to tax payable €'000	Exchange rate movement €'000	31-12-22 €'000
Investment property	**(84,014)**	**(23,016)**	**0**	**0**	**6,848**	**(100,182)**
Derivative financial instruments	**(4)**	**(23,567)**	**0**	**0**	**31**	**(23,540)**
Tax value of loss carry-forwards recognised	**0**	**12,240**	**0**	**0**		**12,240**
Total deferred tax liabilities	**(84,018)**	**(34,343)**	**0**	**0**	**6,879**	**(111,482)**

As at 31 December 2022, the total amount of deferred tax liabilities of €111.5 million is for an amount of €79.3 million related to Sweden and for an amount of €32.2 million to Italy .

For the assets owned by our local subsidiaries in Sweden, deferred tax liabilities (DTL) as at 31 December 2022 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.

Deferred tax liabilities are attributable to the following items in the previous reporting period :

	31-12-20 €'000	Recognised in profit or loss €'000	Release to profit or loss due to property sale €'000	Reallocation to tax payable €'000	Exchange rate movement €'000	31-12-21 €'000
Investment property	(78,131)	(7,544)	0	0	1,661	(84,014)
Derivative financial instruments	137	(139)	0	0	(2)	(4)
Tax value of loss carry-forwards recognised	68	(67)	0	0	(1)	0
Total deferred tax liabilities	(77,926)	(7,750)	0	0	1,658	(84,018)

As at 31 December 2021, the total amount of deferred tax liabilities of €84.0 million is entirely related to Sweden.

For the assets owned by our local subsidiaries in Sweden, deferred tax liabilities (DTL) as at 31 December 2021 are reported in the Group IFRS financial statements adopting the initial recognition exemption of IAS 12 Income taxes; consequently the DTL is €28 million higher than reported in the balance sheet.

22. Put option liability non-controlling interest

Changes in put option liability non-controlling interest for the financial year ended 31 December 2022 were as follows:

Financial liability related to the put option non-controlling interest	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	**(55,769)**	(52,464)
Interest put option non-controlling interest	**(2,377)**	(2,140)
Movement of put option non-controlling interest Belgium	**(5,302)**	(1,165)
Book value at end of year	**(63,448)**	(55,769)

The put option non-controlling interest Belgium of €63.5 million represents the financial liability related to the put option accounted for at the present value of the liability, where the minority shareholder has the right to sell its shares in Eurocommercial Properties Belgium S.A. The minority shareholder can exercise its rights at its sole discretion after a five year period has lapsed since September 2019 or earlier under specific conditions pursuant to the shareholders agreement. The discount rate applied in the amortised cost calculation is 4.1%. The variable component in the exercise price (net asset value of the subsidiary) is updated as per the reporting date (impact negative €5.3 million) and according to the accounting policies accounted for in the statement of profit or loss.

Notes to the consolidated financial statements (continued)

23. Provision for pensions

The provision for pensions is related to one defined benefit plan in the United Kingdom. The plan has no active members, neither for the comparative figures and no new members have entered the scheme since 2001. The scheme is based on a final salary plan with a pensionable salary cap and the Company expects no new members in the scheme in the near future.

The major categories of plan assets are as follows:

	31-12-22 €'000	31-12-21 €'000
Cash and cash equivalents	**246**	450
Unquoted investment funds – mixed	**7,125**	10,891
	7,371	11,341

Changes in the defined benefit obligation and fair value of plan assets in the current and previous financial reporting year/period:

	Fair value of plan assets 31-12-22 €'000	Defined benefit obligation 31-12-22 €'000	Benefit liability 31-12-22 €'000	Fair value of plan assets 31-12-21 €'000	Defined benefit obligation 31-12-21 €'000	Benefit liability 31-12-21 €'000
Book value at beginning of year	**11,341**	**(12,503)**	**(1,162)**	10,130	(12,010)	(1,880)
Service cost	**0**	**0**	**0**	0	0	0
Interest income/(expenses)	**202**	**(227)**	**(25)**	59	(158)	(99)
Pension cost charged to profit or loss account	**202**	**(227)**	**(25)**	59	(158)	(99)
Return on plan assets	**(4,167)**	**0**	**(4,167)**	512	0	512
Actuarial changes arising from changes in assumptions	**0**	**4,593**	**4,593**	0	705	705
Experience adjustments	**0**	**(420)**	**(420)**	0	(281)	(281)
Actuarial result on pension scheme charged to OCI	**(4,167)**	**4,173**	**6**	512	424	936
Contributions by employer	**564**	**0**	**564**	0	0	0
Benefits paid	**(62)**	**62**	**0**	(62)	62	0
Exchange rate movement	**(507)**	**555**	**48**	701	(820)	(119)
Book value at end of year	**7,371**	**(7,940)**	**(569)**	11,340	(12,502)	(1,162)

The principal assumptions used in determining the pension obligations for the Group's plan are set out as follows for the year ended 31 December 2022. The discount rate is 4.8% (31 December 2021: 1.9%) and pension increase is 3.2% (31 December 2021: 3.4%). The life expectancy for pensioners at the age of 60 is 26.3 years and 28.5 years for men and women respectively (31 December 2021: men 26.3 years and women 28.4 years).

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 is as shown below:

Year		Discount rate: 0.25% increase	Discount rate: 0.25% decrease	Rate of inflation: 0.25% increase	Rate of inflation: 0.50% increase	Life expectancy: 1 year increase
31 December 2022	Liabilities (€'000)	**7,679**	**8,215**	**8,202**	**7,689**	**8,126**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The duration of the liabilities of the Scheme is approximately 18 years as at 31 December 2022 (31 December 2021: approximately 18 years).

As all four active members of the Scheme opted out as per 1 June 2016 and based on an amended investment and funding strategy for the Scheme, it is expected that no contributions are to be paid by the employer under the Company's defined benefit plan for the next financial year (31 December 2022: €0).

24. Leases

A. Leases as lessor (IFRS 16)

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

For the recognised rental income and the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, reference is made to note 4 of these statements.

B. Leases as lessee (IFRS 16)

The Group leases office space and company cars. Previously, these leases were classified as operating leases un IAS 17.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as tangible fixed assets (see Note 15).

	31-12-22 €'000	31-12-21 €'000
Balance at the beginning of the financial year	**2,499**	3,541
Additions to right-of-use assets	**1,942**	229
Disposal of right-of-use assets	**(49)**	(201)
Depreciation for the period	**(1,124)**	(1,065)
Exchange rate movement	**(33)**	(5)
Balance as at the end of the financial year	**3,235**	2,499

ii. Lease liabilities

The current and non-current portions of the Company's lease liabilities are presented as current liabilities and non-current liabilities respectively (see Note 18).

	31-12-22 €'000	31-12-21 €'000
Balance at the beginning of the financial year	**(2,580)**	(3,590)
Lease payments for the period	**1,167**	1,093
Additions to lease liabilities	**(1,942)**	(229)
Disposal of lease liabilities	**49**	201
Interest expenses	**(60)**	(60)
Exchange rate movement	**32**	5
Balance as at the end of the financial year	**(3,334)**	(2,580)

The Company uses a discount rate of 2%.

iii. Amounts recognised in profit or loss

	Twelve months 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Interest from lease liabilities	**60**	60
Depreciation right-of-use assets	**1,124**	1,065
Expenses related to short-term and/or low-value leases	**27**	28
Total	**1,211**	1,153

iv. Amounts recognised in statement of cash flows

	Twelve months 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Lease payments of lease liabilities	**1,167**	1,093
Interest expenses on lease liabilities	**60**	60
Total cash outflow for leases	**1,227**	1,153

Notes to the consolidated financial statements (continued)

25. Issued share capital

Share capital comprises of 100,000,000 authorised shares of €10 par value, of which 53,349,162 shares are issued and fully paid as at 31 December 2022 and of which 506,924 were bought back as at 31 December 2022.

The weighted average number of shares in issue in the current financial year is 52,497,473. The number of shares in issue (after deduction of shares bought back) as per 31 December 2022 is 52,842,238. The Company's shares are listed on Euronext Amsterdam and Brussels. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	**526,539**	249,548
Increase nominal values shares	**0**	249,549
Dividend paid in shares	**6,953**	27,442
Book value at end of year	**533,492**	526,539

On 1 July 2022 the Company paid a cash dividend of €1.50 per share and a mandatory scrip dividend of 1 new share for every 75 existing shares. As a result of the aforementioned mandatory scrip dividend 695,245 shares were issued with a nominal value of €10 each, which increased the nominal share capital of the Company with €6,952,450.

	2022	2021
	No. of shares	No. of shares
Number of shares on issue at beginning of year	**52,653,917**	49,909,682
Shares (issued) for dividends in shares	**695,245**	2,744,235
Number of shares on issue at end of year	**53,349,162**	52,653,917
Number of shares bought back at beginning of year	**(506,924)**	(506,924)
Number of shares bought back at end of year	**(506,924)**	(506,924)
Number of shares at end of year after deduction of shares bought back	**52,842,238**	52,146,993

Net asset value per share

The net asset value per share is €38.68 at 31 December 2022 (31 December 2021: €37.54).

Shares bought back

During the current financial year no shares were bought back and as per 31 December 2022 the number of shares bought back remains 506,924.

Performance shares

The Performance Share Plan (PSP) provides for an annual grant of free long-term performance shares for all employees and members of the Board of Management and is conditional upon the meeting of Company performance targets and that the employee remains with the Company for more than three years from the grant date of the performance shares and holds them from that vesting date for a further two years. All permanent employees and Directors of the Company are entitled to the scheme. The calculation is based on a Black, Scholes and Merton option valuation model. The fair value of the performance shares is based on the share price at grant date and a number of assumptions to be made relating to the expected volatility, risk free interest rate, dividend yield and the remaining life of the instruments.

25. Issued share capital continued

Performance Share Plan (PSP)	PSP 2019	PSP 2022	Total
Grant date	11-11-2019	01-07-2022	
Vesting date	11-11-2022	01-07-2025	
Share price at grant date	€27.50	€20.22	
Dividend yield	7.63%	7.07%	
Fair value per performance share	€21.87	€16.36	
Performance shares granted	14,923	45,860	60,783
Performance shares forfeited	(2,750)	0	(2,750)
Performance shares vested	0	0	0
Performance shares not vested	(12,173)	0	(12,173)
Outstanding performance shares at end of the year	0	45,860	45,860

Movements in the number of performance shares during the year	PSP 2019	PSP 2022	Total
Performance shares at beginning of year	12,843	0	12,843
Performance shares granted	0	45,860	45,860
Performance shares forfeited	(670)	0	(670)
Performance shares vested	0	0	0
Performance shares not vested	(12,173)	0	(12,173)
Outstanding performance shares at end of year	0	45,860	45,860

The expenses for the performance shares granted (IFRS 2) are €74,000 negative (2021: €91,000 positive). The outstanding performance shares as per 31 December 2022: 45,860 (31 December 2021: 12,843). As at 31 December 2022, the outstanding performance shares represent 0.09% of the issued share capital (31 December 2021: 0.02%).

26. Share premium reserve

	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	263,853	513,315
Performance shares granted (IFRS 2)	(75)	91
Increase for nominal values of shares	0	(249,549)
Cost for dividends paid	(4)	(4)
Book value at end of year	263,774	263,853

27. Currency translation reserves and other reserves

	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	1,062,623	1,007,367
Profit previous financial year	4,221	8,339
Dividend paid in shares	15,295	54,885
Foreign currency translation differences	(36,282)	(8,904)
Actuarial result on pension scheme	6	936
Book value at end of year	1,045,863	1,062,623

Notes to the consolidated financial statements (continued)

28. Non-controlling interest

Non-controlling interest is related to the 25.63% stake in Eurocommercial Properties Belgium S.A. owned by AG Insurance as a result of the contribution in kind made in 2019 of the Inno department store, part of the Woluwe shopping centre. No dividends were paid during the financial year to the minority shareholder.

	31-12-22 €'000	31-12-21 €'000
Non-current assets	**578,090**	579,000
Current assets	**11,309**	9,398
Non-current liabilities	**(312,981)**	(336,233)
Current liabilities	**(11,204)**	(9,491)
Net assets	**265,214**	242,674
Result after taxation	**22,539**	(5,109)
Total comprehensive income	**22,539**	(5,109)
Calculation value minority shares		
Balance at the beginning of the year	**61,528**	60,242
Profit after taxation contributable to non-controlling interest	**5,777**	1,286
Equity attributable to non-controlling interest at the end of the year	**67,305**	61,528

29. Earnings per share

Basic earnings per share

The Company's shares are listed on Euronext Amsterdam and Brussels.

The calculation of basic earnings per share of €3.80 at 31 December 2022 (2021: €1.98) was based on the profit attributable to shareholders of €200.7 million (31 December 2021: €104.7 million) and total number of shares outstanding at the end of the financial year ended 31 December 2022 of 52,842,238 as calculated below.

Profit attributable to shareholders:

	31-12-22 €'000
Profit for the year	**200,737**
Issued shares (after deduction of shares bought back) at beginning of the year	**52,146,993**
Number of shares issued (dividend in shares)	**695,245**
Total number of shares (after deduction of shares bought back) at the end of the year	**52,842,238**

Diluted earnings per share

The calculation of diluted earnings per share of €3.80 at 31 December 2022 (2021: €1.98) was based on the profit attributable to holders of shares of €200.7 million (31 December 2021: €104.7 million) and a total number of shares (diluted) outstanding at the end of the year ended 31 December 2022 of 52,888,098, as calculated below.

Profit attributable to shareholders (diluted):

	31-12-22 €'000
Profit for the year	**200,737**
Total number of shares at the end of the year	**52,842,238**
Granted performance shares	**45,860**
Total number of shares (diluted)	**52,888,098**

30. Commitments not included in the balance sheet

The Company is committed to contribute to its Italian joint venture company Galleria Verde S.r.l. a residual amount of €2.4 million for the refurbishment of shopping centre Fiordaliso. In addition, the Company is committed to complete some activities linked to the Curno extention project agreed with the Municipality of Curno for an estimated residual amount of €1.2 million.

31. Capital management

The primary objective of the Company's capital management is to ensure that capital is available for the long term. No changes have been made to these objectives, policies or processes during the financial year ended 31 December 2022. The Company monitors capital primarily using a loan to value ratio. The loan to value (LTV) ratio is defined as the (net) borrowings expressed as a percentage of the total value of property investments, property investments under development, property investments in joint ventures and property investments held for sale, calculated on a proportionally consolidated basis. The total values are net of any (estimated) purchasers' costs. The net debt will not exceed 60 per cent, which is also a covenant agreed with a number of banks financing the Group.

The calculation of the LTV is as follows:

Loan to value (on a proportional consolidated basis)	**31-12-22 €'000**	31-12-21 €'000
Net borrowings (total borrowings less cash and deposits)	**1,548,465**	1,678,615
Property investments	**3,642,946**	3,757,419
Property investments under development	**0**	6,100
Property investments held by joint ventures	**189,900**	184,500
Property investments held for sale	**0**	22,500
Total property investments	**3,832,846**	3,970,519
LTV (%)	**40.4%**	42.3%

All bank covenants are monitored at regular intervals. During the year the Company complied with its banking covenants. The most frequently agreed covenants in the loan agreements are a loan to value ratio and an interest cover ratio.

32. Related parties

Introduction

Subsidiaries, minority shareholders and joint ventures of the Company, members of its Supervisory Board, Board of Management and the UK pension scheme are related parties. No transactions have been entered into with them other than those disclosed in this report.

The Directors' fees recognised in the company expenses for the current financial year include an amount of €155,000 (2021: €235,000) in respect of gross remuneration paid to the members of the Supervisory Board to be specified as follows:

	31-12-22 €'000	31-12-21 €'000
B.T.M. Steins Bisschop	**61**	61
E.R.G.M. Attout	**47**	47
C. Croff	**0**	40
K. Laglas	**47**	47
J.–Å. Persson	**0**	40

The Directors' fees also include salaries, bonuses, pension premiums and social security charges for the members of the Board of Management.

The total remuneration for the members of the Board of Management for the current financial year can be specified as follows:

	E.J. van Garderen		**R. Fraticelli**		**J.P.C. Mills**	
	31-12-22 €'000	31-12-21 €'000	**31-12-22 €'000**	31-12-21 €'000	**31-12-22 €'000**	31-12-21 €'000
Salary	**475**	475	**508**	508	**469**	482
Housing allowance	**0**	0	**0**	35	**14**	11
Bonus	**332**	71	**356**	76	**322**	71
Pension premiums (defined contribution plan)	**82**	67	**70**	117	**88**	79
Social security charges	**10**	9	**309**	162	**123**	76
Performance shares granted (IFRS 2)	**(5)**	5	**(5)**	6	**(5)**	5
	894	627	**1,238**	904	**1,011**	724

Notes to the consolidated financial statements (continued)

32. Related parties continued

In accordance with the Company's remuneration policy the bonuses paid to members of the Board of Management are directly linked to the annual growth in the Company's adjusted net asset value, the annual absolute and the annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as two ESG key performance indicators achieved for this financial year. For this financial year there was no growth of the net asset value per share.The total remuneration for the members of the Supervisory Board and the Board of Management for the financial year is €3,298,000 (2021: €2,439,000).

The members of the Board of Supervisory Directors and the members of the Board of Management of Eurocommercial Properties N.V. have no personal interest in investments made by Eurocommercial Properties N.V. now nor at any time in the past year. The Company has no knowledge of property transactions taking place in the financial year under review with persons or institutions which can be considered to stand in a direct relationship to the Company.

Performance shares

In 2022, 7,245 performance shares have been granted to the Board of Management under the Performance Share Plan. At 31 December 2022, the outstanding performance shares held by the Board of Management represent 0.01% of the issued share capital.

For more information about the Performance Share Plan, reference is made to note 25.

19.19% (€14,072) of the amount included in the consolidated statement of profit or loss (€73,341) as performance shares granted (IFRS 2) is related to the performance shares granted to the members of the Board of Management.

Shareholdings

As per 31 December 2022, E.J. van Garderen holds 31,238 shares, which includes 11,706 vested performance shares, in total representing 0.06% of the issued share capital of the Company. R. Fraticelli holds 28,372 shares, which includes 8,843 vested performance shares, in total representing 0.05% of the issued share capital of the Company. J.P.C. Mills holds 36,655 shares, which includes 12,602 vested performance shares, in total representing 0.07% of the issued share capital of the Company.

None of the members of the Board of Supervisory Directors has any holdings in the Company.

Loans

There are no loans granted to members of the Supervisory Board or members of the Board of Management.

33. Auditor's fee

The following fees were charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated companies, as referred to in section 2:382a(1) and (2) of the Netherlands Civil Code.

	KPMG Accountants N.V. 2022 €'000	**Other KPMG Network 2022 €'000**	**Total KPMG 2022 €'000**	KPMG Accountants N.V. 2021 €'000	Other KPMG Network 2021 €'000	Total KPMG 2021 €'000
Audit of the financial statements	**331**	**499**	**830**	409	402	811
Other audit engagements	**17**	**21**	**38**	0	0	0
Total audit fees	**348**	**520**	**868**	409	402	811

34. Post balance sheet events

On 23 March 2023 the Company 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.

AG Insurance NV/SA exercised their put option under the shareholders agreement that the Company has with them since September 2019 when they contributed part of Woluwe Shopping into the Belgian subsidiary of the Company, which is the owner of the Brussels shopping centre, in exchange for a minority stake of 25.63%. The Company has acquired this minority stake on 18 April 2023, so that it now owns 100% of the shares in the Belgian subsidiary and therefore 100% of Woluwe Shopping. The price 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 amounted to € 69.6 million and was funded using available cash and credit lines.

35. Dividend distribution

The Board of Management and the Board of Supervisory Directors propose to the Annual General Meeting of Shareholders, to be held on 13 June 2023 at 13.30 hours (CET), to declare a total dividend of €1.60 per share for the financial year ended 31 December 2022. A cash interim dividend of €0.60 per share was already paid on 27 January 2023 (31 December 2021: €1.50 total cash dividend per share and a mandatory scrip dividend of one new share for each seventy-five shares held). The distribution 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 final cash dividend payable. The price of these new shares will be announced on Friday 9 June 2023.

Company financial statements

Company balance sheet

(before profit appropriation)

Assets	Note	31-12-22 €'000	31-12-21 €'000
Investments in subsidiaries	3	**1,906,915**	1,813,095
Tangible fixed assets	4	**2,457**	1,906
Total non-current assets		**1,909,372**	1,815,001
Due from subsidiaries	5	**295,639**	341,686
Receivables	6	**501**	776
Cash and deposits	8	**10,065**	3,067
Total current assets		**306,205**	345,529
Total assets		**2,215,577**	2,160,530
Liabilities			
Creditors	9	**6,355**	3,521
Due to subsidiaries	10	**99,095**	135,864
Current lease liabilities	13	**570**	361
Borrowings	11	**0**	5,000
Total current liabilities		**106,020**	144,746
Provision for pensions	12	**569**	1,162
Long-term lease liabilities	13	**1,674**	1,151
Put option liability non-controlling interest	14	**63,448**	55,769
Total non-current liabilities		**65,691**	58,082
Total liabilities		**171,711**	202,828
Net assets		**2,043,866**	1,957,702
Shareholders' equity	15		
Issued share capital		**533,492**	526,539
Share premium reserve		**263,774**	263,853
Legal reserve subsidiaries		**649,247**	554,292
Currency translation reserve		**(83,812)**	(40,293)
Retained profit reserve		**480,428**	548,624
Undistributed income		**200,737**	104,687
		2,043,866	1,957,702

Company financial statements (continued)

Company statement of profit or loss

	Notes	Twelve months ended 31-12-22 €'000	Twelve months ended 31-12-21 €'000
Company expenses	16	**(4,784)**	(5,318)
Operating result		**(4,784)**	(5,318)
Interest income	17	**7,210**	6,970
Interest expenses	17	**(2,478)**	(2,557)
Net derivatives movement	7	**0**	(188)
Movement of put option non-controlling interest	14	**(5,301)**	(1,165)
Other income and financing costs	17	**8,417**	9,326
Net financing income	17	**7,848**	12,386
Profit before taxation		**3,064**	7,068
Current tax		**0**	0
Profit from subsidiaries after taxation	3	**197,673**	97,619
Profit after taxation		**200,737**	104,687

Notes to the company financial statements

1. General

The description of the Company's activities and structure, as included in the notes to the consolidated financial statements, also applies to the Company financial statements. The Company financial statements have been prepared in accordance with the financial reporting requirements of Part 9, Book 2 of the Netherlands Civil Code. In order to harmonise the accounting principles of the Company financial statements with the consolidated financial statements, the Board of Management has decided, from 1 July 2005 onward, to adopt the provisions of Article 2:362 paragraph 8 of the Netherlands Civil Code, whereby the accounting principles applied in the consolidated financial statements also apply to the Company financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) as per 1 January 2022 and Part 9 of Book 2 of the Netherlands Civil Code. The Company financial statements are prepared on a going concern basis. In this respect specific reference is made to Note 1(b) of the consolidated financial statements.

2. Principal accounting policies

The accounting principles as described in the notes to the consolidated financial statements also apply to the Company financial statements unless indicated otherwise.

Investments in subsidiaries

Group companies are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the group company ceases.

In accordance with Article 2:362 paragraph 8 of the Netherlands Civil Code, all subsidiaries are accounted for on a net asset value basis. For determining the net asset value all assets, liabilities and profits and losses are subject to the accounting principles as applied to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Shareholders' equity

The Company recognises a legal reserve subsidiaries in its Company financial statements. This legal reserve subsidiaries is based on Article 2:389 paragraph 6 of the Netherlands Civil Code.

Share of result in investments in subsidiaries

The share in the result of participating interests consists of the share of the Group in the results of these participating interests.

3. Investments in subsidiaries

The subsidiaries of the Company are listed in Note 1 Principal accounting policies in the consolidated financial statements.

Movements in investments in subsidiaries for the financial year ended 31 December 2022 were as follows:

	31-12-22 €'000	31-12-21 €'000
Book value at beginning of year	**1,813,095**	1,820,847
Dividends from subsidiaries	**(80,000)**	(100,000)
Investments	**18**	0
Result from subsidiaries via reserves	**(23,871)**	(5,371)
Profit from subsidiaries	**197,673**	97,619
Book value at end of year	**1,906,915**	1,813,095
Cost at end of year (less dividends received)	**60,129**	140,111
Cumulative result from subsidiaries via reserves	**(35,729)**	(11,858)
Cumulative profit from subsidiaries	**1,882,515**	1,684,842
Book value at end of year	**1,906,915**	1,813,095

Notes to the company financial statements (continued)

4. Tangible fixed assets

Tangible fixed assets represent office equipment and inventory for the Company's head office in Amsterdam and the Paris office. These costs are depreciated over the expected useful lives of the assets concerned varying from two to five years. The movements in the current financial year were:

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Book value at 1 January 2021	2,018	569	2,587
Additions	75	390	465
Disposals	(201)	(6)	(207)
Depreciation	(444)	(495)	(939)
Book value at 31 December 2021	1,448	458	1,906
Book value at 1 January 2022	**1,448**	**458**	**1,906**
Additions	**1,272**	**284**	**1,556**
Disposals	**(37)**	**0**	**(37)**
Depreciation	**(520)**	**(448)**	**(968)**
Book value at 31 December 2022	**2,163**	**294**	**2,457**
Cost at 31 December 2022	**3,778**	**5,193**	**8,971**
Accumulated depreciation	**(1,615)**	**(4,899)**	**(6,514)**
Book value at 31 December 2022	**2,163**	**294**	**2,457**

During the financial year ended 31 December 2022, tangible fixed assets for an amount of €64,000 were out of use (31 December 2021: no tangible fixed assets were disposed of or were out of use).

5. Due from subsidiaries

The balance of €295.6 million at 31 December 2022 represents mainly funds advanced to Eurocommercial Properties France S.A.S., Eurocommercial Properties Sweden A.B. and Eurocommercial Properties Belgium S.A. These balances are characterised as current accounts used for funding or reimbursing cash to Group companies as part of the cash management of the Company. Consequently, these balances have been presented as current assets in the Company balance sheet.

The average interest rate of these advances is 3.7% (31 December 2021 3.1%).

6. Receivables

	31-12-22 €'000	31-12-21 €'000
Prepayments	**501**	660
VAT receivable	**0**	116
	501	776

7. Derivative financial instruments

The Group has exposure to credit risk, liquidity risk and foreign currency risk from its use of financial instruments.

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the separate financial statements of the Company.

	2022 €'000	2021 €'000
Book value at beginning of the year	**0**	188
Unrealised fair value movement interest rate swaps	**0**	(188)
Book value at end of the year	**0**	0

8. Cash and deposits

Cash and deposits of €10.1 million consist of amounts held as bank balances. All bank balances are freely available.

9. Creditors

	31-12-22 €'000	31-12-21 €'000
Interest payable	**0**	15
Remuneration payable	**2,134**	829
VAT payable	**2,217**	922
Other creditors and accruals	**2,004**	1,755
	6,355	3,521

10. Due to subsidiaries

The balance of €99.1 million at 31 December 2022 represents mainly funds advanced from ECP Service S.r.l. These balances are characterised as current accounts used for funding or reimbursing cash from Group companies as part of the cash management of the Company. Consequently, these balances have been presented as current liabilities in the Company balance sheet.

The average interest rate of these advances is 2.03% (2021: 1.4%).

11. Borrowings

	2022 €'000	2021 €'000
Book value at beginning of year	**5,000**	10,000
Drawdown of funds	**0**	95,000
Repayments	**(5,000)**	(100,000)
Book value at end of year	**0**	5,000

12. Provisions for pensions

The disclosure of the provisions for pensions is provided in Note 23 of the consolidated financial statements.

13. Leases

As per 31 December 2022, right-of-use assets are reported as part of the Company's tangible fixed assets for an amount of €2.2 million. An analysis of the Company's right-of-use assets is provided in Note 4 of the Company financial statements.

The lease liabilities are reported as part of the current liabilities and non-current liabilities for amounts of €0.6 million and €1.7 million respectively.

	2022 €'000	2021 €'000
Book value at beginning of year	**(1,512)**	(2,050)
Initial recognition of lease liabilities	**0**	0
Additions	**(1,272)**	(75)
Disposals	**37**	201
Lease payments	**546**	446
Interest on lease liabilities	**(43)**	(34)
Book value at end of year	**(2,244)**	(1,512)

14. Put option liability non-controlling interest

The disclosure of the put option liability non-controlling interest is provided in Note 22 of the consolidated financial statements.

Notes to the company financial statements (continued)

15. Shareholders' equity

The movements in shareholders' equity in the current financial year were:

	Issued share capital €'000	Share premium reserve €'000	Legal reserve subsidiaries €'000	Legal currency translation reserve €'000	Retained profit reserve €'000	Undistributed income €'000	Total €'000
01-01-2022	**526,539**	**263,853**	**554,292**	**(40,293)**	**548,624**	**104,687**	**1,957,702**
Profit previous financial year	**0**	**0**	**0**	**0**	**4,221**	**(4,221)**	**0**
Profit for the year	**0**	**0**	**0**	**0**	**0**	**200,737**	**200,737**
Dividend distribution in cash	**0**	**(4)**	**0**	**0**	**0**	**(78,218)**	**(78,222)**
Dividend distribution in shares	**6,953**	**0**	**0**	**0**	**15,295**	**(22,248)**	**0**
Performance shares granted	**0**	**(75)**	**0**	**0**	**0**	**0**	**(75)**
Actuarial gain on pension scheme	**0**	**0**	**0**	**0**	**7**	**0**	**7**
Reallocation currency translation movements	**0**	**0**	**0**	**(7,237)**	**7,237**	**0**	**0**
Foreign currency translation differences	**0**	**0**	**0**	**(36,282)**	**0**	**0**	**(36,282)**
Movement of legal reserve	**0**	**0**	**94,955**	**0**	**(94,955)**	**0**	**0**
31-12-2022	**533,492**	**263,774**	**649,247**	**(83,812)**	**480,428**	**200,737**	**2,043,866**

The movements in shareholders' equity in the previous financial period were:

	Issued share capital €'000	Share premium reserve €'000	Legal reserve subsidiaries €'000	Legal currency translation reserve €'000	Retained profit reserve €'000	Undistributed income €'000	Total €'000
01-01-2021	249,548	513,315	748,375	(36,633)	295,625	115,367	1,885,597
Profit previous financial year	0	0	0	0	8,339	(8,339)	0
Profit for the year	0	0	0	0	0	104,687	104,687
Increase nominal value shares	249,549	(249,549)	0	0	0	0	0
Dividend distribution in cash		(4)	0	0	0	(24,701)	(24,705)
Dividend distribution in shares	27,442	0	0	0	54,885	(82,327)	0
Performance shares granted	0	91	0	0	0	0	91
Actuarial gain on pension scheme	0	0	0	0	936	0	936
Foreign currency translation differences	0	0	0	(3,660)	(5,244)	0	(8,904)
Movement of legal reserve	0	0	(194,083)	0	194,083	0	0
31-12-2021	526,539	263,853	554,292	(40,293)	548,624	104,687	1,957,702

Both the retained earnings and the share premium reserve are available for distribution as dividend.

For further details on movements in shareholders' equity reference is also made to the consolidated financial statements and the notes thereto for movements in the components of shareholders' equity.

Statutory reserves

The statutory reserves in the company balance sheet are reserves which must be retained pursuant to the Netherlands Civil Code and consist of the reserve subsidiaries and the reserve for foreign currency translation. The amounts recognised by these reserves amount to €649 million (31 December 2021: €554 million) and negative €53 million (31 December 2021: negative €40 million) respectively and are not freely distributable. For dividend distribution, however, both the retained profit reserve, share premium reserve and the undistributed income are available.

Legal reserve subsidiaries

The legal reserve subsidiaries for participating interests in subsidiaries, pertains to participating interests in subsidiaries that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of the company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the company has been entitled to since the first measurement at net asset value, and less distributions that the company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

15. Shareholders' equity continued

Legal currency translation reserve

The legal currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than that of the Company, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

The legal currency translation reserve of negative €83.8 million mainly relates to investments in Sweden.

16. Company expenses

Company expenses in the current financial year comprised:

	2022 €'000	2021 €'000
Audit fees	**429**	385
Depreciation fixed assets	**972**	939
IT expenses	**1,739**	1,036
Legal and other advisory fees	**1,157**	704
Marketing expenses	**193**	155
Office and accommodation expenses	**1,152**	1,736
Pension costs	**716**	465
Salaries, wages, bonuses and performance shares granted*	**7,529**	6,498
Social security charges*	**2,320**	1,947
Statutory costs	**354**	435
Travelling expenses	**569**	214
Other expenses	**765**	808
	17,896	15,322
Recharge of company expenses to subsidiaries	**(13,112)**	(10,004)
	4,784	5,318

* Including Directors' fees.

The Company employed an average of 53 full-time equivalent persons during the financial year (2021: 48), of whom 16 are resident in The Netherlands, 6 in the UK, 31 in France. An analysis of the Directors' fees is provided in note 32 of the consolidated financial statements.

17. Net financing income

The net financing income of €7.9 million (2021: €12.4 million) comprises interest income due from subsidiaries of €7.2 million (2021: €7.0 million); interest expenses from borrowings and put option non-controlling interest amounting to €2.5 million (2021: €2.6 million); net derivatives movement and put option liability non-controlling interest of €5.3 million (2021: €1.4 million) and other income and financing costs of €8.4 million (2021: €9.3 million). The other income and financing costs consist of €8.9 million positive (2021: €9.3 million positive) for guarantees in favour of financial institutions for debts incurred by Group subsidiaries and €0.5 million negative (2021: €0.0 million) for foreign currency results.

18. Commitments not included in the balance sheet

The Company has entered into guarantees in favour of credit institutions for debts and interest rate swaps incurred by its subsidiaries to an amount of €1.5 billion and €919 million respectively.

The Company has entered into guarantees in favour of credit institutions for debts and interest rate swaps incurred by its joint ventures to an amount of €202 million and €160 million respectively.

Amsterdam, 19 April 2023

Board of Management
E.J. van Garderen
R. Fraticelli
J.P.C. Mills

Board of Supervisory Directors
B.T.M. Steins Bisschop, Chairman
E.R.G.M. Attout
K. Laglas

Other information

Provisions in the Articles of Association concerning the appropriation of income

The appropriation of income is subject to the Provisions of Article 42 of the Articles of Association of the Company of which the major provisions are as follows:

(a) Out of the profit as shown in the adopted annual accounts in which all taxes due by the Company have been deducted, such amount may be reserved as the Board of Management shall determine, which reserve shall be at the disposal only of the Board of Management.

(b) The remainder of the profit shall be at the disposal of the General Meeting of Shareholders for distribution of dividend, either in cash or in shares in the capital of the Company, or a combination of both, or for reserves or such other purposes covered by the objects of the Company, as the General Meeting of Shareholders shall decide.

(c) Distribution of dividend shall take place after the adoption of the annual accounts which show that such distribution is permitted. (Interim) dividends may be paid in cash or in shares in the capital of the Company, or a combination thereof.

Financial calendar

5 May 2023	Announcement of first quarter results 2023
13 June 2023 at 13.30 hours	Annual General Meeting of Shareholders
15 June 2023	Ex-dividend date
7 July 2023	Dividend distribution date
25 August 2023	Announcement of half-year results 2023

Holders of shares with a holding of 3% or more

Under the Netherlands Act on Financial Supervision, the Netherlands Authority for the Financial Markets has received notification from five holders of ordinary shares with interests greater than 3% in the Company. According to the latest notifications these interests were as follows:

Mr A. van Herk (20.22% – notification 8 May 2019), BlackRock, Inc. (5.01% – notification 13 April 2023), Cohen & Steers (4.96% - notification 18 January 2023), Ameriprise Financial Inc (4.59% - notification date 19 October 2022) and ICAMAP Investments S.a.r.l. (3.06% – notification 20 February 2020).

Stock market prices and turnover

The Company is listed on Euronext Amsterdam and Brussels and is admitted to the Amsterdam Midcap (AMX).

For the year 01/01/2022 to 31/12/2022		High	Low	Average
Closing price 31 December 2022 (€; shares)	**22.60**	**25.92**	**18.35**	**21.98**
Average daily turnover (in shares)	**72,274**			
Average daily turnover (€'000,000)	**1.6**			
Total turnover over the past 12 months (€'000,000)	**411.8**			
Market capitalisation (€'000,000)	**1,194**			
Total turnover divided by market capitalisation	**34.48**			

Source: Euronext, Global Property Research

Shares listed on Euronext Amsterdam and Brussels have been accepted for delivery through the book entry facilities of the Netherlands Central Institute for Giro Securities Transactions (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) trading as Euroclear Nederland.

ISIN – Code: NL 0015000K93, symbol: ECMPA

Stock market prices are followed by Bloomberg: ticker: ECMPA NA

Valuers

The following independent firms have valued the Company's properties (including the properties held by joint ventures) at 31 December 2022:

Belgium:	Cushman & Wakefield
France:	JLL, Knight Frank, Cushman & Wakefield
Italy:	CBRE, Cushman & Wakefield, JLL
Sweden:	Cushman & Wakefield, JLL

Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Eurocommercial Properties N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Eurocommercial Properties N.V.as at 31 December 2022 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of Eurocommercial Properties N.V.as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of Eurocommercial Properties N.V. (hereafter: the 'Company') based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2022;
2. the following consolidated statements for the twelve months ended 31 December 2022: profit or loss, comprehensive income, changes in equity and cash flows; and
3. the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. the company balance sheet as 31 December 2022;
2. the company statement of profit or loss for the twelve months ended 31 December 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Other information (continued)

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Eurocommercial Properties N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate related risks and the key audit matters were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality

- Materiality of EUR 20 million
- 0.5% of Total Assets
- Lower materiality for results from net property income: EUR 10 million

Group audit

- Full scope audit of all significant components performed by KPMG auditors
- Audit coverage of 100% of investment property
- Audit coverage of 100% of rental income

Fraud/Noclar, Going concern and Climate related risks
• Fraud & Non-compliance with laws and regulations (Noclar) related risks: the presumed fraud risk on management override of controls and a fraud risk related to possible conflict of interest in real estate transactions. • Going concern related risks: no significant going concern risks identified; and • Climate related risks: the response of the Board of Management to possible future effects of climate change and their anticipated outcomes have been disclosed in the chapter 'Environmental, Social and Governance' of the annual report. We have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matters
• Valuation of investment property • Real estate transactions

Opinion
Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 20 million (2021: EUR 16 million). The materiality is determined with reference to total assets (0.5% (2021: 0.4%)). We consider total assets as the most appropriate benchmark because of the nature of the business, the level of activities and asset value is likely the primary focus of the users of the financial statements evaluating Eurocommercial Properties N.V.'s financial performance. Materiality changed compared to last year due to selection of total assets as the reference amount rather than total equity. We have reassessed the reference amount and concluded that total assets is a better base for materiality for the reasons mentioned above. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

In addition, we applied a materiality of EUR 10 million (2021: EUR 8 million) for net property income, which is lower than the materiality for the financial statements as a whole. Net property income is an important measure of the performance of the Company's current portfolio, excluding the impact of changes in market value of investment property and derivatives and the result from the disposal of investment property.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements identified during our audit in excess of EUR 0.8 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Other information (continued)

Scope of the group audit

Eurocommercial Properties N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Eurocommercial Properties N.V.

Our group audit mainly focused on significant components. The Group manages its investment property through its operating companies in France, Belgium, Italy and Sweden. Each of these operations is significant in the context of the Group's financial statements and therefore we have used KPMG audit teams in each country to perform an audit of the financial information of the operating companies in these countries. The audits performed in these countries covered the entire investment property portfolio and the related rental income.

Because we are ultimately responsible for the audit opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for operating companies and issued audit instructions to local auditors. As group auditor we were involved in the full-scope audits performed by local auditors of the subsidiaries.

Our involvement included, amongst others the following:

— issuing audit instructions to component auditors prescribing the scope of the audit procedures to be performed, our risk assessment, materiality to be applied and reporting requirements;

— participation in planning discussions with component auditors;

— attending (virtual) meetings with the component auditors to discuss the results of component audits and discussions on the valuation of investment property with independent appraisers engaged by the Company;

— follow up on reported audit findings, and

— review of the component audit files and verification that the audit work had been carried out in accordance with our instructions.

We have performed audit procedures ourselves at group level on the standalone figures of Eurocommercial Properties N.V. and account balances which are coordinated at group level such as the valuation of investment property and derivative financial instruments.

For the residual population not in scope we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

The audit coverage as stated in the section summary can be further specified as follows:

- audit coverage of 100% of investment property; and
- audit coverage of 100% of rental income

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter 'Corporate Governance' of the annual report, the Board of Management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory board reflects on this.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's code of conduct, whistle blowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance.

Furthermore, we performed relevant inquiries with the Board of Management and Supervisory Board and other relevant functions, such as Internal Audit, Legal Counsel and Compliance. As part of our audit procedures, we:

- assessed other positions held by Board of Management members and/or other employees and paid special attention to procedures and governance/compliance in view of possible conflicts of interest;
- evaluated investigation reports on indications of possible fraud and non-compliance; and
- evaluated correspondence with supervisory authorities and regulators, such as the AFM, as well as legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- Anti-money laundering laws and regulations; and
- Anti-bribery and corruption laws and regulations.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Further, we assessed the presumed fraud risk on revenue recognition as irrelevant, because the Company's main form of revenue relates to rental income which involves limited judgement as the revenue related to rental income is contractually agreed and with various individual tenants.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Other information (continued)

Management override of controls (a presumed risk)

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates.
- We performed a data analysis of high-risk journal entries (adjustments to initially recorded changes in fair value of investment property above a threshold). Further we evaluated the key estimate valuation of investment property and other judgments for bias by the Board of Management. This included retrospective reviews of prior years' estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit, which amongst others included inspection of expenses which were recharged to the Company by employees. We have also inspected a sample of invoices related to services provided by third parties associated with each acquisition and disposal of investment property.

Fraud risk in relation to conflict of interest in real estate transactions

Risk:

A fraud risk is identified in relation to bribery and corruption in the context of the use of agents and/or business partners as part of real estate transactions and related potential conflicts of interest.

Responses:

We refer to our key audit matter.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in a key audit matter, other than indicated.

We communicated our risk assessment, audit responses and results to the Board of Management and the Audit Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

KPMG

Audit response to going concern

As explained in note 1(b) to the financial statements, the Board of Management has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Management's assessment, we have performed, inter alia, the following procedures:

— we considered whether the assessment of the going concern risks performed by the Board of Management includes all relevant information of which we are aware as a result of our audit;

— we considered whether the developments in share price, including the discount in comparison with the net asset value per share, indicates a significant going concern risk;

— we analysed the financial position of the Group as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks; and

— we inspected the financing agreements on terms of conditions that could lead to significant going concern risks, including the term of the agreement and any covenants.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the going concern assessment performed by the Board of Management.

Audit response to climate-related risks

The Company has set out its targets relating to climate change in the chapter 'Environmental, Social and Governance' of the annual report. The Company's targets are in line with the Paris Agreement to operate carbon neutral for scope 1 and 2 emissions by 2030. The target for scope 3 emissions is to be evaluated in 2023.

The Board of Management has assessed, against the background of the Company's business and operations at a high level how climate-related risks and opportunities and the Company's own targets could have a significant impact on its business or could impose the need to adapt its strategy and operations. The Board of Management has considered the impact of both transition and physical risks on the financial statements in accordance with the applicable financial reporting framework, more specifically the valuation of investment property, as described in section 'Environmental, Social and Governance' of the annual report.

The Board of Management prepared the financial statements, considering whether the implications from climate-related risks and targets have been appropriately accounted for and disclosed and concluded that climate-related risks and targets do not have a material impact on the current financial statements. As part of our audit, we performed a risk assessment of the impact of climate-related risk and the targets of the Company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

Other information (continued)

- Understanding the Company's processes: we held inquiries with the Board of Management and the chairman of the ESG Working Group who is responsible for the climate related risk assessment within the Company and inspected Board minutes, policies and risk assessments. The purpose is to understand the client's risk assessment and the climate roadmap to become carbon neutral for scope 1 and 2 emissions by 2030. The Company has performed a physical climate risk assessment including scenario analysis, but the preparation of the climate roadmap is in progress. Further, we assessed how this target was translated into investment decisions and the related potential impact of climate-related risks and opportunities on the Company's annual report and financial statements.
- We have evaluated climate related fraud risk factors such as pressure as a result of variable remuneration and expectations from external stakeholders to meet ESG/climate risk related targets.
- We have inquired with the external appraisers on how climate-risk factors are considered in the external appraisal process and inspected the external valuation reports on potential climate related impact on fair value of investment properties.

Based on the procedures above we concluded that climate-related risks have no material impact on the 2022 financial statements under the requirements of EU-IFRS and no material impact on our key audit matters.

Furthermore, we have read the other information presented in the annual report supplementing the financial statements with respect to climate-related risks and considered whether such information contains material inconsistencies with the financial statements from our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

KPMG

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Compared to last year there have been no significant changes in any of the key audit matters.

Valuation of investment property

Description

Investment property amounts to €3.8 billion and represent 95% of the Group's total assets as at 31 December 2022.

Investment property is valued at fair value; therefore, the Group has to make estimates and use assumptions to determine those fair values. The fair value is based on appraisal reports by independent appraisers, as explained in notes 1 and 13 to the financial statements.

Because the valuation of investment property is complex and highly dependent on estimates and significant assumptions (such as estimated rental value and yield/discount rate) and the availability of comparable transactions, we consider the valuation of investment property as a key audit matter in our audit.

Our response

With involvement of KPMG auditors in the Netherlands, Italy, France, Sweden and Belgium, we performed the following procedures:

- assessment of the valuation process with respect to the investment property as at 31 December 2022, including an evaluation of the design and implementation of related internal controls and test of details;
- local audit teams verified whether lease data provided to the appraisers is consistent with the property management systems, and whether any significant changes have occurred since providing the data to the appraisers;
- assessment of the competence, capabilities and objectivity of the external appraisal firms;
- involvement of our property valuation experts to verify the appropriateness of the valuation methodology and determine the mathematical accuracy of the valuation model;
- additionally, our property valuation experts verified the appropriateness of key assumptions in the valuation process, which consists of estimated rental values and yields/discount rates. This includes an assessment of the historical accuracy of the assumptions in previous periods, our understanding of the market and market developments and a comparison of assumptions and movements therein with publicly available data;
- discussion of the results of the valuation process and our findings and observations with management and the appraisal firms; and
- evaluation of the adequacy of the related disclosures in note 1 and 13 in relation to the requirements of EU-IFRS, including the adequate disclosure of the material valuation uncertainty statements in the applicable independent external valuation reports.

Other information (continued)

Our observation

Overall, we assess that the assumptions and methodologies used, and related estimates resulted in a valuation of investment property which is deemed reasonable and concur with the related disclosures in the financial statements.

Real estate transactions

Description

As part of the normal course of business real estate transactions (acquisitions and disposals of investment property) take place. Acquisitions and disposals of investment property are significant transactions which are subject to error due to the nature of these transactions. Transactions often involve a variable consideration (earn-outs, rental guarantees, etc.) and are structured as asset deals or share deals (depending on tax considerations). In addition to the risk of error, a fraud risk is identified in relation to the use of agents and/or business partners related to real estate transactions and related potential conflicts of interest.

We selected the disposals of Les Grands Hommes, Bordeaux and the remaining 50% ownership of the office and residential parts of Passage du Havre, Paris to be in scope for both the risk of error and risk of fraud. These transactions are disclosed in note 13 to the financial statements

Given the size and complex nature of these transactions we consider the accounting for these real estate transactions to be a key audit matter.

Our response

With the involvement of the KPMG component auditor in France, we performed audit procedures in respect of the disposals of investment property to ensure these transactions are accurately accounted for. These procedures included obtaining an understanding of the transaction agreement, related cash movements and testing of the accounting entries to record the disposal.

In respect of the fraud risk related to real estate transactions, local auditors obtained an understanding of management’s anti-fraud controls (for example, counterparty due diligence, four-eyes principle). Further we performed procedures, such as the evaluation of fees and commissions paid, to verify whether there was any indication of a conflict of interest.

At group level, we also inspected minutes of Board of Management meetings in which these transactions are discussed to verify that the governance around the transactions is appropriate, and the required approvals are obtained.

Finally, we verified whether the disclosures in Notes 1 and 13 to the financial statements in respect of investment property transactions are in conformity with EU-IFRS.

Our observation

Overall, we assess that the disposal of both properties is adequately accounted for and disclosed in the financial statements. Furthermore, based on our procedures on both transactions, we did not identify indications of possible conflict of interest.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. In addition, other information includes the remuneration report.

Based on the following procedures performed, we conclude that the other information:

— is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

On 3 November 2015 we were engaged by the General Meeting of Shareholders as auditor of Eurocommercial Properties N.V., as of the audit for the year 2015/2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Eurocommercial Properties N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Eurocommercial Properties N.V., complies in all material respects with the RTS on ESEF.

The Board of Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Board of Management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument'

Other information (continued)

(assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Management, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix of this auditor's report. This description forms part of our auditor's report.

Amstelveen, 19 April 2023

KPMG Accountants N.V.

W.L.L. Paulissen RA

Appendix:
Description of our responsibilities for the audit of the financial statements

Other information (continued)

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management;
- concluding on the appropriateness of the Board of Management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Glossary

Adjusted net asset value (NAV):	IFRS shareholders' equity excluding the carrying amount of contingent capital gains tax liabilities and the fair value of financial derivatives (interest rate swaps). Adjusted NAV per share is calculated using the number of DRs (basic) outstanding at the balance sheet date.
BREEAM (Building Research Establishment's Environmental Assessment Method:	BREEAM is an assessment undertaken by independent licensed assessors using scientifically-based sustainability metrics and indices which cover a range of environmental issues. Its categories evaluate energy and water use, health and wellbeing, pollution, transport, materials, waste, ecology and management processes. Buildings are rated and certified on a scale of 'Pass', 'Good', 'Very Good', 'Excellent' and 'Outstanding'.
Boutique:	Retail unit 300m² or less.
CPI:	Consumer price index.
Direct investment result:	Net property income less net interest expenses and company expenses after taxation. Direct investment result per share is calculated using the weighted average number of DRs (basic) outstanding during the period.
Drive:	A drive-through collection point for hypermarket goods ordered online.
Entry premium:	One-off payment by a tenant, in addition to the MGR, to secure a lease on a particularly desirable retail unit.
EPRA:	European Public Real Estate Association.
EPRA cost ratio:	Administrative and operating costs (including and excluding costs of direct vacancy) including the share of joint venture overheads and operating expenses (net of any service fees) divided by gross rental income.
EPRA Earnings:	Recurring earnings from core operational activities. EPRA earnings per share is calculated using the same number of shares used for the calculation of Earning per share according to IFRS. Equivalent to the direct investment result less investment expenses and related costs.
EPRA (Non) Incremental lettable space:	Incremental lettable space: additional lettable area. If expenditure cannot be classified as incremental or no incremental lettable space, these expenses are allocated to incremental letting space if the total area is increased by at least 10% of the total lettable area. No incremental lettable space: enhancement of the existing space.
EPRA NAV metrics:	EPRA Net Reinstatement Value (NRV): Assumes that entities never sell assets and aims to represent the value required to recreate the entity. EPRA Net Tangible Assets (NTA): Assumes that entities buy and sell assets, thereby crystallising certain levels of deferred tax. EPRA Net Disposal Value (NDV): Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. EPRA NRV, NTA and NVD per share is calculated using the number of shares (diluted) outstanding at the balance sheet date.
EPRA Net Initial Yield:	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. The following operating costs are not deducted in arriving at the EPRA NIY: letting and rent review fees, provision for doubtful debtors, marketing costs and eviction costs.
EPRA topped-up Net Initial Yield:	The EPRA net initial yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
EPRA sBPR:	The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. Each year, EPRA recognises companies which have issued the best-in-class annual sustainability performance report. Based on adherence to the EPRA sBPR in their public disclosure, companies are identified for Gold, Silver or Bronze Awards.
EPRA Vacancy Rate:	The ERV of vacant retail space expressed as a percentage of the ERV of the total property portfolio, excluding property investments under development.
ERV:	The estimated rental value of the whole portfolio if all space was let at current market levels at the balance sheet date.
FBI:	Fiscale Beleggingsinstelling (Dutch Fiscal Investment Institution). As a result of being an FBI all of Eurocommercial's income, whatever its source, is taxed at a zero rate at the corporate level if it is distributed to shareholders by way of a dividend.
FIIS/GVBF:	Fonds d'investissement immobilier spécialisé. Belgian tax-exempt regime available to property companies with assets in Belgium.

Glossary

Gallery:	All retail units in a shopping centre excluding the hypermarket.
GRESB:	Global Real Estate Sustainability Benchmark.
Gross/total lettable area (GLA):	Total area of a property that can be leased to a tenant, including storage area.
ICC:	Indice du Coût de la Construction. Cost of construction index still used for some French retail leases although the majority have adopted the ILC index.
ILC:	Indice des Loyers Commerciaux. Index used for French retail leases derived 50% from the consumer price index, 25% from the cost of construction index and 25% from the retail sales index.
Interest cover ratio (ICR):	Net property income less company expenses divided by interest expenses less interest income, calculated on a proportionally consolidated basis.
Like-for-like:	Compares the gross rental income and/or the gross sales turnover of units which existed for the whole of the current and prior year period, i.e. excluding acquisitions, divestments and extensions. Entry premiums are not included in the like-for-like rental growth figures.
Medium Surface/Moyenne Surface/Media Superficie (MS):	A major unit occupying a large space within a shopping centre or retail park which serves as a draw to other retailers and customers. The total lettable area is usually greater than 600m².
Minimum guaranteed rent (MGR):	Contracted annual rent paid by a tenant, excluding indexation, turnover rent and entry premiums. Also referred to as base rent.
(Net) loan to value (LTV ratio):	Total borrowings net of cash expressed as a percentage of the total value of property investments, property investments under development, property investments in joint ventures and property investments held for sale, calculated on a proportionally consolidated basis. The total values are net of any (estimated) purchasers' costs.
Net rental income:	Gross rental income for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and real estate management costs and other vacant property costs, calculated on a proportionally consolidated basis.
Net return on cost:	Net rental income generated by an extension/development as a proportion of the total cost of the development including financing costs.
Occupancy cost ratio (OCR):	Rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT.
Passing rent:	The annualised rental income at 31 December 2021 including 2021 turnover rent.
Pre-let:	A lease signed with a tenant prior to completion of a development.
Rental arrears:	Rent which is unpaid 90 days after the due date, expressed as a percentage of the total rent due.
Reversionary yield:	Estimated rental value (ERV) as calculated by the external valuers, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
Sales area:	Gross/total lettable area excluding storage area.
Sales turnover:	Sales income, including VAT, of retail tenants.
Scrip dividend:	Dividend received in the form of shares.
Share(s):	Shares in the capital of the Company, traded on Euronext Amsterdam and Brussels.
SIIC:	Société d'investissements immobiliers cotée. French tax-exempt regime available to listed property companies with assets in France.
Stock dividend:	See Scrip dividend.
Turnover rent:	Any element of rent received or to be received related to a tenant's sales turnover.
Vacancy:	See EPRA vacancy.

Directory

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Supervisory Board
B.T.M. Steins Bisschop, Chairman
E.R.G.M. Attout
K. Laglas

Management Board
E.J. van Garderen
R. Fraticelli
J.P.C. Mills

Company Secretary – Group Director Legal
V.P.J. Meijer

Investor Relations Director
L. Lucaroni

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EURONEXT

Share information

Eurocommercial (ECMPA) is listed on the Euronext stock exchange in Amsterdam and Brussels

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