EUROCOMMERCIAL

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FULL YEAR RESULTS 2021

Key highlights

- **The reopening of our shopping centres from May 2021 saw a full recovery in retail sales during the second half of the year, exceeding retail sales during H2 2020 by 23.5% and the pre-pandemic H2 2019 by 1.4%. The latest retail sales figures available for the month of February 2022 were 2.7% higher than the pre-pandemic February 2019.**

- **Solid and consistent tenant demand resulted in a 5.1% rent uplift on 264 renewals and relettings, of which 100 were new lettings achieving an uplift of 7.2%.**

- **EPRA vacancy rate at year-end remains at its historically low level and currently stands at only 1.5%.**

- **Resilient property values increased by 0.8% over the last six months and slightly decreased by 0.3% over the last 12 months, supported by broadly stable yields on higher net operating income (NOI) .**

- **Rent collection improved during 2021 with 91% of invoiced rent and 96% of due and collectable rent (allowing for rent concessions) collected. Rent collection for Q1 2022 currently stands at 91%.**

- **A further €114.4 million of disposals were completed during 2021. In addition, during Q1 2022, we sold Les Grands Hommes, Bordeaux for a price of €22.5 million and 50% ownership of the office and residential parts of Passage du Havre to AXA - IM Alts, acting on behalf of clients for a price of €57 million. All these transactions were completed at or close to their latest valuations. This completes the €200 million disposal programme announced in August 2020.**

- **Loan to value (LTV) ratio (on the basis of proportional consolidation) reduced further to 40.5% taking into account the abovementioned sales, reaching our target level (31 December 2021 43.8%) and to 38.3% (31 December 2021 40.1%) (adding back purchasers' costs in the IFRS consolidated balance sheet).**

- **IFRS profit up to €104.7 million compared to €50.3 million for the 12 month period in 2020.**

- **Net earnings (direct investment result) decreased slightly to €110.6 million for the 12 months to 31 December 2021 compared to €112.0 million for the calendar year 2020. Net earnings per share, taking into account the 5.6% increase in the number of issued shares as a result of the scrip dividend in July 2021, were €2.18 compared to €2.27 for the same period in 2020.**

- **EPRA Net Tangible Assets of €40.11 per share compared to €40.86 at 30 June 2021. The decrease is mainly due to the share capital increase resulting from the scrip dividend in July 2021.**

- **Proposed dividend of €1.50 cash per share and one new share for each 75 shares held. A new dividend policy is proposed which is a pay-out ratio for the cash dividend ranging between 65% and 85%, but with a target of 75% of the direct investment result per share and two dividend payments per annum.**

- **Eurocommercial maintained its GRESB four star rating, achieving its highest score and also received an EPRA Gold Award for sustainability reporting for the eighth consecutive year (sBPR). Full BREEAM certification was achieved on the entire portfolio by the end of February 2022.**

- **Company governance simplified by the termination of the depositary receipt structure and the winding up of STAK.**

Board of Management's commentary

Operationally, our business in 2021 can be divided into two approximately equal halves. During the first half of the year, the high incidence of COVID-19 continued to affect our shopping centres with government restrictions resulting in our non-essential stores being closed on average for 56 days, while restaurants were closed on average for 98 days. Only Sweden escaped closures where our seven shopping centres remained fully open and trading as they have been throughout the pandemic.

The lifting of government restrictions, mainly during May 2021, saw a swift rebound in retail sales that gathered pace during the second half of the year when sales exceeded the comparable periods in H2 2020 by 23.5%, and the pre-pandemic H2 2019 by 1.4%. This growth was achieved on around 84% of previous levels of footfall, demonstrating the high sales conversion rates and the increase in basket sizes that our retailers regularly comment on.

Against this background, tenant demand for our shopping centres continued to be characterised by strong letting activity with 264 lease renewals and relettings completed over the year producing an overall rental uplift of 5.1%. Our vacancies remain at their historically low levels at 1.5%, varying between 1.0% and 2.5% in our four markets.

The independent valuations at 31 December 2021 showed an increase of 0.8% compared to June 2021 and a slight decrease of 0.3% compared to 31 December 2020, supported by broadly stable yields on marginally higher NOI. During 2021, we progressed our disposal programme completing the sale of Les Trois Dauphins, Grenoble in March for €34.4 million. In December, we announced the sale of Chasse Sud, our hypermarket anchored retail park located south of Lyon at a price of €80 million. The sale proceeds were partly used to fund the purchase from our joint venture partners, AXA, of their 50% share in Shopping Etrembières located outside Geneva at a price of €47 million.

On 22 March 2022 we completed the sale of Les Grands Hommes, Bordeaux for a price of €22.5 million. On 24 March we also completed the sale of our remaining 50% ownership of the office and residential parts of Passage du Havre together with two smaller adjoining buildings to AXA - IM Alts, acting on behalf of clients which are our joint venture partners, for a price of €57 million. The Company will remain owner of 50% of the retail part of the main building of Passage du Havre representing a GLA of around 14,000m² and will continue to manage this retail asset. These sales complete the Company's €200 million disposal programme announced in August 2020. Taking into consideration the sales of Les Grands Hommes, Bordeaux and parts of Passage du Havre for in total €79.5 million, the LTV ratio (on a proportional consolidated basis) reduces further to 40.5%, reaching our target level.

Rent collection improved during 2021 and currently stands at 91% of invoiced rent and 96% of due and collectable rent, i.e. allowing for deferrals or COVID-19 rent relief provided and booked. These 2021 collection rates improved steadily during the year and are expected to improve further, particularly once the provisions of the delayed French government support package covering Q2 can be implemented.

We reported in August 2021 that the COVID-19 granted rent discounts were expected to be €14 million for the entire portfolio for 2021. This is now adjusted to €13.1 million and the largest part of this amount is already expensed in the 2021 financial year. Only €7.0 million has to be straight-lined over the period 2022 to 2027. Under the current circumstances and given the outlook for 2022, we do not expect to grant any rent concessions in 2022.

Towards the end of 2021 we saw another increase in the number of COVID-19 cases following the emergence of the Omicron variant which again threatened to impact upon our business. However, supported by advanced vaccination programmes and the rapid roll-out of the third dose, government authorities were able to limit any additional restrictions to a broader application of the relevant country health pass, with some additional limitations on visitor numbers. These restrictions came too late to impact the important Christmas trade, although they have suppressed footfall during the first months of 2022. However, it has been encouraging to see that all our shopping centres have been able to remain fully open and, despite rising inflation and energy prices, retail sales have continued to hold up well as any remaining restrictions are lifted.

Against this generally positive background and with full occupancy at affordable rental levels (our low occupancy cost ratio’s (OCRs) remain at around their pre-COVID levels), we expect normal trading patterns in our shopping centres to be maintained, providing a solid base for stable income with future rental growth encouraged by healthy levels of tenant demand and rental indexation currently averaging 3.6% across the portfolio. Although today the Company’s operations are not directly impacted by the war in Ukraine, consumer confidence and spending in our markets could be affected, particularly if the situation persists or escalates at a time of rising living costs and inflation.

The results of the Company for the financial year 2021 allow us to propose to increase the cash dividend from €0.50 paid in 2021 to €1.50 to be paid on 1 July 2022. There will also be a small mandatory scrip dividend of 1 new share for every 75 existing shares to comply with the dividend distribution obligation resulting from the Company’s tax status. We are also pleased to propose a new dividend policy which is a pay-out ratio for the cash dividend ranging between 65% and 85%, but with a target of 75% of the direct investment result per share and payment of two dividends per annum.

Operational and financial review

Retail sales

Following the general reopening of our shopping centres from May 2021, there was a quick and full recovery in retail sales which increased by 23.5% during H2 2021 compared to H2 2020. However, even more encouraging was that during H2 2021 retail sales were higher than pre-pandemic levels, being 1.4% above H2 2019. Fashion sales have almost recovered to previous levels, while several sectors have moved ahead of their pre-COVID levels including groceries, home goods, gifts and jewellery, telecom and electrical, health and beauty and sport. The expanding value retail sector has also flourished, bringing an added dimension to our tenant mix. The strongest recovery and growth in both retail sales and footfall has been in Sweden where our seven shopping centres have remained open throughout the pandemic, albeit with some restrictions at times on visitor numbers in individual stores and specific distancing measures applied in restaurants and cafés.

Like-for-like retail sales by country*

	H2 2021/H2 2019	H2 2021/H2 2020
Overall	**1.4%**	**23.5%**
Belgium	-5.8%	28.1%
France	0.6%	10.8%
Italy	0.0%	39.1%
Sweden	5.7%	14.3%

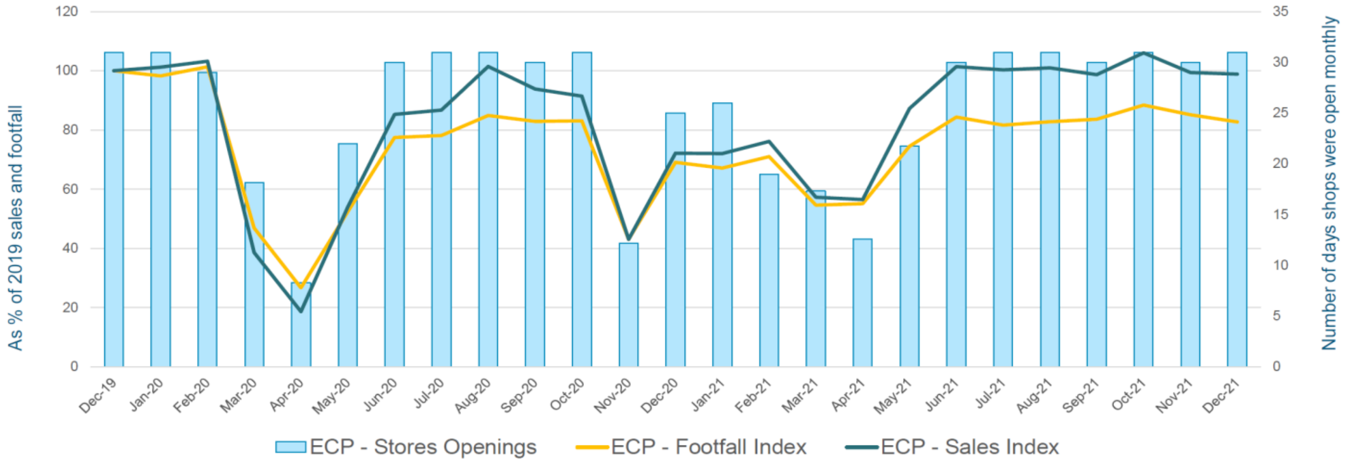
* Excluding extensions/redevelopments.

Like-for-like retail sales by sector*

	H2 2021/H2 2019	H2 2021/H2 2020
Hypermarkets/Supermarkets	8.7%	2.4%
Fashion	-3.5%	31.5%
Shoes	-7.8%	35.3%
Health & Beauty	1.4%	15.3%
Gifts & Jewellery	6.8%	28.6%
Sport	13.1%	32.4%
Home Goods	13.5%	15.1%
Telecom & Electrical	1.2%	21.4%
Books & Toys	-8.4%	13.8%
F&B (Restaurants & Bars)	-3.7%	43.0%
Services	-9.5%	24.2%

*Excluding extensions/redevelopments.

Our centres since the beginning of the pandemic



Visitor numbers

Footfall has also recovered well since the full reopening of the shopping centres, and during H2 2021 was 15.3% higher than H2 2020, but was 15.6% below the equivalent pre-pandemic period in H2 2019.

Footfall

	H2 2021 vs H2 2019	H2 2021 vs H2 2020
Overall	**-15.6%**	**15.3%**
Belgium	-19.9%	23.8%
France	-16.5%	6.3%
Italy	-19.9%	24.4%
Sweden	-2.3%	11.2%

The full recovery of retail sales on reduced footfall confirms the high sales conversion rates and increase in basket size which many of our retailers comment on.

Renewals and relettings

Strong leasing activity has been maintained over the last 12 months with 264 leases renewed or relet producing an overall uplift in rent of 5.1%. These leases represent approximately €24 million equivalent to 12% of the annual minimum guaranteed rent. 100 of these transactions were new lettings to retailers entering our shopping centres achieving a 7.2% rental uplift. All countries recorded positive uplifts in their renewal and reletting programme and, in their negotiations, the leasing teams have been able to maintain standard lease terms and conditions including lease length.

Renewals and relettings, 12 months to 31 December 2021

	Number of relettings and renewals	Average rental uplift on relettings and renewals	% of leases relet and renewed (MGR)
Overall	**264**	**5.1%**	**12%**
Belgium	25	1.1%	17%
France	36	5.1%	6%
Italy	106	7.6%	12%
Sweden	97	3.9%	18%

In Woluwe shopping, Belgium, 25 leases were renewed or relet over the last 12 months producing a rental uplift of 1.1%. several new premium international brands have established stores during the year including Jott, Bexley, Hubside, Xandres, Maison Dandoy and Guess. During the second half of the year, we signed a new lease with Fnac who will open in early summer 2022 in the former 2,600m² AS Adventure store, who themselves have relocated to a smaller unit.

In France, 36 lease renewals and relettings were completed over the year producing an average uplift in rent of 5.1%. Of these transactions, 14 lease renewals produced an uplift of 7.9%, while 22 relettings produced an uplift of 3.2%. Recent store openings include Superdry in MoDo, Comptoir de Mathilde in three of our shopping centres, Marc Orian, Morgan and Krys.

Italy again produced the highest rental uplift of 7.6% from 106 lease transactions. 36 of these transactions were signed with new retailers achieving an uplift of 12.8%. International brands establishing in Italy continue to take space in our centres with examples over the year including JD Sports, Nike, Adidas, PepCo, Starbucks, Dyson, Pull & Bear and Bershka.

In Sweden, 97 lease renewals and relettings were completed producing a rental uplift of 3.9%. 28 of these lease transactions were lettings to new tenants at rents 9.4% above previous levels. These lettings included Cassels, Hemtex, Clas Ohlson, New Yorker, Rituals and Normal, the expanding Danish value retailer who have now established in six of our shopping centres. At Hallarna there were summer openings for Lagerhaus and Newbie, KappAhl's expanding children's clothing concept, while IKEA have successfully opened their new planning studio concept in Grand Samarkand, Ingelsta Shopping and Hallarna.

Rental indexation

As the restrictions were lifted and the economies recovered in the second half of the year with very strong GDP growth, demand surged, fuelled by public spending and savings accumulated during the pandemic. Given that the supply side could not keep up with such demand, inflation started to increase, especially for energy and this will positively impact on our rental income. Overall, estimated rental indexation across the portfolio is 3.6% corresponding to approximately €7 million to be invoiced during the course of 2022. Despite different indexation methods and timing, all countries are benefitting from indexation, with Belgium estimated to be the highest at 5.6%. While in 2021 indexation was mainly driven by energy prices, core inflation is also now building up and we expect high index figures in 2022 as well.

Rental indexation

	Average Indexation	Estimated indexation to be invoiced during 2022
Overall	**3.6%**	**€7.0 million**
Belgium	5.6%*	€1.3 million*
France	2.8%	€1.8 million
Italy	3.8%	€2.7 million
Sweden	2.8%	€1.2 million

**indexation estimate for 2022*

EPRA vacancies

EPRA vacancy for the portfolio at 31 December 2021 remained very low at 1.5% ranging from 1.0% to 2.5%.

	30 June 2021	30 September 2021	31 December 2021
Overall	**1.3%**	**1.5%**	**1.5%**
Belgium	0.5%	0.4%	1.0%
France	2.0%	2.4%	2.5%
Italy	1.0%	1.4%	1.3%
Sweden	1.3%	1.2%	1.2%

Out of more than1,700 shops, there were only 13 tenants in administration occupying 31 units, a 30% reduction compared to December 2020. For the majority of these units, rent continued to be paid.

Rent collection in 2021

Rent collection for 2021 is summarised in the table below. Our collaborative and reasonable approach with our retailers affected by the lockdowns has ensured higher rent collection rates in 2021 which have reached 91% of invoiced rent. Rent collection improved throughout the year and was 88% of invoiced rent for H1 2021 and 94% for H2 2021. Rent collection for Q1 2022 currently stands at 91%. These collection rates are expected to improve further, particularly in France once the provisions of the delayed French government support package covering Q2 2021 can be implemented. There were minimal concessions granted in Belgium where tenants were able to open by appointment during the short four-week lockdown from the end of March. Italy was the market most affected by closures and restrictions during 2021 with a number of rent concessions granted particularly to smaller tenants who also received a special tax credit from the government. In Sweden, full rent collection was maintained throughout 2021, with only minimal support granted to a few qualifying smaller tenants, a substantial portion of which was recovered from the government.

Rent collected in 2021

	Rent concessions granted	% of invoiced rent collected 2021	% of due and collectable rent collected 2021*
Belgium	€ 0.6 million	96%	99%
France	€ 2.3 million	86%	88%
Italy	€ 9.5 million	89%	98%
Sweden	€ 0.7 million	98%	100%
Total	**€ 13.1 million**	**91%**	**96%**

Due and collectable rent: invoiced rent excluding concessions granted

Property valuations

All the Company's properties were independently valued as usual at 31 December 2021 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, Knight Frank, and Savills.

Overall, the property valuations increased by 0.8% since June 2021 and slightly decreased by 0.3% compared to December 2020. Generally, the last six month increase was due to the adoption of stable or even marginally higher initial or exit yields (depending on methodology) applied to increased NOI resulting from rental uplifts, higher than anticipated indexation and less conservative assumptions on both estimated rental values (ERVs) and turnover rent. The overall EPRA net initial yield has increased from 5% to 5.1% since June 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 20 suburban, hypermarket anchored centres have enjoyed the consistent footfall and defensive characteristics resulting from their 62% exposure to a broad range of essential and everyday retail including groceries.

The valuers removed all material uncertainty clauses in their valuations during 2021.

Valuations at 31 December 2021

	Net value (€M) 31 December 2021	Valuation change (%) from Jun 2021	Valuation change (%) from Dec 2020	EPRA Net initial yield (%)	EPRA topped-up yield (%)
Overall	**3,971**	**0.8**	**-0.3**	**5.1**	5.2
Belgium	579	-0.6	-2.2	4.4	4.6
France	890	-0.1	-1.8	5.0	5.0
Italy	1,608	1.4	0.7	5.4	5.6
Sweden	894	1.4	1.1	5.0	5.1

5 Flagships	Net value (€M) 31 December 2021	EPRA net initial yield (%)	EPRA topped up yield (%)
Woluwe Shopping (Belgium) Passage du Havre (France) I Gigli, Carosello, Fiordaliso (Italy)	1,785 (45% of the portfolio)	4.7	4.8

20 suburban hypermarket anchored shopping centres	Net value (€M) 31 December 2021	EPRA net initial yield (%)	EPRA topped up yield (%)
8 in France 5 in Italy 7 in Sweden	2,186 (55% of the portfolio)	5.4	5.5

In Belgium, the value of Woluwe Shopping decreased slightly by 0.6% over six months, mainly due to a slight downward correction of ERVs and a more conservative approach to the future extension.

In France, the valuations slightly decreased by 0.1% over six months and by 1.8% over 12 months with the valuers identifying several retail transactions as references points, particularly retail parks and hypermarket anchored investments. The overall EPRA net initial yield remains at 5%, although it is worth noting that excluding the prime, mixed use central Paris asset, Passage du Havre, with its low yield of only 3.7%, the overall yield on the eight remaining suburban and provincial hypermarket centres is 5.4%.

In Italy, the valuations increased by 1.4% over six months and by 0.7% over 12 months with an overall EPRA net initial yield of 5.4%. The largest increase in value was on Fiordaliso in Milan, following the successful opening of the 7,000m² pre-let redevelopment of the former hypermarket. The three Italian flagships, I Gigli, Fiordaliso and Carosello were valued at an average yield of 5.1%, with the five hypermarket anchored provincial centres valued at 6%.

In Sweden, the valuations increased by 1.4% over six months and by 1.1% over 12 months. The valuers referred to a range of recent shopping centre transactions, including Solna Centrum, Väsby and Bålsta Center at yields of 5% or below.

Disposals and acquisitions

During 2021, the Company completed the sale of Les Trois Dauphins, Grenoble, its city centre mixed use investment to the Crédit Agricole group for a price of €34.4 million. This was followed in December 2021 by the sale of Chasse Sud, its Géant hypermarket anchored retail park located south of Lyon alongside the Autoroute du Soleil. The property was sold to TwentyTwo Real Estate for a price of €80 million.

On 22 March 2022 we completed the sale of Les Grands Hommes, Bordeaux for a price of €22.5 million. On 24 March we also completed the sale of our 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 our joint venture partners, for a price of €57 million. The Company will remain owner of 50% of the retail part of the main building of Passage du Havre representing a GLA of around 14,000m² and will continue to manage this retail asset.

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 which included the sales of its other standalone retail parks located in Sweden, Moraberg outside Södertälje and Bronsen in Norrköping. In November, the Company also completed the purchase from its joint venture partner, AXA of their 50% share in Shopping Etrembières located outside Geneva at a price of €45 million.

Direct investment result: €110.6 million (€2.18 per share)

The **direct investment result** (on a proportional consolidation basis) for the 12 months to 31 December 2021 decreased slightly to €110.6 million, compared to €112.0 million for the same period in 2020. The main reasons being the €14.1 million COVID-19 rent concessions to retailers (of which €5.3 million consist of straight-lined rent concessions under IFRS 16) and conservative bad debt provisions for an amount of €4.4 million. The residual future rent concessions still to be straight-lined as a result of the application of IFRS 16 is €7.0 million. The lower net property income of €3.7 million compared to 2020 deriving from the asset disposal programme was partially compensated by higher rental income from the properties (€1.7 million) and lower interest expenses (€1.6 million).

The **direct investment result per share** decreased slightly to €2.18 at 31 December 2021, from €2.27 for the 12 months to 31 December 2020, partially due to the bad debt provisions and rent discounts mentioned above and partially due to the 5.6% increase in the average number of shares as a result of the July 2021 scrip dividend.

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.

The **EPRA earnings** result for the 12 month reporting period to 31 December 2021 was €107.8 million, or €2.07 per share, compared to €109.5 million or €2.10 per share for the same period last year. The decrease in EPRA earnings per share is mainly due to the COVID-19 impact mentioned before. The EPRA earnings are calculated on the basis of the issued shares after deduction of the shares bought back at the end of the reporting period and not on the average number of outstanding shares during the period, which mainly explains the difference between the direct investment result and EPRA earnings.

IFRS profit: €104.7 million

The **IFRS profit after taxation,** excluding the non-controlling interest, for the 12 month reporting period to 31 December 2021 was €104.7 million (€2.01 per share) compared to €50.3 million (€0.96 per share) for the 12 month reporting period to 31 December 2020. This increase is largely explained by a lower negative movement in the value of the properties (€14.9 million negative compared to €162.7 million negative in 2020) and by a €35.1 million positive fair value movement of the derivative financial instruments (€12.3 million negative in 2020) for the financial year 2021, which was partially compensated by the lower impact of deferred taxation (€25.5 million negative in 2021 compared to €100.7 million positive in 2020 due to the fiscal revaluation of Italian properties).

Rental income: €208.7 million

Rental income, including joint ventures (based on proportional consolidation), for the 12 months to 31 December 2021 was €208.7 million, slightly lower than in the same period last year (€211.7 million), mainly as a consequence of the property sales completed. **Net property income**, including joint ventures (based on proportional consolidation), for the 12 months to 31 December 2021, after deducting net service charges and direct and indirect property expenses (branch overheads) decreased slightly to €163.2 million compared to €164.5 million for the same period in 2020 for the reasons already described above.

EPRA Net Tangible Assets: €40.11 per share

The **EPRA Net Tangible Assets** (EPRA NTA) at 31 December 2021 was €40.11 per share compared to €40.86 at 30 June 2021 and €41.49 at 31 December 2020. EPRA NTA includes only 50% of contingent capital gains tax liabilities and does not consider the fair value of financial derivatives. The decrease is mainly due to the share capital increase resulting from the scrip dividend in July 2021. The EPRA NTA in absolute values actually increased to €2,092 million in December 2021 from €2,050 million at the end of 2020 and from €2,019 million at 30 June 2021, mainly thanks to the direct result of the year and to the slight increase in the asset valuations at 31 December 2021.

The **adjusted net asset value** at 31 December 2021 was €40.63 per share compared to €41.19 at 30 June 2021 and €41.78 at 31 December 2020, also due to the scrip dividend mentioned above. The adjusted net asset value in absolute terms in fact increased to €2,119 million in December 2021 from €2,064 million at the end of 2020 and from €2,035 million at 30 June 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 2021, 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 €37.54 per share compared to €37.98 at 30 June 2021 and to €38.17 at 31 December 2020. The reduction was again due to the scrip dividend, as IFRS net asset value in absolute terms increased to €1,958 million in December 2021 from €1,886 million at 31 December 2020 and from €1,876 million at 30 June 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.

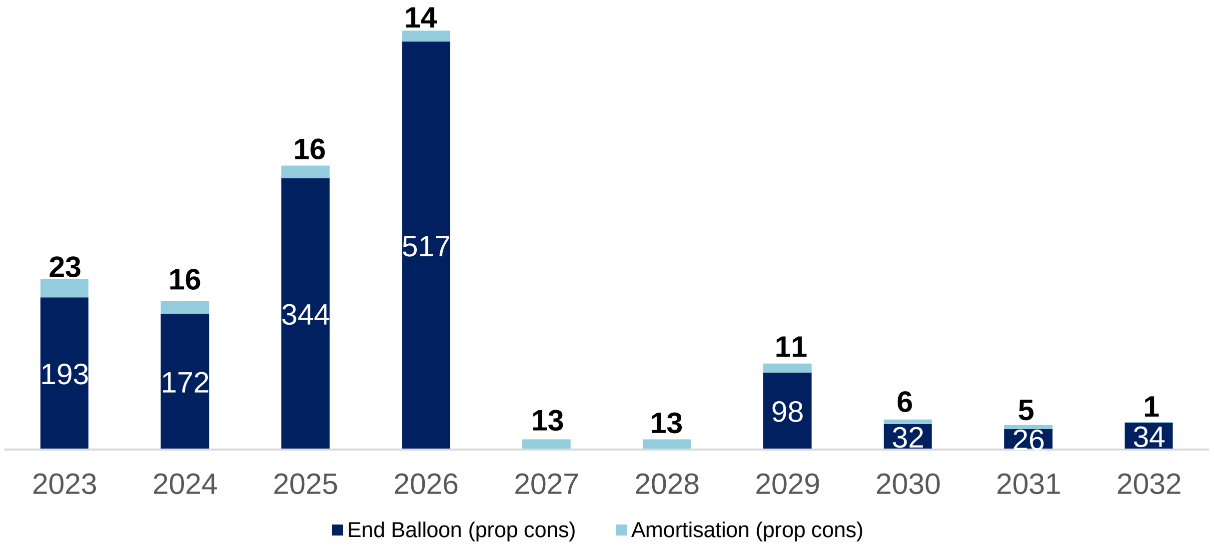
On 22 April 2021, the Company closed 3 three-year sustainability linked loans for a total amount of €100 million with ABN AMRO on two properties in Italy. On 10 May 2021 the Company entered into a sustainability linked revolving credit facility with ING for an amount of €25 million. The margins on these facilities are linked to several sustainability KPIs including waste to landfill, renewable energy, green leases and the percentage of assets with BREEAM In-Use certification. If the Company achieves or exceeds these KPIs, the margin will be slightly reduced, if it misses these targets, the margin will be slightly increased.

At 31 December 2021, the proportionally consolidated net debt stood at €1,679 million compared to €1,742 million at 30 June 2021 and €1,769 million at 31 December 2020. The loan to value ratio on the basis of the proportionally consolidated balance sheet as per 31 December 2021 (after deducting purchaser's costs) decreased to 42.3% compared to 30 June 2021 (43.8%). The Group covenant loan to value ratio agreed with the financing banks is 60%, the usual market practice ratio. For comparison purposes, our loan to value ratio adding back purchaser's costs as per 31 December 2021 was 41.2% and our loan to value ratio adding back purchaser's costs using the IFRS consolidated balance sheet was 40.1%.

The Loan to Value ratio, taking into account the completed sales of Les Grands Hommes and of the 50% of the residential and office parts of Passage Du Havre in the first quarter of 2022 further reduces to 40.5% (on a proportional consolidated basis). For comparison purposes, this loan to value ratio adding back purchaser's costs goes down to 39.5% and our loan to value ratio adding back purchaser's costs using the IFRS consolidated balance sheet was 38.3%.

As per 31 December 2021, on a proportional consolidation basis, 82% of our interest expenses were fixed for an average period of almost six years. The Company's interest expenses are therefore expected to remain stable for the coming period. The average interest rate in December increased slightly to 2.0% (30 June 2021 was 1.9%). The average committed unexpired term of our bank loans is almost four years.

The following table shows the maturity schedule of the non-current borrowings:



On 9 March 2022, the Company signed a new 5-year loan of €66.5 million with ING to refinance two existing loans on the Curno Shopping Centre, Italy, expiring in April 2022. The new loan qualifies as a green loan, as the relevant proceeds will be used to refinance Curno (green asset), and also as a sustainability linked loan, since the margin is linked to two sustainability KPIs at Group level and to two KPIs agreed at asset level. As for the other facilities, if the Company achieves or exceeds these KPIs, the margin will be slightly reduced, if it misses these targets, the margin will be slightly increased. This green and sustainability linked loan together with the sustainability linked facilities signed in 2021 form part of Eurocommercial's ambition to increase its exposure to green financing.

Dividend

Eurocommercial Properties N.V. is a Dutch fiscal investment institution (FBI) in accordance with section 28 of the Dutch Act on Corporate Income Tax. One of the conditions of the FBI status is the requirement to distribute the taxable result as a dividend to its shareholders within eight months after the balance sheet date. Such distribution can be made either in cash or in shares or a combination thereof.

Eurocommercial Properties N.V. also has the French SIIC status, which means that there is no French corporate income tax due if the investment results are distributed to the shareholders. Due to capital gains resulting from past property sales and the operational result, the Company has a dividend distribution obligation to maintain its SIIC status. This obligation can be met either by payment of a dividend in cash or in shares or a combination thereof.

For the 12 month period ended 31 December 2021 the dividend to be distributed by the Company prior to 31 August 2022 in accordance with the FBI rules and the SIIC rules is €100 million.

Having regard to the results of the Company for the financial year 2021, the Board of Management and the Supervisory Board propose to pay a dividend of €1.50 per share in cash and to pay a mandatory scrip dividend of 1 new share per 75 existing shares in order to meet the fiscal distribution obligations for both the Company's FBI status and the Company's SIIC status. The dividend payment date will be Friday 1 July 2022.

The Company also announces 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 will be payable in January and a final dividend payable in July. The interim dividend is expected to be 40% of the total cash dividend paid in the previous financial year.

As from 21 March 2022 the shares of Eurocommercial are included in the AScX index after the annual review rebalancing of the AEX Index Family (AEX, AMX, AScX).

Country commentary

Belgium

The Company's retail business was again partially affected by COVID-19 in 2021, with the government imposing several restrictive measures during the first half of the year. Woluwe Shopping remained open during Q1 2021 with the exception of F&B and intermittently, hair and beauty salons, however, following the start of a third wave, the authorities announced a lockdown from 27 March which lasted for four weeks. There was more flexibility than in previous lockdowns, and in addition to click & collect, take-away and delivery activities, non-essential stores were able to receive customers by appointment and 80 of our 130 shops remained at least partially open. Once the restrictions were lifted from 26 April, Woluwe Shopping steadily recovered during H2 2021 when retail sales were 28% higher than the same period in 2020, reaching 95% of their pre-pandemic levels.

Leasing remained very active during 2021 with 25 lease transactions completed over the period including 11 lease renewals and 14 relettings generating an overall uplift in rents of 1.1%. Many retailers have initiated new expansion plans, although they are being more selective in their choice of location, concentrating on shopping centres that are firmly established in their market. Woluwe Shopping continued to demonstrate its ability to attract premium brands with the opening of Jott, Bexley, Xandres, Maison Dandoy and Guess. The Fnac-Darty Group, which already operate a Vanden Borre store at Woluwe, will open a 2,600m² Fnac during early summer 2022. As a reference player in cultural products, electronics and small household appliances, Fnac will be an important addition to Woluwe Shopping's international tenant mix. Fnac will replace AS Adventure, a very established Belgium retailer, who are relocating to a smaller unit, focusing on their core sport and outdoor assortment. Meanwhile, the fashion sector will be significantly strengthened with the arrival of the latest Mango concept in May 2022.

Investment volumes in the Belgian retail market were mainly restricted to retail parks and prime high street with several transactions achieving pre-pandemic yield levels. The year-end valuation of Woluwe Shopping decreased slightly by 0.6% over six months and by 2.2% over 12 months, mainly due to a slight downward correction in ERVs and a more cautious approach on the future project, where following the public enquiry in the autumn, our proposed mixed-use extension is currently being modified in close consultation with both the regional and municipal authorities.

France

The first six months of 2021 were marked by new government restrictions that led to the closure of non-essential retail. On 31 January, shopping centres of more than 20,000m² had to close followed by shopping centres of more than 10,000m² (23 départements) from 6 March and those of more than 5,000m² (16 départements) from 20 March. Finally, there was a general closure of all non-essential retail during a third national lockdown that commenced on 3 April. Following a clear improvement in the health situation, the government allowed shops to reopen from 19 May with some restrictions, particularly restaurants, which were finally lifted on 30 June.

The full re-opening of our shopping centres from the summer has been very encouraging and H2 2021 saw an increase in retail sales of 10.8% compared to H2 2020 and 0.6% higher than the pre-pandemic H2 2019. Sales growth was spread across most retail sectors with a solid recovery in fashion and consistent performances from household and electronics with the continuation of remote working which itself has encouraged a very active housing market.

During 2021, we completed 36 lease renewals and relettings producing an average uplift of 5.1%. New merchandising has covered a broad range of sectors including Marc Orian and Lovisa (gifts and jewellery), Morgan and Superdry (fashion), Orange (electricals), Comptoir de Mathilde (food), and Krys (health and beauty). At Les Grands Hommes in Bordeaux we have added three new restaurants, while at Les Atlantes, Tours we have signed leases with Easy Gym and Mango.

The December 2021 valuations showed a decrease of 0.1% over six months and of 1.8% over 12 months. The overall EPRA net initial yield for the French portfolio currently stands at around 5%, although excluding the prime central Paris mixed-use property, Passage du Havre (yield 3.7%), the EPRA net initial yield on the remaining hypermarket anchored shopping centre portfolio is 5.4%.

During Q1 2021, we completed the sale of Les Trois Dauphins in Grenoble to the Crédit Agricole Group for a price of €34.4 million. This was followed in December by the sale of Chasse Sud, a Géant hypermarket anchored retail park located between Lyon and Vienne, alongside the Autoroute du Soleil. The property was sold to TwentyTwo Real Estate for a price of €80 million. On 22 March 2022 we completed the sale of Les Grands Hommes, Bordeaux for a price of €22.5 million. On 24 March we also completed the sale of our 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 our joint venture partners, for a price of €57 million. The Company will remain owner of 50% of the retail part of the main building of Passage du Havre representing a GLA of around 14,000m², with 40 tenants including Fnac.

In November, the Company completed the purchase from its joint venture partner, AXA, of their 50% share in Shopping Etrèmbieres located outside Geneva at a price of €45 million. The 1,600m² pre-let F&B project adjoining the existing shopping centre at Etrembières is scheduled to open in the first half of 2022. At nearby Val Thoiry, planning was secured for the 23,500m² extension where pre-letting is already advanced including relocated units for Leroy Merlin (10,500m²), Decathlon (2,600m²) and a new Primark unit of 6,600m². Etrembières and Val Thoiry provide the Company with two dominant shopping centres in an important and wealthy region of France next to the Swiss border and Geneva.

Italy

In Italy, the first half of the year saw further restrictive measures with the government’s continued application of the colour-coded regional system. A third COVID-19 wave from February to May 2021 resulted in a tightening of these restrictions which were then gradually eased during May and June. This led to a period of strong retail sales growth during H2 2021 reaching their pre-pandemic levels on reduced footfall.

Over the last 12 months, 106 relettings and renewals have produced an uplift in rent of 7.6%. 36 of the lease transactions were new lettings achieving an uplift of 12.8%. International brands establishing in Italy continue to take space in our centres with recent examples including JD Sports, Nike, Adidas, Starbucks, Dyson, Hollister and New Yorker. Rituals will open their first store in Italy at Carosello during April 2022. The remerchandising of I Gigli and CremonaPO was completed, leading to the arrival of new international tenants including Starbucks, Pull & Bear and value retailer Pepco, further improving the merchandising mix and the attractiveness of these centres.

Valuations increased by 1.4% over the last six months and by 0.7% over the year, supported by stable exit yields and an increase in net operating income assisted by higher rental indexation.

On the project front, in November we opened the redevelopment of the former Finiper hypermarket in Fiordaliso which has been converted into a multi-level car park and 7,000m² of pre-let shops. New tenants include Adidas, Hollister, New Yorker and Game7, while JD Sports and Bershka have relocated to new enlarged stores. Fiordaliso has traded exceptionally well during 2021, and with a strong Primark and the successful reopening of the Finiper hypermarket in their new adjacent location at the main entrance, Fiordaliso has strengthened its market position as the dominant regional shopping centre south of Milan.

Sweden

In Sweden, our seven shopping centres have remained fully open and trading during 2021, as they have been throughout the pandemic. In the first half of the year there were some restrictions covering the F&B sector and with government recommendations generally not encouraging retail activity, turnover and footfall were a little down on normal levels during the spring.

With the lifting of restrictions coinciding with the resumption of normal trading hours in the shopping centres, retail sales and footfall rebounded very strongly during the summer and maintained consistently high levels during the remainder of the year. Footfall reached their pre-pandemic levels by the end of June, while during H2 2021 retail sales showed exceptionally strong growth being 14.3% above H2 2020 and 5.7% above the pre-pandemic H2 2019. All sectors performed very well with particularly strong growth from fashion, sport, health & beauty, gifts and jewellery, home goods and groceries.

During 2021, 97 lease renewals and relettings were completed producing an overall uplift of 3.9%. 28 of these lease transactions were new lettings producing an uplift of 9.4%. The expanding Danish value retailer, Normal are now established in six of our shopping centres including a large unit of 574m² in Grand Samarkand, while at Hallarna there were important summer openings of Lagerhaus and Newbie. By the end of October, IKEA had successfully opened their new planning studio concept in Grand Samarkand, Ingelsta Shopping and Hallarna.

Valuations increased by 1.1% over 12 months and by 1.4% over six months. In their reports, the valuers identified several shopping centre transactions that completed during December including Solna Centrum, Väsby and Bålsta, all at yields estimated at 5% or just below. The valuers also commented on the secure and increasing net operating income, strong retail sales growth and vacancy of only 1.2%, all resulting in full rent collection rates throughout the year.

On the project side, the refurbishment and new masterplan at Valbo has provided stronger footfall and retail sales following the arrival of several new retailers including New Yorker, Normal and Hemtex and enlarged stores for H&M and Intersport. The focus is now on phase III of the project which 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.

Environmental, social and governance

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

Be green

Being green forms 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 delivering reductions in service charge costs for our tenants through energy-efficient measures.

- **Green Lease Policy**
  During 2021, Eurocommercial introduced its updated Green Lease documentation in order to exchange ESG ambitions and targets with its tenants to gradually reduce the environmental footprint of its shopping centre portfolio. The documentation is the result of constructive cooperation with our retailers and is designed to identify and monitor activities, products and services that have a social and environmental impact.
- **Sustainable finance**
  In April 2021, the Company successfully closed 3 three-year sustainability linked loans for a total amount of €100 million with ABN AMRO on two properties in Italy. The margins on these loans are linked to several sustainability KPIs including waste to landfill, renewable energy, green leases and the percentage of assets with BREEAM In-Use certification. Later in the year we entered into sustainability-linked interest rate swap contracts with ABN AMRO in order to partially hedge the interest rate risk. These sustainability-linked interest rate swaps include incentive mechanisms for Eurocommercial as the fixed interest paying party, which are fully aligned with the sustainable performance indicators provided in the underlying loans. During the financial year the Company also entered into a € 25 million short term sustainability linked loan with ING with similar KPIs as set out above. On 9 March 2022 the Company signed a new 5-year loan of €66.5 million with ING to refinance two existing loans on the Curno Shopping Centre, Italy, expiring in April 2022. The new loan qualifies as a green loan, as the relevant proceeds will be used to refinance Curno (green asset), and also as a sustainability linked loan, since the margin is linked to two sustainability KPIs at Group level and to two KPIs agreed at asset level.
- **BREEAM certification**
  Eurocommercial use BREEAM building certification as part of its Environmental Management System (EMS) and to standardise and improve the sustainable quality of its buildings and their management. The initial certification programme has been completed with all 25 shopping centres being BREEAM-certified by February 2022, three years ahead of target.

Be engaged

At Eurocommercial, we design shopping centres as social spaces not merely shopping destinations but rather cornerstones for their local communities. We are in constant dialogue with our customers and tenants, carrying out regular surveys and responding to their feedback to ensure that our centres evolve with the changing retail landscape.

- **Eurocommercial Retail Academy®**
  The Company have established and are now expanding the Eurocommercial Retail Academy®, working together with our retailers to improve sales technique and customer service and therefore the overall shopping experience. During 2021, significant improvements were made to the training programme through digitalisation. The Retail Academy® is already well established in all seven Swedish shopping centres and is now being rolled out in Italy and France with the objective to have the Eurocommercial Retail Academy® fully established in at least 15 shopping centres by the end of 2023.
- **Customer and tenant satisfaction**
  During 2021, we achieved an average customer satisfaction score of 8.2, ranging from 7.5 to 8.8, well above our existing target levels. We achieved an average tenant satisfaction score of 6.8 and aim to achieve an average satisfaction score of 7.0 by 2025.

Be responsible

Eurocommercial's aim is to be an attractive and responsible employer by creating a workplace where all employees can thrive and develop professionally through the provision of 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 fully engaged and working together, sharing best practices to achieve our common goals.

- **Stimulating employment and entrepreneurship**
  We launched job portals in almost all our shopping centres last year in order to promote local employment opportunities. At Fiordaliso, we ran the Generation Italy programme with Intesa SanPaolo which assists young people to find employment by providing training and education. In Woluwe Shopping, the centre organises and supports a programme to identify and promote young entrepreneurial talent who establish small-scale businesses to broaden their experience and commercial education.
- **Supplier Code of Conduct**
  The Supplier Code of Conduct was updated last year including sustainable procurement policies and procedures for each country. The Code provides clear guidelines on the efficient use of energy, waste reduction and pollution risk management and identifies a preference for the use of local suppliers to promote employment in our communities.

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 a eighth consecutive year. Eurocommercial achieved its highest ever score of 84 in the 2021 GRESB Assessment, a continuous improvement from previous years and an increase of 21 points since 2018. This result is both above the GRESB average and our peer group average. As a result, Eurocommercial maintained its Green Star status for the eighth consecutive year, receiving four GRESB stars in 2021.

Financial Calendar

13 April 2022:	Annual report publication
6 May 2022:	First quarter results 2022
14 June 2022:	Annual General meeting
16 June 2022:	Ex-dividend date
1 July 2022:	Dividend payment date

Amsterdam, 25 March 2022

Board of Management

Evert Jan van Garderen
Roberto Fraticelli
Peter Mills

Conference call and webcast

Eurocommercial will host a conference call and audio webcast today, Friday 25 March 2022 at 10:00 AM (UK) /11:00 (CET) for investors and analysts.

To access the webcast, please click on the link:
https://channel.royalcast.com/landingpage/eurocommercialproperties/20220325_1/ to register.

To access the audio call, please dial:
Netherlands : +31 (0) 20 708 5073
UK-Wide: +44 (0) 33 0551 0200
France: +33 (0) 1 7037 71666t6t6
Italy: +39 06 83360400
US: +1 212 999 6659
Tell the operator the password **Eurocommercial Properties**

Statement of consolidated direct, indirect and total investment results*

(€'000)	Twelve months ended 31-12-21	Eighteen months ended 31-12-20	Twelve months ended 31-12-20
Rental income	198,344	303,627	200,736
Service charge income	39,393	43,654	27,059
Service charge expenses	(41,547)	(50,023)	(30,778)
Property expenses***	(41,091)	(59,304)	(42,450)
Interest income	11	35	20
Interest expenses***	(37,845)	(61,104)	(39,792)
Company expenses***	(11,020)	(18,042)	(11,384)
Other income	3,056	5,155	3,628
Current tax***	(1,291)	(1,116)	432
Direct investment result including non-controlling interest	108,010	162,882	107,471
Direct investment result joint ventures	5,334	11,059	7,238
Direct investment result non-controlling interest	(2,747)	(3,525)	(2,747)
Total direct investment result attributable to owners of the Company	110,597	170,416	111,962
Investment revaluation and disposal of investment properties	(14,931)	(164,217)	(162,718)
Gain/loss (derivative) financial instruments	33,007	(4,502)	(15,094)
Investment expenses***	(598)	162	403
Deferred tax	(25,482)	98,274	100,701
Indirect investment result including non-controlling interest	(8,004)	(70,283)	(76,708)
Indirect investment result joint ventures	633	4,951	4,772
Indirect investment result non-controlling interest	1,461	10,283	10,258
Total indirect investment result attributable to owners of the Company	(5,910)	(55,049)	(61,678)
Total investment result attributable to owners of the Company	104,687	115,367	50,284
Per share (€)**			
Total direct investment result	2.18	3.45	2.27
Total indirect investment result	(0.12)	(1.11)	(1.25)
Total investment result attributable to owners of the Company	2.06	2.34	1.02

Statement of adjusted net equity*

(€'000)	31-12-2021	31-12-20
IFRS net equity per consolidated statement of financial position	1,957,702	1,885,597
Derivative financial instruments***	90,445	129,593
Net deferred tax	74,730	53,068
Derivative financial instruments and net deferred tax joint ventures	(3,933)	(4,421)
Adjusted net equity	2,118,944	2,063,837
Number shares in issue after deduction of shares bought back	52,146,993	49,402,758
Net asset value - € per share (IFRS)	37.54	38.17
Adjusted net asset value - € per share	40.63	41.78
Stock market prices - € per share	19.09	15.38

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

** The Company's shares are listed on Euronext Amsterdam and Brussels. The average number of shares on issue over the year was 50,778,635, compared with 49,302,982 for the eighteen month period to 31 December 2020 and 49,402,758 for the twelve month period to 31 December 2020.

*** The comparative figures have been reclassified or changed and reference is made to the notes to the consolidated interim financial statements as per 30 June 2021.

EPRA performance measures*

The European Public Real Estate Association (EPRA) is an organisation which promotes, develops and represents the European public real estate sector. EPRA sets out best practice reporting guidelines on a number of financial and operational performance indicators relevant to the real estate sector.

	Total (€'000)		Per share (€)	
	31-12-21	31-12-20	31-12-21	31-12-20
EPRA Earnings**	107,848	109,540	2.07	2.10
EPRA NRV***	2,240,736	2,194,882	42.96	44.42
EPRA NTA***	2,092,087	2,050,252	40.11	41.49
EPRA NDV***	1,930,770	1,836,925	37.02	37.17

	Belgium		France		Italy		Sweden		Total	
(%)	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
EPRA net initial yield	4.4	4.3	5.0	4.8	5.4	5.3	5.0	4.8	5.1	4.9
EPRA topped-up yield	4.6	4.4	5.0	4.9	5.6	5.4	5.1	5.0	5.2	5.0
EPRA vacancy rate	1.0	1.0	2.5	2.3	1.3	1.3	1.2	1.7	1.5	1.6

Reconciliation EPRA Earnings*

	Total (€'000)	
For the twelve months ended	**31-12-21**	**31-12-20**
IFRS result after taxation**	104,687	50,284
Adjustment to IFRS result after taxation:		
Investment revaluation and disposal of investment properties	14,931	162,718
Fair value movement derivative financial instruments***	(35,148)	12,278
Deferred tax	25,482	(100,701)
Share of result of joint ventures	(643)	(4,781)
Share of result of non-controlling interest	(1,461)	(10,258)
EPRA Earnings**	107,848	109,540
Number of issued shares after deduction of shares bought back	52,146,993	52,146,993
EPRA Earnings per share	2.07	2.10

* These statements contain additional information which is not part of the IFRS financial statements.
** The EPRA earnings as per 31 December 2020 are based on twelve months figures.
*** The comparative figures have been reclassified or changed and reference is made to the notes to the consolidated interim financial statements.

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

(€'000)	EPRA NRV		EPRA NTA		EPRA NDV	
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
IFRS equity Eurocommercial shareholders	1,957,702	1,885,597	1,957,702	1,885,597	1,957,702	1,885,597
Diluted NAV and diluted NAV at fair value	1,957,702	1,885,597	1,957,702	1,885,597	1,957,702	1,885,597
Exclude:						
Deferred tax assets and liabilities	91,110	71,386	45,555	35,693	n/a	n/a
Deferred tax liabilities joint ventures	(4,637)	(7,580)	(2,318)	(3,790)	n/a	n/a
Fair value financial instruments**	90,445	129,593	90,445	129,593	n/a	n/a
Fair value financial instruments joint ventures	703	3,159	703	3,159	n/a	n/a
Include:						
Fair value of fixed interest rate debt	n/a	n/a	n/a	n/a	(26,932)	(48,672)
Real estate transfer tax	103,528	107,704	n/a	n/a	n/a	n/a
Real estate transfer tax joint ventures	1,885	5,023	n/a	n/a	n/a	n/a
NAV	2,240,736	2,194,882	2,092,087	2,050,252	1,930,770	1,836,925
Fully diluted number of shares	52,159,836	49,415,915	52,159,836	49,415,915	52,159,836	49,415,915
NAV per share (€)	42.96	44.42	40.11	41.49	37.02	37.17

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

** The fair value financial instruments has been changed for the previous balance sheet date of 31 December 2020, now excluding the put option liability non-controlling interest.

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 €16.4 million higher than reported in the balance sheet.

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

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

Capital expenditure disclosure*

(€'000)	Twelve months ended 31-12-21			Eighteen months ended 31-12-20		
	Group	Joint Ventures**	Total	Group	Joint Ventures**	Total
Acquisitions	47,926	0	47,926	67,000	0	67,000
Investment properties						
– Incremental lettable space	8,760	7,270	16,030	109,526	22,933	132,459
– No incremental lettable space	9,014	2,033	11,047	7,761	0	7,761
– Tenant incentives/capitalised letting fees	1,138	(144)	994	9,544	1,210	10,754
Capitalised interest	0	92	92	1,145	356	1,501
Total capital expenditure	66,838	9,251	76,089	194,976	24,499	219,475
Conversion from accrual to cash basis	7,912	4,053	11,965	(3,509)	(4,062)	(7,571)
Correction contribution in kind	0	0	0	(67,000)	0	(67,000)
Total capital expenditure on cash basis	74,750	13,304	88,054	124,467	20,437	144,904

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

** Joint ventures are reported on a proportionate share.

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

(€'000)	Belgium**		France		Italy		Sweden		Total	
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
Property investments	579,000	589,800	867,300	883,600	1,423,600	1,406,500	893,619	901,348	3,763,519	3,781,248
Land and property held for development	(9,500)	(10,900)	(14,500)	(12,800)	(7,800)	(7,800)	(2,927)	0	(34,727)	(31,500)
Investments in joint ventures	0	0	0	47,300	184,500	173,700	0	0	184,500	221,000
Property investments held for sale	0	0	22,500	34,400	0	0	0	0	22,500	34,400
Property investments completed	569,500	578,900	875,300	952,500	1,600,300	1,572,400	890,692	901,348	3,935,792	4,005,148
Purchasers' costs	13,465	14,478	61,738	65,123	19,892	23,508	5,468	9,010	100,563	112,431
Gross value property investments	582,965	593,378	937,038	1,017,623	1,620,192	1,595,908	896,160	910,358	4,036,355	4,117,267
Annualised net rents (EPRA NIY)	25,493	25,554	46,813	49,045	88,203	84,394	44,816	44,091	205,325	203,084
Lease incentives (incl. rent free periods)	1,417	844	476	598	2,058	1,444	607	1,046	4,558	3,932
Annualised rents (EPRA topped-up yield)	26,910	26, 398	47,289	49,643	90,261	85,838	45,423	45,137	209,883	207,016
EPRA net initial yield (%)	4.4	4.3	5.0	4.8	5.4	5.3	5.0	4.8	5.1	4.9
EPRA topped-up yield (%)	4.6	4.4	5.0	4.9	5.6	5.4	5.1	5.0	5.2	5.0

* These statements contain additional information which is not part of the IFRS financial statements.
** The December 2020 figures were restated for comparative purposes.

Reconciliation EPRA vacancy rate*

(€'000)	Estimated rental value of vacant space		Estimated rental value of the whole portfolio		EPRA vacancy rate (%)	
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
Belgium	242	264	24,246	25,134	1.0	1.0
France	1,212	1,157	48,160	50,858	2.5	2.3
Italy	1,236	1,219	94,575	91,155	1.3	1.3
Sweden	571	837	48,347	49,397	1.2	1.7
EPRA vacancy	3,261	3,477	215,328	216,544	1.5	1.6

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

Consolidated statement of profit or loss

(€'000)	Twelve months ended 31-12-21	Eighteen months ended 31-12-2020	Twelve months ended 31-12-20
Rental income	198,344	303,627	200,736
Service charge income	39,393	43,654	27,059
Total revenue	237,737	347,281	227,795
Service charge expenses	(41,547)	(50,023)	(30,778)
Property expenses**	(41,091)	(59,304)	(42,450)
Net property income	155,099	237,954	154,567
Share of result of joint ventures	5,967	16,011	12,011
Investment revaluation and disposal of investment properties	(14,931)	(164,217)	(162,718)
Company expenses	(11,118)	(18,094)	(11,415)
Investment expenses	(500)	213	433
Other income	3,056	5,155	3,628
Operating result	137,573	77,022	(3,494)
Interest income	11	35	20
Interest expenses	(39,986)	(63,920)	(42,608)
Gain/loss (derivative) financial instruments	35,148	(1,686)	(12,278)
Net financing result	(4,827)	(65,571)	(54,866)
Result before taxation	132,746	11,451	(58,360)
Current tax**	(1,291)	(1,116)	432
Deferred tax	(25,482)	98,274	100,701
Total tax	(26,773)	97,158	101,133
Result after taxation	105,973	108,609	42,773
Result after taxation attributable to:			
Owners of the Company	104,687	115,367	50,284
Non-controlling interest	1,286	(6,758)	(7,511)
	105,973	108,609	42,773
Per share (€)*			
Result after taxation	2.01	2.21	0.96
Diluted result after taxation	2.01	2.21	0.96

* These results per share are based on the number of shares in issue as a result of the scrip dividend paid on 2 July 2021, resulting in 52,146,993 shares outstanding (after deduction of shares bought back). The diluted number of outstanding shares is 52,159,836.

** The comparative figures have been reclassified or changed and reference is made to the notes to the consolidated interim financial statements as per 30 June 2021.

Consolidated statement of comprehensive income

(€'000)	Twelve months ended 31-12-21	Eighteen months ended 31-12-2020	Twelve months ended 31-12-20
Result after taxation*	105,973	108,609	42,773
Foreign currency translation differences (to be subsequently reclassified to profit or loss)	(8,904)	29,935	24,803
Actuarial result on pension scheme (not to be subsequently reclassified to profit or loss)	936	(1,026)	(439)
Other comprehensive income	(7,968)	28,909	24,364
Total comprehensive income	98,005	137,518	67,137
Total comprehensive income attributable to:			
Owners of the Company	96,719	144,276	74,648
Non-controlling interest	1,286	(6,758)	(7,511)
	98,005	137,518	67,137
Per share (€)**			
Total comprehensive income	1.85	2.77	1.43
Diluted total comprehensive income	1.85	2.77	1.43

* The comparative figures have been reclassified or changed and reference is made to the notes to the consolidated interim financial statements as per 30 June 2021.

** These income amounts per share are based on the number of shares in issue as a result of the scrip dividend of 2 July 2021, resulting in 52,146,993 shares outstanding (after deduction of shares bought back). The diluted number of outstanding shares is 52,159,836.

Consolidated statement of financial position

(€'000)	31-12-21	31-12-20
Property investments	3,757,419	3,776,848
Property investments under development	6,100	4,400
Investments in joint ventures	77,690	122,097
Tangible fixed assets	3,347	4,754
Deferred tax assets	9,288	24,858
Trade and other receivables	139	243
Derivative financial instruments	2,207	188
Total non-current assets	**3,856,190**	3,933,388
Property investments held for sale	22,500	34,400
Trade and other receivables	90,254	57,327
Prepaid tax	1,814	1,486
Cash and deposits	55,618	60,435
Total current assets	**170,186**	153,648
Total assets	**4,026,376**	4,087,036
Equity		
Issued share capital	526,539	249,548
Share premium reserve	263,853	513,315
Other reserves	1,062,623	1,007,367
Undistributed income	104,687	115,367
Equity attributable to the owners of the Company	1,957,702	1,885,597
Non-controlling interest	61,528	60,242
Total equity	**2,019,230**	1,945,839
Trade and other payables	96,451	96,329
Tax payable	10,004	12,387
Borrowings	216,696	205,027
Total current liabilities	**323,151**	313,743
Trade and other payables	13,853	14,529
Tax payable	7,458	14,813
Borrowings	1,429,083	1,536,061
Derivative financial instruments*	92,652	129,781
Deferred tax liabilities	84,018	77,926
Put option liability non-controlling interest*	55,769	52,464
Provisions for pensions	1,162	1,880
Total non-current liabilities	1,683,995	1,827,454
Total liabilities	2,007,146	2,141,197
Total equity and liabilities	**4,026,376**	4,087,036

* The comparative figures have been reclassified and reference is made to the notes to the consolidated interim financial statements as per 30 June 2021.

Consolidated statement of cash flows

(€ '000)	Twelve months ended 31-12-21	Eighteen months ended 31-12-20*	Twelve month ended 31-12-20*
Result after taxation	105,973	108,609	42,773
Adjustments:			
Movement performance shares granted	91	(1,496)	(1,807)
Investment revaluation and disposal of investment properties	10,272	158,098	156,186
(Derivative) financial instruments	(35,148)	1,687	12,279
Share of result of joint ventures	(5,967)	(16,011)	(12,011)
Interest income	(11)	(35)	(20)
Interest expenses	39,986	63,920	42,608
Deferred tax	25,482	(98,274)	(100,701)
Current tax	1,291	793	(340)
Depreciation tangible fixed assets	1,966	2,956	1,942
Other movements	772	(783)	(1,088)
Cash flow from operating activities after adjustments	144,707	219,464	139,821
(Increase)/decrease in receivables	5,009	(14,032)	(8,267)
Increase/(decrease) in creditors	(2,942)	3,644	(5,211)
	146,774	209,076	126,343
Current tax paid	(739)	(300)	(300)
Capital gain tax paid	(12,601)	(1,950)	0
Dividends received from joint ventures	2,000	2,500	0
(Derivative) financial instruments	(211)	(462)	(462)
Early close out costs	(2,609)		0
Borrowing costs	(1,005)	(2,520)	(2,043)
Interest paid	(35,143)	(59,356)	(38,772)
Interest received	0	30	15
Cash flow from operating activities	96,466	147,018	84,781
Acquisition of remaining 50% of joint venture	(42,244)	0	0
Capital expenditure	(25,688)	(113,608)	(66,889)
Sale of investment	0	56,779	56,779
Sale of property	92,901	199,000	0
Investments in joint ventures	(345)	(430)	(430)
(Increase)/decrease loan to joint ventures	(9,900)	6,900	(5,100)
Additions to tangible fixed assets	(536)	(1,236)	(885)
Cash flow from investing activities	14,188	147,405	(16,525)
Borrowings added	238,257	268,726	155,777
Repayment of borrowings	(327,746)	(458,445)	(197,627)
Payments lease liabilities	(1,093)	(1,656)	(1,109)
Cost of performance shares settled	0	(362)	0
Shares bought back	0	(16,723)	(34)
Dividends paid	(24,705)	(93,707)	0
Increase/(decrease) in non-current creditors	36	2,370	2,342
Cash flow from financing activities	(115,251)	(299,797)	(40,651)
Net cash flow	(4,597)	(5,374)	27,605
Currency differences on cash and deposits	(220)	598	777
Increase/(decrease) in cash and deposits	(4,817)	(4,776)	28,382
Cash and deposits at beginning of period	60,435	65,211	32,053
Cash and deposits at the end of period	55,618	60,435	60,435

* The comparative figures have been reclassified or changed and reference is made to the notes to the consolidated interim financial statements as per 30 June 2021.

Consolidated statement of changes in equity

The movements in equity in the twelve month period ended 31 December 2021 were:

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

The movements in equity in the eighteen month period ended 31 December 2020 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
30-06-2019	249,548	517,513	1,064,912	74,586	1,906,559	0	1,906,559
Result after taxation				115,367	115,367	(6,758)	108,609
Other comprehensive income			28,909		28,909	0	28,909
Total comprehensive income	0	0	28,909	115,367	144,276	(6,758)	137,518
Profit previous financial year			(19,121)	19,121	0		0
Contribution non-controlling interest					0	67,000	67,000
Put option liability non-controlling interest			(54,805)		(54,805)		(54,805)
Shares bought back			(14,868)		(14,868)		(14,868)
Dividends paid				(93,707)	(93,707)		(93,707)
Performance shares granted		(1,496)			(1,496)		(1,496)
Performance shares settled			(362)		(362)		(362)
Performance shares vested		(2,702)	2,702		0		0
31-12-2020	249,548	513,315	1,007,367	115,367	1,885,597	60,242	1,945,839

The movements in equity in the twelve month period ended 31 December 2020 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis-tributed income	Equity attributable to owners of the Company	Non-controlling interest	Total equity
31-12-2019	249,548	515,122	1,037,843	65,083	1,867,596	67,753	1,935,349
Result after taxation				50,284	50,284	(7,511)	42,773
Other comprehensive income			24,364		24,364		24,364
Total comprehensive income	0	0	24,364	50,284	74,648	(7,511)	67,137
Put option liability non-controlling interest			(54,805)		(54,805)		(54,805)
Shares bought back			(35)		(35)		(35)
Performance shares granted		(1,807)			(1,807)		(1,807)
31-12-2020	249,548	513,315	1,007,367	115,367	1,885,597	60,242	1,945,839

Segment information 2021

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

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

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

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

Segment information 2020

(€'000) For the eighteen month period ended 31-12-20	Belgium	France	Italy	Sweden	The Netherlands**	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	39,685	79,731	131,077	69,680	0	320,173	(16,546)	303,627
Service charge income	8,432	12,507	7,921	19,313	0	48,173	(4,519)	43,654
Service charge expenses	(8,594)	(14,691)	(8,038)	(23,315)	0	(54,638)	4,615	(50,023)
Property expenses*	(7,379)	(22,088)	(22,225)	(8,762)	0	(60,454)	1,150	(59,304)
Net property income	32,144	55,459	108,735	56,916	0	253,254	(15,300)	237,954
Share of result of joint ventures	0	0	0	0	0	0	16,011	16,011
Investment revaluation and disposal of investment properties	(39,935)	(37,485)	(73,576)	(24,285)	887	(174,394)	10,177	(164,217)
Segment result	(7,791)	17,974	35,159	32,631	887	78,860	10,888	89,748
Net financing result						(67,947)	2,376	(65,571)
Company expenses						(18,094)	0	(18,094)
Investment expenses						200	13	213
Other income						2,967	2,188	5,155
Result before taxation						(4,014)	15,465	11,451
Current tax*						(1,072)	(44)	(1,116)
Deferred tax						113,695	(15,421)	98,274
Result after taxation						108,609	0	108,609

(€'000) For the eighteen month period ended 31-12-20	Belgium	France	Italy	Sweden	The Netherlands**	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	75,370	(189,210)	86,222	(16,401)	0	(44,019)	(23,022)	(67,041)

(€'000) For the twelve month period ended 31-12-20	Belgium	France	Italy	Sweden	The Netherlands**	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	26,719	52,037	86,608	46,300	0	211,664	(10,928)	200,736
Service charge income	5,685	6,707	4,640	12,656	0	29,688	(2,629)	27,059
Service charge expenses*	(5,724)	(7,755)	(4,695)	(15,223)	0	(33,397)	2,619	(30,778)
Property expenses	(6,456)	(16,850)	(14,022)	(6,081)	0	(43,409)	959	(42,450)
Net property income	20,224	34,139	72,531	37,652	0	164,546	(9,979)	154,567
Share of result of joint ventures	0	0	0	0	0	0	12,011	12,011
Investment revaluation and disposal of investment properties	(37,582)	(44,627)	(69,408)	(22,622)	666	(173,573)	10,855	(162,718)
Segment result	(17,358)	(10,488)	3,123	15,030	666	(9,027)	12,887	3,860
Net financing result						(56,999)	2,133	(54,866)
Company expenses						(11,415)	0	(11,415)
Investment expenses						424	9	433
Other income						2,105	1,523	3,628
Result before taxation						(74,912)	16,552	(58,360)
Current tax*						634	(202)	432
Deferred tax						117,051	(16,350)	100,701
Result after taxation						42,773	0	42,773

(€'000) For the twelve month period ended 31-12-20	Belgium	France	Italy	Sweden	The Netherlands**	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	3,617	6,436	43,852	(34,655)	0	19,250	(9,323)	9,927

(€'000) As per 31-12-20	Belgium	France	Italy	Sweden	The Netherlands**	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	589,800	965,300	1,580,200	901,348	0	4,036,648	(221,000)	3,815,648
Investments in joint ventures	0	0	0	0	0	0	122,097	122,097
Tangible fixed assets	0	1,703	1,772	389	890	4,754	0	4,754
Deferred tax assets	0	0	32,438	0	0	32,438	(7,580)	24,858
Receivables	7,465	31,459	10,585	7,722	1,165	58,396	660	59,056
Derivative financial instruments	0	0	0	0	188	188	0	188
Cash and deposits	2,571	8,212	30,349	19,558	3,711	64,401	(3,966)	60,435
Total assets	599,836	1,006,674	1,655,344	929,017	5,954	4,196,825	(109,789)	4,087,036
Creditors	9,741	39,488	66,360	34,018	2,578	152,185	(14,127)	138,058
Borrowings	285,098	249,989	926,955	361,549	10,000	1,833,591	(92,503)	1,741,088
Derivative financial instruments	9,108	0	123,168	664	0	132,940	(3,159)	129,781
Deferred tax liabilities	0	0	0	77,926	0	77,926	0	77,926
Put option liability non-controlling interest	52,464	0	0	0	0	52,464	0	52,464
Provision for pensions	0	0	0	0	1,880	1,880	0	1,880
Total liabilities	356,411	289,477	1,116,483	474,157	14,458	2,250,986	(109,789)	2,141,197

* The comparative figures have been reclassified or changed and reference is made to the notes to the consolidated interim financial statements as per 30 June 2021.

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

Country spread total property investments (incl. joint ventures)

(%)	31-12-21	31-12-20
Belgium	15	15
France	22	24
Italy	40	39
Sweden	23	22
	100	100

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