
PRESS RELEASE

Date: 4 November 2022

Release: Before opening of Euronext

THIRD QUARTER RESULTS 2022

Key highlights for the quarter to September 2022

Performance and business highlights

- Following the strong retail sales growth in Q2, sales turnover in Q3 2022 was 7.3% higher than Q3 2021 and 7.7% above the pre-pandemic Q3 2019.
- Strong like-for-like rental growth of 4.1% supported by rental indexation and the lease renewal and reletting programme.
- Continued strong tenant demand resulted in 5.4% rent uplifts on renewals and relettings from 261 lease transactions signed during the 12-month period ending 30 September 2022.
- EPRA vacancy rate at 30 September 2022 remains around its long-term historically low level at 1.5%, the same as at 30 June 2022.
- Occupancy cost ratio (OCR) was 9.2% at 30 September 2022.
- Eurocommercial maintained its GRESB 4 Star Rating, achieving its highest score to date, and also received an EPRA Gold Award for sustainability reporting for the ninth consecutive year (sBPR).
- Cash dividend of €1.50 and one for 75 scrip dividend per share paid on 1 July 2022.
- Loan to value ratio (on the basis of proportional consolidation) at 40.2% after the July dividend distribution.
- Net earnings €1.77 (direct investment result) per share for the nine months to 30 September 2022 (30 September 2021 €1.57).
- In accordance with the Company's dividend policy, an interim cash dividend of €0.60 per share is expected to be paid in January 2023.
- Direct investment result guidance for the full year 2022 confirmed ranging between €2.20 and €2.30 per share.

Board of Management's commentary

Retail operations in our 24 shopping centres saw a continuation of the strong growth in retail sales that we reported for Q2. Retail sales during Q3 2022 increased by 7.3% compared to Q3 2021 and by 7.7% compared to the pre-pandemic Q3 2019, with all our four markets showing strong positive growth over both periods. Meanwhile, robust tenant demand has supported our renewal and reletting programme with 261 lease transactions completed in the last 12 months, producing an overall uplift of 5.4%. This tenant activity has helped maintain our historically low vacancy rate at its current level of only 1.5%.

Like-for-like rental growth was 4.1%, with a significant contribution from rental indexation where we remain on track to collect around €7 million during 2022 as previously reported. More will be known shortly about rental indexation for 2023 which is based on a variety of 2022 inflation indices, the majority of which are still to be published. Although there will be considerable variance in these inflation indices across our markets, the resulting levels of rental indexation will be significantly higher next year, and

so far only the French government have provided some limitation on indexation, with a cap of 3.5% to assist smaller retailers and which will apply to around 25% of our rental income in France.

Clearly the main driver behind high inflation has been the sudden and marked increase in energy costs since the commencement of the war in Ukraine and the general disruption to supply chains, resulting in higher living costs and interest rates which are dampening consumer confidence, despite the generous energy support packages for households and businesses being put in place by governments. However, our shopping centres remain in a good position from which to face any reduction in retail spending with their high representation of everyday and essential retail, and being almost fully let to tenants at affordable rental levels, with an overall OCR of only 9.2%.

Assuming no major COVID-19 or energy related restrictions and no major deterioration of the macro-economic environment in the remaining two months of this calendar year, we confirm the guidance regarding the direct investment result for the year 2022 to be between €2.20 and €2.30 per share. The direct investment result is the basis for the applicable dividend policy providing for a cash dividend payout ratio ranging between 65% and 85%, but with a target of 75% of the direct investment result per share. An interim dividend will be payable in January 2023 and a final dividend payable in July 2023. The interim dividend is expected to be 40% of the total cash dividend paid in the previous financial year, which was €1.50 per share, so for January 2023 the interim dividend is expected to be €0.60 per share.

Operational & financial review

Retail sales

Q3 has produced strong retail sales growth being 7.3% above Q3 2021 and 7.7% above the pre-pandemic Q3 2019, with all countries positive during both periods. For the month of September, turnover was particularly strong at 10.3% above September 2021 and 10.2% above September 2019. Footfall has also continued to recover well during Q3 and was around 4% higher than Q3 2021.

Like-for-like retail sales by country*

	Q3 2022/Q3 2019	Q3 2022/Q3 2021
Overall	7.7%	7.3%
Belgium	5.3%	13.7%
France	3.6%	7.1%
Italy	8.9%	10.6%
Sweden	9.3%	1.7%

* Excluding extensions/redevelopments.

Like-for-like retail sales by sector*

	Q3 2022/Q3 2021
Hyper/Supermarkets	2.9%
Fashion/Shoes	3.7%
Health & Beauty	8.6%
Gifts & Jewellery	-2.0%
Sport	13.7%
Home Goods	16.3%
Books & Toys	3.3%
Electricals	5.0%
F&B (Restaurants & Bars)	17.7%
Services	11.8%

*Excluding extensions/redevelopments.

Rental growth

Like-for-like (same floor area) rental growth for the twelve months ending 30 September 2022 was 4.1% resulting from the renewal and reletting programme, rental indexation and an increase in turnover rent.

Rental growth

	Like-for-like rental growth
Overall	4.1%
Belgium	6.4%
France	2.9%
Italy	4.8%
Sweden	2.7%

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.

Renewals and relettings

Strong leasing activity has been maintained over the last 12 months with 261 leases renewed or relet producing an overall uplift in rent of 5.4%. These leases represent approximately €25 million equivalent to 13% of the annual minimum guaranteed rent. 79 of these transactions were new lettings to retailers entering our shopping centres achieving a 8.9% rental uplift.

Tenant demand has been consistent throughout the period and in Q3 2022 alone, 54 lease renewals and relettings were completed, producing an uplift in rent of 8.9%.

Renewals and relettings for the 12 months to 30 September 2022

	Number of renewals and relettings	Average rental uplift on renewals and relettings	% of total leases renewed and relet (MGR)
Overall	261	5.4%	13%
Belgium	12	-2.2%	17%
France	37	6.7%	7%
Italy	122	9.4%	13%
Sweden	90	2.9%	16%

In Woluwe Shopping, Belgium, 12 leases were renewed or relet over the last 12 months at an overall rent 2.2% below the previous level. Several new premium international brands have established stores including Mango, Pandora and Guess. During the early part of this summer, Fnac opened a flagship store in the former 2,600m² AS Adventure unit, who themselves have successfully relocated to a smaller store.

In France, 37 lease renewals and relettings were completed over the year producing an average uplift in rent of 6.7%. Of these transactions, 16 lease renewals produced an uplift of 4.1%, while 21 relettings produced an uplift of 8.8%. New merchandising has covered a broad range of sectors including 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), Kryss Audition at MoDo and Grand Optical at Centr'Azur (health and beauty).

Italy produced the highest rental uplift of 9.4% from 122 lease transactions. 32 of these transactions were new lettings with retailers achieving an uplift of 18.5%. International brands establishing in Italy continue to take space in our centres with recent examples including JD Sports, Adidas, Rituals, Hollister and Abercrombie & Fitch, Pull & Bear, Sephora, Miniso and Wagamama.

In Sweden, 90 lease renewals and relettings were completed producing a rental uplift of 2.9%. 15 of these lease transactions were lettings to new tenants at rents 16.2% above previous levels. These new lettings included Cassels, Hemtex, Kicks, Rituals and Normal, the expanding Danish value retailer who have 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 during H1 which opened during Q3: two Vila stores (C4 and Hallarna) and Only (Hallarna).

EPRA vacancies

EPRA vacancy for the portfolio at 30 September 2022 remained very low at 1.5%, ranging from 0.8% to 2.2% in our four markets.

EPRA vacancies

	31 December 2021	31 March 2022	30 June 2022	30 September 2022
Overall	1.5%	1.8%	1.5%	1.5%
Belgium	1.0%	1.0%	0.3%	1.7%
France	2.5%	3.4%	2.4%	2.2%
Italy	1.3%	1.5%	1.0%	0.8%
Sweden	1.2%	1.5%	2.2%	2.1%

Out of more than 1,700 shops, there were only 16 tenants in administration occupying 42 units, representing 2% of total MGR. For the majority of these units, rent continued to be paid.

Occupancy cost ratio

The total occupancy cost ratio (rent plus marketing contributions, service charges and tenant property taxes as a proportion of turnover including VAT) for Eurocommercial's shopping centres at the end of September 2022 was 9.2% overall, one of the lowest OCRs in the industry.

Occupancy cost ratio

	Q3 2022
Overall	9.2%
Belgium	15.1%
France	10.6%
Italy	9.0%
Sweden	7.2%

Rent collection

We have continued to collect rent that was due in H1 2022 thereby improving our H1 2022 rent collection which stands at 97% of invoiced rent. Rent collection for Q3 2022 has currently reached 94% and is expected to improve further.

Rent collected in 2022

% of invoiced rent collected	Q3 2022	H1 2022	9 months 2022
Belgium	98	99	99
France	92	94	93
Italy	91	97	95
Sweden	100	100	100
Total	94	97	96

Direct investment result: €92.7 million (€1.77 per share)

The **direct investment result** for the nine months to 30 September 2022 was €92.7 million, compared to €78.9 million for the same period in 2021 (+17.5%). The increase is mainly due to lower property expenses related to COVID-19 concessions for €8.8 million, lower bad debt provisions for €3.1 million and higher rental income for €4.0 million, partially compensated by higher other property expenses and corporate income taxes.

The **direct investment result per share** increased 12.7% to €1.77 at 30 September 2022, from €1.57 for the nine months to 30 September 2021, notwithstanding the 4.1% increase in the average number of shares outstanding.

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 nine-month reporting period to 30 September 2022 was €90.9 million, or €1.72 per share, compared to €77.6 million or €1.47 per share for the same period last year.

IFRS profit: €230.0 million

The **IFRS profit after taxation** attributable to owners of the Company for the nine-month reporting period to 30 September 2022 was €230.0 million (€4.35 per share) compared to €50.7 million (€0.96 per share) for the nine-month reporting period to 30 September 2021. This increase is largely explained by a €87.6 million difference in the investment revaluation of the properties (€46.9 million positive at 30 September 2022 compared to a €40.7 million negative at 30 September in 2021) and by a €103.9 million positive difference in the fair value of the derivative financial instruments (€130.8 million positive at 30 September 2022 compared to a €26.9 million positive at 30 September 2021) due to a rise and a steepening of the Euro and Swedish interest rate curves. These amounts are partially offset by a €48.4 million increase in the deferred tax provision compared to a €10.5 million increase for the first nine months of 2021.

Gross rental income: €159.0 million

Gross rental income for the nine months (based on proportional consolidation) was at €159.0 million, higher than the same period last year (€155.2 million) mainly due to lower rent concessions related to COVID-19 and higher income from indexation, renewals and relettings, which more than offset the loss of income due to the property sales. **Net property income**, including joint ventures (based on proportional consolidation) for the nine months to 30 September 2022, after deducting net service charges and direct and indirect property expenses (branch overheads), increased to €135.0 million compared to €119.8 million for the nine months to 30 September 2021, for the same reasons illustrated above.

EPRA Net Tangible Assets: €39.50 per share

The **EPRA Net Tangible Assets** (EPRA NTA) at 30 September 2022 was €39.50 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 EPRA NTA per share remains substantially stable, as the positive impact of the results of the period has been more than compensated by the increased number of shares due to the July 2022 scrip dividend.

The **adjusted net asset value** at 30 September 2022 was €40.56 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 30 September 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 €39.41 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.

The first long-term refinancing need will materialise in the second half of 2023 when borrowings mainly related to properties in Sweden will be up for renewal. We are starting the discussions on the refinancing of these properties with our partner banks and further updates are expected by the beginning of 2023.

At 30 September 2022 IFRS consolidated debt stood at €1,535 million compared to €1,548 million at 30 June 2022.

The loan to value ratio as per 30 September 2022, calculated after deducting purchaser's costs and on the basis of the proportionally consolidated net debt of the Company of €1,571 million, was 40.2% compared to 38.9% at 30 June 2022, due to the payment in July 2022 of the €78.2 million cash dividend for the year 2021, partially compensated by the cash generated in the period. The loan to value ratio at 31 December 2021 was 42.3%.

The Group covenant loan to value ratio agreed with the banks is 60%, the usual market practice ratio. For comparison purposes, our loan to value ratio adding back purchaser's costs as at 30 September 2022 was 39.2% and our loan to value ratio adding back purchaser's costs using the IFRS consolidated balance sheet was 38.7%.

As at 30 September 2022, about 86% of the Company's interest expenses are fixed for an average period of five and a half years and the average interest rate as at 30 September 2022 is 2.2%. As a result, our interest expenses are expected to remain substantially stable for the coming period. The average committed unexpired term of its bank loans is almost four years.

Country commentary

Belgium

Woluwe Shopping has enjoyed strong summer trade and during Q3 retail sales were 13.7% above Q3 2021 and 5.3% above the corresponding pre-pandemic Q3 2019. Visitor numbers have also improved and were 14.4% above Q3 2021, almost reaching pre-pandemic levels, particularly at weekends.

Leasing has remained very active over the last 12 months with 12 lease transactions completed over the period showing a marginal decline in rents of 2.2%. Woluwe Shopping continues to attract new premium brands including Pandora and Guess. The Fnac-Darty Group, which already operate a Vanden Borre store at Woluwe, opened a 2,600m² Fnac at the end of May. As a reference player in cultural products, electronics and small household appliances, Fnac is already proving to be an important addition to Woluwe Shopping's international tenant mix. Fnac replaced AS Adventure, an established Belgium retailer who have successfully relocated to a smaller store in the mall, focusing on their core sport and outdoor assortment. Meanwhile, the fashion sector has been significantly strengthened with the recent arrival of the latest Mango concept.

In June 2022, we resubmitted our planning application for the proposed retail extension and residential development in consultation with the municipality and the Brussels region. A public consultation exercise has started and the planning decision is now expected in the first half of 2023.

France

Our eight shopping centres saw a continuation of the strong Q2 retail sales growth and during Q3 was 7.1% above Q3 2021, and 3.6% above the pre-pandemic Q3 2019.

Over the last 12 months, 37 lease renewals and relettings were completed producing an average uplift in rent of 6.7%. New merchandising has covered a broad range of sectors including Dr. Martens, Naf Naf and Devred (fashion), Bouygues Telecoms (electricals), Comptoir de Mathilde, La Cure Gourmande and Palais des Thés (food), and Krys Audition and Grand Optical (health and beauty). The former 2,600m² PicWicToys store at Les Atlantes, Tours has been subdivided and let to EasyGym, fashion retailer Bonobo and Mango. EasyGym and Bonobo have both successfully opened, while Mango are scheduled to open before the busy Christmas trading period. A medical and dental centre recently opened at MoDo.

At Val Thoiry, located outside Geneva, a 23,500m² extension is being investigated to include relocated units for Leroy Merlin (10,500m²) and Decathlon (2,600m²) and a new Primark unit of 6,600m². We are currently evaluating the updated construction costs and the timetable in order to take a decision on the project.

Italy

Retail sales grew strongly in Q3 at 10.6% above Q3 2021 and 8.9% above the pre-pandemic Q3 2019.

Leasing activity continued at a steady pace with 122 renewals and relettings completed over the last 12 months, producing a rental uplift of 9.4%. 32 of these lease transactions were new lettings achieving an uplift of 18.5% and demonstrating the strong interest from international brands to be present in our dominant Italian shopping centres including Miniso in Fiordaliso, a new Pull&Bear in I Gigli, and Rituals in Carosello who recently opened their first Italian store. New brands will join our Italian portfolio in the coming months including Poltronosofà, Portobello and Tedi. Several established brands are also expanding in our shopping centres including Sephora, JD Sports, Signorvino, Teddy Group, Inditex, Calzedonia Group, Adidas and Abercrombie.

At Fiordaliso, the refurbished and extended food court opened in June. Known as "Fiordafood", the 2,500m² food court adds nine restaurants including Wagamama, Mexican restaurant Calavera and craft

brewery restaurant Giusto Spirito. The works also allowed for the refurbishment of the remainder of the mall, thereby completing Fiordaliso's retail offer and reconfirming it as the dominant regional shopping centre to the south of Milan with a total of 150 stores. At the end of September, Carosello inaugurated the new Corte del Gusto, a five-month remodelling project of the existing food hall providing over 500 seats. At Curno, McDonald's have recently opened a new unit with a drive-through.

Sweden

In Sweden, our seven shopping centres continued to trade strongly during Q3 2022 with retail sales 1.7% above Q3 2021 and 9.3% above the pre-pandemic period Q3 2019.

Over the last 12 months, 90 lease renewals and relettings were completed producing an overall uplift of 2.9%. 15 of these lease transactions were new lettings producing an uplift of 16.2%. The expanding Danish value retailer, Normal are now established in six of our shopping centres including a large unit of 574m² in Grand Samarkand. 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 with the Bestseller group and opened during Q3: two Vila stores (C4 and Hallarna) and Only (Hallarna).

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 has commenced and 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 project will be completed during autumn 2023.

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. [ESG Strategy | Eurocommercial Properties](#).

- **GRESB**

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

- **EPRA Best Practices Recommendations Awards 2022**

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

- **Eurocommercial joins the Euronext AMX[®] and AEX[®] ESG indices**

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

- **ECSP Solal Marketing Awards**

Eurocommercial received two Silver Awards at the ECSP SOLAL MARKETING event held on 18 October 2022 for its innovative projects, “Gigli Shop&Shock” and “Save the Chewing Gum”, that were also recognised by the National Council of Italian Shopping Centres (CNCC).

Energy saving measures

Within the context of the evolving geopolitical landscape, inflation and rising costs, Eurocommercial has undertaken several initiatives in conjunction with its tenants to reduce energy consumption in its shopping centres, including:

- Reducing the indoor temperature in a range between 17 and 19 degrees in winter
- Reducing operating hours of heating and HVAC systems
- Reducing light use and intensity
- Improved use of timers and motion sensors

Amsterdam, 4 November 2022

Board of Management

E.J. van Garderen
R. Fraticelli
J.P.C. Mills

Financial calendar

The full year results will be published on Friday 24 March 2023.

About Eurocommercial

Eurocommercial Properties N.V. is a Euronext-quoted property investment company and one of Europe’s most experienced retail property investors. Founded in 1991, Eurocommercial currently owns and operates 24 retail properties in Belgium, France, Italy, and Sweden with total assets of almost €4 billion.

www.eurocommercialproperties.com

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Statement of consolidated direct, indirect and total investment results*

(€'000)	Nine months ended 30-09-22	Nine months ended 30-09-21
Rental income	151,410	147,426
Service charge income	27,992	25,742
Service charge expenses	(29,806)	(27,182)
Property expenses	(21,793)	(32,456)
Interest income	6	1
Interest expenses ****	(27,374)	(28,457)
Company expenses ***	(9,194)	(8,353)
Other income	2,751	2,155
Current tax	(3,832)	(2,378)
Direct investment result including non-controlling interest	90,160	76,498
Direct investment result joint ventures	4,619	4,490
Direct investment result non-controlling interest	(2,060)	(2,060)
Total direct investment result attributable to owners of the Company	92,719	78,928
Investment revaluation and disposal of investment properties	46,893	(40,727)
Gain (derivative) financial instruments ****	129,663	25,870
Investment expenses ***	(642)	(245)
Deferred tax	(48,425)	(10,517)
Indirect investment result properties including non-controlling interest	127,489	(25,619)
Indirect investment result joint ventures	14,810	(3,624)
Indirect investment result non-controlling interest	(5,041)	1,010
Total indirect investment result attributable to owners of the Company	137,258	(28,233)
Total investment result attributable to owners of the Company	229,977	50,695
Per share (€)**		
Total direct investment result	1.77	1.57
Total indirect investment result	2.62	(0.56)
Total investment result attributable to owners of the Company	4.39	1.01

Statement of adjusted net equity*

(€'000)	30-09-22	31-12-21	30-09-21
IFRS net equity per consolidated statement of financial position	2,082,750	1,957,702	1,906,594
Net derivative financial instruments	(44,827)	90,445	100,293
Net deferred tax	118,012	74,730	62,045
Net derivative financial instruments and net deferred tax joint ventures and non-controlling interest	(12,468)	(3,933)	(4,733)
Adjusted net equity	2,143,467	2,118,944	2,064,199
Number of shares in issue after deduction of shares bought back	52,842,238	52,146,993	52,146,993
Net asset value - € per share (IFRS)	39.41	37.54	36.56
Adjusted net asset value - € per share	40.56	40.63	39.58
Stock market prices - € per share	20.36	19.09	18.44

* 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 after deduction of shares bought back during the nine month period was 52,381,288 (30 September 2021: 50,317,503).

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

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

Consolidated statement of profit or loss

(€'000)	Nine months ended 30-09-22	Nine months ended 30-09-21
Rental income	151,410	147,426
Service charge income	27,992	25,742
Total revenue	179,402	173,168
Service charge expenses	(29,806)	(27,182)
Property expenses	(21,793)	(32,456)
Net property income	127,803	113,530
Share of result of joint ventures	19,429	866
Investment revaluation and disposal of investment properties	46,893	(40,727)
Company expenses **	(9,209)	(8,372)
Investment expenses **	(627)	(227)
Other income	2,751	2,155
Operating result	187,040	67,225
Interest income	6	1
Interest expenses ***	(28,504)	(29,519)
Gain (derivative) financial instruments ***	130,793	26,933
Net financing result	102,295	(2,585)
Profit before taxation	289,335	64,640
Current tax	(3,832)	(2,378)
Deferred tax	(48,425)	(10,517)
Total tax	(52,257)	(12,895)
Profit after taxation	237,078	51,745
Profit after taxation attributable to:		
Owners of the Company	229,977	50,695
Non-controlling interest	7,101	1,050
	237,078	51,745
Per share (€)*		
Profit after taxation	4.35	0.96
Diluted profit after taxation	4.35	0.96

* 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 52,900,271 (2021: 52,855,395).

** The company expenses and investment expenses in this statement differ slightly from the amounts in the statement of consolidated direct, indirect and total investment results 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 statement of consolidated direct, indirect and total investment results is related to a different accounting policy for the interest on the put option non-controlling interest.

Consolidated statement of comprehensive income

(€'000)	Nine months ended 30-09-22	Nine months ended 30-09-21
Result after taxation	237,078	51,745
Foreign currency translation differences (subsequently reclassified to profit or loss)	(27,245)	(5,648)
Actuarial result on pension scheme (subsequently reclassified to profit or loss)	419	579
Total other comprehensive income	(26,826)	(5,069)
Total comprehensive income	210,252	46,676
Total comprehensive income attributable to:		
Owners of the Company	203,151	45,626
Non-controlling interest	7,101	1,050
	210,252	46,676
Per share (€)*		
Total comprehensive income	3.84	0.86
Diluted total comprehensive income	3.84	0.86

* These income amounts 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 52,900,271 (2021: 52,855,395).

Consolidated statement of financial position

(€'000)	30-09-22	31-12-21	30-09-21
Assets			
Property investments	3,714,635	3,757,419	3,742,810
Property investments under development	0	6,100	4,018
Investments in joint ventures	97,218	77,690	121,309
Tangible fixed assets	4,134	3,347	3,659
Deferred tax assets	0	9,288	17,188
Receivables	137	139	224
Derivative financial instruments	59,373	2,207	453
Total non-current assets	3,875,497	3,856,190	3,889,661
Property investments held for sale	0	22,500	0
Trade and other receivables	64,377	90,254	83,332
Prepaid tax	2,624	1,814	2,299
Cash and deposits	58,860	55,618	36,220
Total current assets	125,861	170,186	121,851
Total assets	4,001,358	4,026,376	4,011,512
Equity			
Issued share capital	533,492	526,539	526,539
Share premium reserve	263,968	263,853	263,838
Other reserves	1,055,313	1,062,623	1,065,522
Undistributed income	229,977	104,687	50,695
Equity attributable to owners of the Company	2,082,750	1,957,702	1,906,594
Non-controlling interest	68,629	61,528	61,292
Total equity	2,151,379	2,019,230	1,967,886
Liabilities			
Trade and other payables	92,063	96,451	98,264
Tax payable	13,123	10,004	10,235
Borrowings	204,876	216,696	237,723
Total current liabilities	310,062	323,151	346,222
Trade and other payables	14,899	13,853	12,848
Tax payable	0	7,458	8,822
Borrowings	1,330,264	1,429,083	1,441,308
Derivative financial instruments	14,546	92,652	100,746
Deferred tax liabilities	118,012	84,018	79,233
Put option liability non-controlling interest	61,484	55,769	53,065
Provisions for pensions	712	1,162	1,382
Total non-current liabilities	1,539,917	1,683,995	1,697,404
Total liabilities	1,849,979	2,007,146	2,043,626
Total equity and liabilities	4,001,358	4,026,376	4,011,512

Consolidated statement of cash flows

(€ '000)	Nine months ended 30-09-22	Nine months ended 30-09-21
Profit after taxation	237,078	51,745
Adjustments:		
Movement performance shares granted	119	72
Investment revaluation and disposal of investment properties	(46,665)	38,433
(Derivative) financial instruments	(130,793)	(26,471)
Put option liability non-controlling interest	0	(462)
Share of result of joint ventures	(19,429)	(866)
Interest income	(6)	(1)
Interest expenses	28,504	29,520
Deferred tax	48,425	10,517
Current tax	3,832	1,865
Depreciation tangible fixed assets	1,401	1,509
Other movements	592	629
Cash flow from operating activities after adjustments	123,058	106,490
(Increase) in receivables	(2,674)	(16,937)
(Decrease) in creditors	(1,374)	13,009
	119,010	102,562
Current tax paid	(1,460)	(449)
Capital gain tax paid	(7,909)	(12,601)
Dividends received from joint ventures	0	2,000
Derivative financial instruments settled	0	(211)
Early close out costs	0	(2,609)
Borrowing costs	(1,585)	(1,023)
Interest paid	(25,061)	(25,988)
Interest received	1	1
Cash flow from operating activities	82,996	61,682
Capital expenditure	(16,189)	(25,743)
Sale of property	100,999	34,400
Investments in joint ventures	(101)	(345)
Loan to joint ventures	6,000	(9,900)
Additions to tangible fixed assets	(283)	(364)
Cash flow from investing activities	90,426	(1,952)
Borrowings added	145,215	124,881
Repayment of borrowings	(235,423)	(183,391)
Payments lease liabilities	(868)	(826)
Dividends paid	(78,222)	(24,701)
(Decrease)/increase in non-current creditors	(36)	300
Cash flow from financing activities	(169,334)	(83,737)
Net cash flow	4,088	(24,007)
Currency differences on cash and deposits	(846)	(208)
Increase/(decrease) in cash and deposits	3,242	(24,215)
Cash and deposits at beginning of period	55,618	60,435
Cash and deposits at the end of period	58,860	36,220

Consolidated statement of changes in equity

The movements in equity in the nine month period ended 30 September 2022 were:

(€'000)	Issued share capital	Share premium reserve	Other reserves	Undis- tributed income	Equity attributable to owners of the Company	Non- controlling interest	Total equity
31-12-2021	526,539	263,853	1,062,623	104,687	1,957,702	61,528	2,019,230
Profit after taxation				229,977	229,977	7,101	237,078
Other comprehensive income			(26,826)		(26,826)		(26,826)
Total comprehensive income	0	0	(26,826)	229,977	203,151	7,101	210,252
Result previous financial year			4,221	(4,221)	0		0
Performance shares granted		119		0	119		119
Dividend paid in cash		(4)		(78,218)	(78,222)		(78,222)
Dividend paid in shares	6,953		15,295	(22,248)	0		0
30-09-2022	533,492	263,968	1,055,313	229,977	2,082,750	68,629	2,151,379

The movements in equity in the nine month period ended 30 September 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				50,695	50,695	1,050	51,745
Other comprehensive income			(5,069)		(5,069)		(5,069)
Total comprehensive income	0	0	(5,069)	50,695	45,626	1,050	46,676
Result previous financial year			8,339	(8,339)	0		0
Increase nominal value shares	249,549	(249,549)			0		0
Performance shares granted		72			72		72
Dividend paid in cash				(24,701)	(24,701)		(24,701)
Dividend paid in shares	27,442		54,885	(82,327)	0		0
30-09-2021	526,539	263,838	1,065,522	50,695	1,906,594	61,292	1,967,886

Segment information

(€'000)						Total	Adjustments	Total
For the nine month period ended 30-09-22	Belgium	France	Italy	Sweden	The Netherlands*	proportional consolidation	joint ventures	IFRS
Rental income	19,672	34,120	70,231	34,994	0	159,017	(7,607)	151,410
Service charge income	4,849	2,068	10,945	12,194	0	30,056	(2,064)	27,992
Service charge expenses	(5,164)	(2,486)	(10,837)	(13,410)	0	(31,897)	2,091	(29,806)
Property expenses	(1,064)	(7,262)	(9,896)	(3,992)	0	(22,214)	421	(21,793)
Net property income	18,293	26,440	60,443	29,786	0	134,962	(7,159)	127,803
Share of result of joint ventures	0	0	0	0	0	0	19,429	19,429
Investment revaluation and disposal of investment properties	4,249	4,630	25,155	19,168	(27)	53,175	(6,282)	46,893
Segment result	22,542	31,070	85,598	48,954	(27)	188,137	5,988	194,125
Net financing result						115,716	(13,421)	102,295
Company expenses						(9,213)	4	(9,209)
Investment expenses						(633)	6	(627)
Other income						1,611	1,140	2,751
Profit before taxation						295,618	(6,283)	289,335
Current tax						(3,856)	24	(3,832)
Deferred tax						(54,684)	6,259	(48,425)
Profit after taxation						237,078	0	237,078

(€'000)						Total	Adjustments	Total
As per 30-09-22	Belgium	France	Italy	Sweden	The Netherlands*	proportional consolidation	joint ventures	IFRS
Property investments	586,406	820,434	1,639,037	862,459	0	3,908,336	(193,701)	3,714,635
Investments in joint ventures	0	0	0	0	0	0	97,218	97,218
Tangible fixed assets	0	2,237	842	616	439	4,134	0	4,134
Receivables	8,132	35,948	9,275	4,871	779	59,005	(925)	58,080
Loan to joint ventures	0	0	0	0	0	0	9,058	9,058
Derivative financial instruments	6,832	0	62,070	4,561	0	73,463	(14,090)	59,373
Cash and deposits	2,488	9,705	18,902	31,626	2,428	65,149	(6,289)	58,860
Total assets	603,858	868,324	1,730,126	904,133	3,646	4,110,087	(108,729)	4,001,358
Creditors	11,980	33,013	33,255	30,118	2,137	110,503	(5,317)	105,186
Non-current creditors	1,861	9,759	3,082	550	6	15,258	(359)	14,899
Borrowings	285,433	220,014	801,516	329,608	0	1,636,571	(101,431)	1,535,140
Derivative financial instruments	0	0	14,546	0	0	14,546	0	14,546
Deferred tax liabilities	0	0	33,339	86,295	0	119,634	(1,622)	118,012
Put option liability non-controlling interest	61,484	0	0	0	0	61,484	0	61,484
Provision for pensions	0	0	0	0	712	712	0	712
Total liabilities	360,758	262,786	885,738	446,571	2,855	1,958,708	(108,729)	1,849,979

(€'000)						Total	Adjustments	Total
For the nine month period ended 30-09-22	Belgium	France	Italy	Sweden	The Netherlands*	proportional consolidation	joint ventures	IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	3,051	(75,070)	5,225	3,188	0	(63,606)	(2,832)	(66,438)

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

Segment information (continued)

(€'000)						Total	Adjustments	Total
For the nine month period ended 30-09-21	Belgium	France	Italy	Sweden	The Netherlands*	proportional consolidation	joint ventures	IFRS
Rental income	19,410	37,292	63,972	34,549	0	155,223	(7,797)	147,426
Service charge income	4,756	3,089	8,594	11,248	0	27,687	(1,945)	25,742
Service charge expenses	(5,131)	(3,711)	(8,442)	(11,940)	0	(29,224)	2,042	(27,182)
Property expenses	(1,684)	(11,847)	(16,495)	(3,822)	0	(33,848)	1,392	(32,456)
Net property income	17,351	24,823	47,629	30,035	0	119,838	(6,308)	113,530
Share of result of joint ventures	0	0	0	0	0	0	866	866
Investment revaluation and disposal of investment properties	(9,760)	(17,531)	(12,255)	(5,036)	(54)	(44,636)	3,909	(40,727)
Segment result	7,591	7,292	35,374	24,999	(54)	75,202	(1,533)	73,669
Net financing result						(2,092)	(493)	(2,585)
Company expenses						(8,376)	4	(8,372)
Investment expenses						(234)	7	(227)
Other income						1,370	785	2,155
Profit before taxation						65,870	(1,230)	64,640
Current tax						(2,396)	18	(2,378)
Deferred tax						(11,729)	1,212	(10,517)
Profit after taxation						51,745	0	51,745

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

(€'000)						Total	Adjustments	Total
For the nine month period ended 30-09-21	Belgium	France	Italy	Sweden	The Netherlands*	proportional consolidation	joint ventures	IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	1,491	(28,460)	13,845	2,081	0	(11,043)	(6,331)	(17,374)

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

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