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ÅRSREDOVISNING

för

ECP Valbo Holding AB

Org.nr. 556970-1070

Styrelsen har härmed upprättat årsredovisning för räkenskapsåret 2024-01-01--2024-12-31.

Innehåll Sida

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Undertecknad styrelseledamot i ECP Valbo Holding AB
intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 24 juni 2025.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Stockholm den 24 juni 2025

.....
Evert Jan van Garderen

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ECP Valbo Holding AB
Org.nr. 556970-1070

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i KSEK.

Verksamheten
Bolaget ska förvalta och direkt eller indirekt äga fastigheter och därmed förenlig verksamhet. Bolaget äger indirekt genom andelarna i ECP Valbo Centrum AB (556970-1088) och ECP Valboön-Fastigheten KB (916621-9858) fastigheter i Valbo, Gävle kommun.
Bolagets säte är Stockholm.

Flerårsjämförelse

	2024	2023	2022	2021	18 mån 2019/2020
Nettoomsättning	8 587	7 091	6 423	4 279	7 322
Res. efter finansiella poster	130	108	94	59	282
Soliditet (%)	100	100	100	100	100

*Definitioner av nyckeltal, se noter

Väsentliga händelser under räkenskapsåret
Inga väsentliga händelser har skett under året.

Förändringar i eget kapital

	Aktiekapital	Reservfond	Fritt eget kapital
Belopp vid årets ingång	50	0	394 092
Årets vinst			3
Belopp vid årets utgång	50	0	394 095

Resultatdisposition (kronor)

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	394 091 946
årets vinst	2 542
	394 094 488
Styrelsen föreslår att	
i ny räkning överföres	394 094 488
	394 094 488

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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RESULTATRÄKNING

	Not	2024-01-01 2024-12-31	2023-01-01 2023-12-31
Rörelsens intäkter m.m.			
Nettoomsättning		8 587	7 091
		8 587	7 091
Rörelsens kostnader			
Övriga externa kostnader		-8 460	-6 986
		-8 460	-6 986
Rörelseresultat		127	105
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		1	1
Övriga ränteintäkter och liknande resultatposter		3	3
Räntekostnader och liknande resultatposter		-1	-1
		3	3
Resultat efter finansiella poster		130	108
Bokslutsdispositioner			
Lämnade koncernbidrag		-127	-105
		-127	-105
Resultat före skatt		3	3
Skatt på årets resultat		-0	0
Årets resultat		**3**	**3**

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BALANSRÄKNING

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	3	393 886	393 885
Summa finansiella anläggningstillgångar		393 886	393 885
Summa anläggningstillgångar		393 886	393 885
Omsättningstillgångar			
Kortfristiga fordringar			
Aktuell skattefordran		145	141
Summa kortfristiga fordringar		145	141
Kassa och bank			
Kassa och bank		505	407
Summa kassa och bank		505	407
Summa omsättningstillgångar		650	548
SUMMA TILLGÅNGAR		**394 536**	**394 433**
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		50	50
Summa bundet eget kapital		50	50
Fritt eget kapital			
Balanserat resultat		394 092	394 089
Årets resultat		3	3
Summa fritt eget kapital		394 095	394 092
Summa eget kapital		394 145	394 142
Avsättningar			
Uppskjuten skatteskuld		1	1
Summa avsättningar		1	1
Kortfristiga skulder			
Skulder till koncernföretag		283	172
Övriga skulder		107	118
Summa kortfristiga skulder		390	290
SUMMA EGET KAPITAL OCH SKULDER		**394 536**	**394 433**

NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Lättnadsreglerna har tillämpats. Principerna är oförändrade jämfört med föregående år.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Ränta och utdelning
Ränta redovisas med tillämpning av effektivräntemetoden. Utdelning redovisas när aktieägarens rätt att få utdelning bedöms som säker.

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.
Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatt beräknas på temporära skillnader. En temporär skillnad finns när det redovisade värdet på en tillgång eller skuld skiljer sig från det skattemässiga värdet. Temporära skillnader beaktas ej i skillnader hänförliga till investeringar i dotterföretag, filialer, intresseföretag eller joint venture om företaget kan styra tidpunkten för återföring av de temporära skillnaderna och det inte är uppenbart att den temporära skillnaden kommer att återföras inom en överskådlig framtid. Skillnader som härrör från den första redovisningen av goodwill eller vid den första redovisningen av en tillgång eller skuld såvida inte den hänförliga transaktionen är ett rörelseförvärv eller påverkar skatt eller redovisat resultat utgör inte heller temporära skillnader.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

Avsättningar
Avsättningar redovisas när det finns en legal eller informell förpliktelse till följd av en tidigare händelse, det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen och beloppen kan uppskattas på ett tillförlitligt sätt. Tidpunkten eller beloppet för utflödet kan fortfarande vara osäker.

Avsättningar för omstruktureringar redovisas bara om en fastställd och utförlig omstruktureringsplan har utarbetats och införts, eller om företaget minst har offentliggjort planens huvuddrag till dem som berörs av den. Avsättningar redovisas inte för utgifter som hör samman med den framtida verksamheten.

En avsättning redovisas till den bästa uppskattningen av det belopp som krävs för att reglera förpliktelsen på balansdagen. Avsättningar tas endast i anspråk för de utgifter som avsättningen ursprungligen var avsedd för. Avsättningar diskonteras till sina nuvärden där pengars tidsvärde är väsentligt.

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NOTER

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2	**Medelantal anställda**	**2024**	**2023**
	Medelantal anställda har varit	0	0

Not 3	**Andelar i koncernföretag**	**2024-12-31**	**2023-12-31**
	Ingående anskaffningsvärde	393 885	393 884
	Resultatandel	1	1
	Utgående ackumulerade anskaffningsvärden	393 886	393 885
	Utgående redovisat värde	393 886	393 885

Not 4	**Ställda säkerheter**	**2024-12-31**	**2023-12-31**
	Pantsatta aktier i dotterbolag	393 886	393 885
	varav till förmån för koncernföretag	*393 886*	*393 885*

Not 5	**Eventualförpliktelser**	**2024-12-31**	**2023-12-31**
	Borgensförbindelser till förmån för koncernföretag	441 650	441 650

Not 6 Koncernförhållanden

Bolaget ägs av Eurocommercial Properties Sweden AB (org nr 556602-1712). Det översta bolaget i koncernen är Eurocommercial Properties N.V. reg nr 33230134, Nederländerna. Koncernredovisning upprättas i det högsta bolaget i koncernen.

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.

Not 7 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

Stockholm 2/6 2025

Evert Jan van Garderen
Ordförande

Roberto Fraticelli

Vincent Meijer

Vår revisionsberättelse har lämnats den 13/6-25

KPMG AB

Sara Ryfors
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i ECP Valbo Holding AB, org. nr 556970-1070

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för ECP Valbo Holding AB för år 2024.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av ECP Valbo Holding ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till ECP Valbo Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för ECP Valbo Holding AB för år 2024 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till ECP Valbo Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg 2025-06-13

KPMG AB

Sara Ryfors
Auktoriserad revisor

Kopian överensstämmer med originalet handlingen

Tom

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Corporate Governance

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

General Meeting of Shareholders

The General Meeting of Shareholders has overriding powers on such matters as changes to the Company's Articles of Association, adoption of the accounts and result allocation. It also has powers regarding the appointment, suspension, dismissal and remuneration of members of the Board of Management and the Supervisory Board. Shareholders are entitled to attend and to vote at the General Meeting of Shareholders. Each share confers the right to cast one vote at the General Meeting of Shareholders. Resolutions are adopted with a simple majority of votes cast without any quorum requirements, unless Dutch law or the Articles of Association prescribe a larger majority or a quorum.

Every year, at least one General Meeting of Shareholders must be held within six months after the end of the financial year. Additional General Meetings of Shareholders may be held throughout the year. General Meetings of Shareholders are convened by the Board of Management or the Supervisory Board. Furthermore, upon written request by shareholders who solely or jointly represent at least 10% of the issued share capital, which request must specify the items to be considered, the Board of Management and the Supervisory Board shall be required to convene a General Meeting of Shareholders. If the Board of Management and Supervisory Board fail to do so in a timely manner, those shareholders can be authorised by a competent Dutch court to convene a General Meeting of Shareholders themselves.

The notice calling a General Meeting of Shareholders must specify the agenda for the meeting. The agenda shall contain such items as the persons convening or requesting the meeting decide. Furthermore, shareholders whose shares solely or jointly represent at least (i) 1% of the issued share capital, or (ii) a value of EUR 50 million, may request the Board of Management and Supervisory Board in writing and no later than on the sixtieth day prior to the date of the General Meeting of Shareholders, to include certain items on the agenda.

General Meetings of Shareholders are held in Amsterdam, Rotterdam, The Hague or the municipality of Haarlemmermeer (Schiphol Airport). The meetings are chaired by the Chairman, in principle being the chairman of the Supervisory Board. The Secretary appointed for the meeting will take minutes of the proceedings at the meeting. The minutes will be signed by the Chairman of the meeting and by the Secretary. In principle, the minutes will be published on the Company's website within three months after the meeting.

Supervisory Board

In the year under review, the Supervisory Board comprised until 11 June 2024 Mr. Bas Steins Bisschop, Chairman of the Supervisory Board, Mrs. Emmanuèle Attout, Mrs. Karin Laglas and Mr. Bernard Roelvink. Mr Steins Bisschop stepped down per the date of the Annual General Meeting which took place on 11 June 2024, as the term of his appointment had lapsed; Mr Bernard Roelvink succeeded him per that date as Chairman of the Supervisory Board.

The Supervisory Board's primary task is to supervise the Board of Management's policies and the general course of affairs and activities of the Company and to provide advice and guidance to the Board of Management. In pursuing these responsibilities, the Supervisory Board acts in the best interests of the Company and its business enterprise, while taking into account the interests of all stakeholders. Supervision focuses on the vision of the Board of Management on sustainable long-term value creation for the Company, the related strategy and policies, and the achievement of corporate goals. In addition, the Supervisory Board supervises the proper management of internal risks and execution of control structures, the property, financial and sustainability reporting process, and legal and regulatory compliance. Furthermore, the Supervisory Board prepares the remuneration policy of the Board of Management

Kopian överensstämmer med originalet Advokat

and Supervisory Board and proposes the individual remuneration of the Board of Management members according to the policy and remuneration proposals approved by the General Meeting of Shareholders. Under powers granted to it by the General Meeting of Shareholders for the period to 12 December 2024, the Board of Management, subject to the approval of the Supervisory Board, is authorised to issue new shares up to a maximum of 10% of the issued share capital and to determine the terms of issue, including the power to limit or exclude the pre-emptive rights of existing shareholders. Mutatis mutandis the same applies to the granting of rights to subscribe for shares.

The Supervisory Board determines the number of Managing Directors and Supervisory Directors of the Company. The members of the Supervisory Board are appointed by the General Meeting of Shareholders from a binding nomination drawn up by the Supervisory Board. The General Meeting of Shareholders may overrule the binding nature of this nomination with a majority of at least two/thirds of the votes cast, representing more than half of the issued share capital, following which the General Meeting of Shareholders will be free in its appointment. The General Meeting of Shareholders is also authorised to suspend and dismiss Supervisory Directors. A resolution by the General Meeting of Shareholders to dismiss or suspend a Supervisory Director can be passed with a simple majority of the votes cast, representing at least one half of the issued share capital.

Pursuant to the Articles of Association, the Supervisory Directors retire under a rotation scheme. Any proposal for appointment or reappointment to the General Meeting of Shareholders shall be properly explained. In the case of a reappointment, account will be taken of the candidate's performance and functioning as a Supervisory Director. The rules and regulations of the Supervisory Board stipulate that the maximum term in office is 12 years. The Code provides for the basic principle that Supervisory Directors are appointed for a period of four years and can be reappointed for another four-year period. After that, reappointment is possible for a maximum term of two-years, which may be extended by another two-year term.

The General Meeting of Shareholders determines the remuneration of members of the Supervisory Board. All members of the Supervisory Board are independent in accordance with the Code.

The Supervisory Board meets according to a fixed schedule of meetings. In the financial year under review, the Supervisory Board met ten times. There are special meetings including those dedicated to a discussion – without the Board of Management being present – of the Supervisory Board's own functioning, the functioning of its committees, the relationship with the Board of Management and the composition, assessment and remuneration of the Board of Management. The Supervisory Board profile to which the members of the Supervisory Board are expected to comply will be evaluated annually and, where necessary, revised.

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

The Supervisory Board has established two permanent committees from among its members: the Audit Committee and the Nomination and Remuneration Committee. The charters for these committees are attached to the rules and regulations of the Supervisory Board. In addition to these permanent committees, the Supervisory Board may establish ad hoc committees.

The Audit Committee consist of all members of the Supervisory Board. The Audit Committee, among other things, monitors the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems, the functioning of and relationship with the external auditor and the functioning of the internal audit function. The Audit Committee prepares the Supervisory Board's decision-making regarding the supervision of abovementioned subjects. Further information on the role and functioning of the Audit Committee can be found on page 201.

Corporate Governance (continued)

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The Nomination and Remuneration Committee consists of all members of the Supervisory Board. The Nomination and Remuneration Committee, among other things, prepares the Supervisory Board's decision making regarding the selection and appointment of Managing Directors and Supervisory Directors, their performance and succession as well the remuneration policy of the Board of Management and Supervisory Board and their renumeration. Further information on the role and functioning of the Nomination and Remuneration Committee can be found on page 202.

Board of Management

The Board of Management (consisting of Evert Jan van Garderen and Roberto Fraticelli) is responsible for managing the Company and its subsidiaries. The Board of Management is responsible for the business continuity of the Company and sets the strategy and policies for the Company to achieve sustainable long-term value creation. It is accountable for the pursuit and achievement of corporate goals and objectives of the Company and its subsidiaries, its strategy and policies. In addition to determining strategy and its implementation, the Board of Management optimises the risk management and control of the Company, its financing and ensures that the Company and its subsidiaries comply with legal and other applicable regulatory requirements. In pursuing these responsibilities, the Board of Management acts in the best interests of the Company and its subsidiaries, while taking into account the interests of all stakeholders.

The members of the Board of Management are appointed by the General Meeting of Shareholders from a binding nomination drawn up by the Supervisory Board. The General Meeting of Shareholders may overrule the binding nature of this nomination with a majority of at least two/thirds of the votes cast, representing more than half of the issued share capital, following which the General Meeting of Shareholders will be free in its appointment. The General Meeting of Shareholders is also authorised to suspend and dismiss Managing Directors. A resolution by the General Meeting of Shareholders to dismiss or suspend a Managing Director can be passed with a simple majority of the votes cast, representing at least one half of the issued share capital. Managing Directors may also be suspended by the Supervisory Board.

Managing Directors are appointed for a maximum period of four years and may be renewed. The Board of Management's remuneration is determined in line with the remuneration policy set out in the Remuneration Report and as adopted by the General Meeting of Shareholders at the proposal of the Supervisory Board. Key indicators for their remuneration are based on aligning the Board of Management's interests with those of the stakeholders. The remuneration of the members of the Board of Management is determined by the General Meeting of Shareholders, with due observance of the remuneration policy. The amount of compensation that a member of the Board of Management may receive on termination of his or her employment may not exceed one year's base salary. The Supervisory Board annually prepares a Remuneration Report which is posted on the Company's website.

Evert Jan van Garderen, Chief Executive Officer
Evert Jan van Garderen (63) joined Eurocommercial in 1994 after experience in a major law firm and an international investment group. He held the position of Chief Financial Officer from 1994 until he was appointed Chief Executive Officer in November 2020. Mr van Garderen, a graduate of Erasmus University Rotterdam, is both a Chartered Accountant and a qualified lawyer.

Roberto Fraticelli, Chief Financial Officer
Roberto Fraticelli (53) joined Eurocommercial in 1998. He was appointed Chief Financial Officer in November 2020 and holds the position of Head of Italy since 2016. Mr Fraticelli holds a university degree in Business Administration from the LUISS University (Rome), a degree in Political Science from the University of Amsterdam and an Executive MBA from the Erasmus University Rotterdam. He is also a Chartered Surveyor.

External auditor

The external auditor is appointed by the General Meeting of Shareholders. The external auditor

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

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

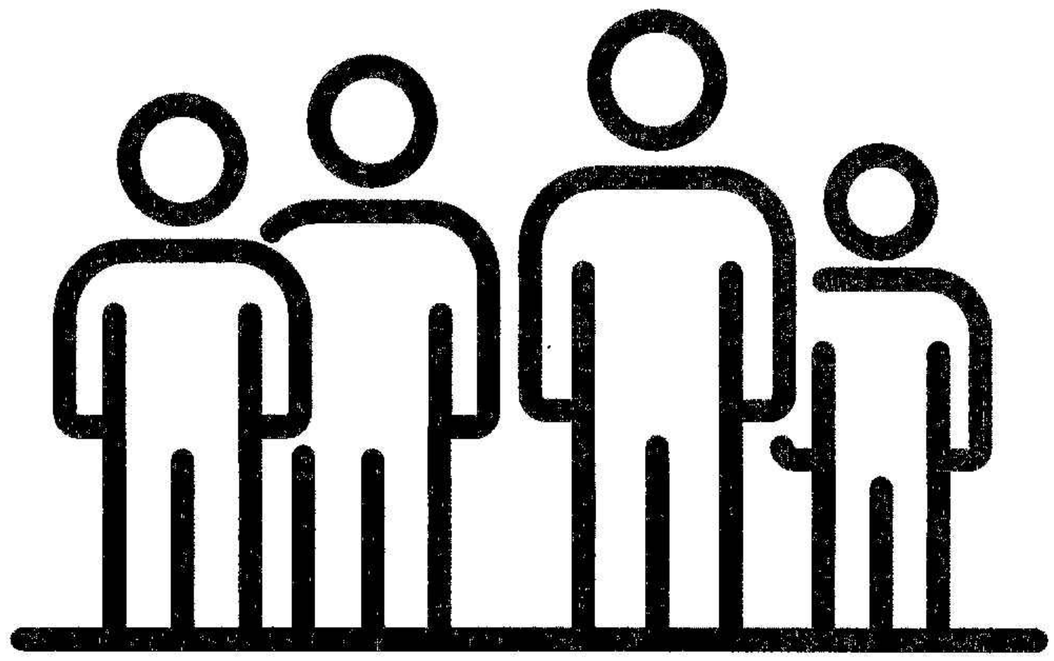
KPMG Accountants N.V. were reappointed as the Company's auditors by the General Meeting of Shareholders in June 2024 for the financial year 2025.

According to the European and Dutch legislation, the engagement period for an audit firm should not exceed ten financial years, followed by a four-year cooling-off period. The last financial year that the Company's external auditor KPMG Accountants N.V. could act as its auditor is the financial year 2025.

The Audit Committee started an external audit tender process in the fourth quarter of 2023. Based upon the aforesaid, the Supervisory Board, upon the recommendation of the Audit Committee and the Board of Management, proposed to appoint Ernst & Young Accountants LLP ("EY") as external auditors of the Company for the financial year ending 31 December 2026. The proposed appointment of EY Accountants LLP as the Company's auditor for the financial year 2026 was approved by the General Meeting of Shareholders in June 2024.

Corporate governance best practice

The Code is based on the "comply or explain" principle. In case of non-compliance with the Code, the reasons for and extent of such non-compliance must be explained. The only principles and best practice provisions of the Code with which the Company does not fully comply and which require an explanation are:



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

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

Corporate Governance (continued)

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Corporate responsibility

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

The Company is committed at both the corporate and operational level to minimising the impact of its business activities on the environment. The Company discloses its energy and water consumption, waste production and greenhouse gas emissions on an annual basis. For more details reference is made to the ESG section of the Annual Report.

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

Organisation, culture and long-term value creation

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

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

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

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

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

Remuneration

The current remuneration policy for the Board of Management was adopted by the General Meeting of Shareholders on 14 June 2022. The current remuneration policy for the Supervisory Board was adopted by the General Meeting of Shareholders on 8 June 2021. Under these policies Supervisory Directors receive a fixed fee and Managing Directors may be entitled to variable pay in addition to their base salaries. This variable pay, like that of the senior managers, is directly linked to the annual growth in the Company's adjusted net asset value, the annual total return and annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as to two ESG key performance indicators. These growth percentages, if any, and ESG KPIs are used to calculate the variable pay as a percentage of base salary. Since 2012, a Performance Share Plan has been in place for Managing Directors, regional directors and permanent staff of the Company. Under this scheme, conditional shares receipts may be granted from time to time, but these only vest after three years have lapsed from the date of granting, provided certain targets are met. After vesting, these shares are blocked for another two years. The remuneration policy is set out in the Remuneration Report posted on the Company's website. A summary of the Remuneration Report is included in the Report of the Supervisory Board on page 200.

Risk Management

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Internal risk management and control system

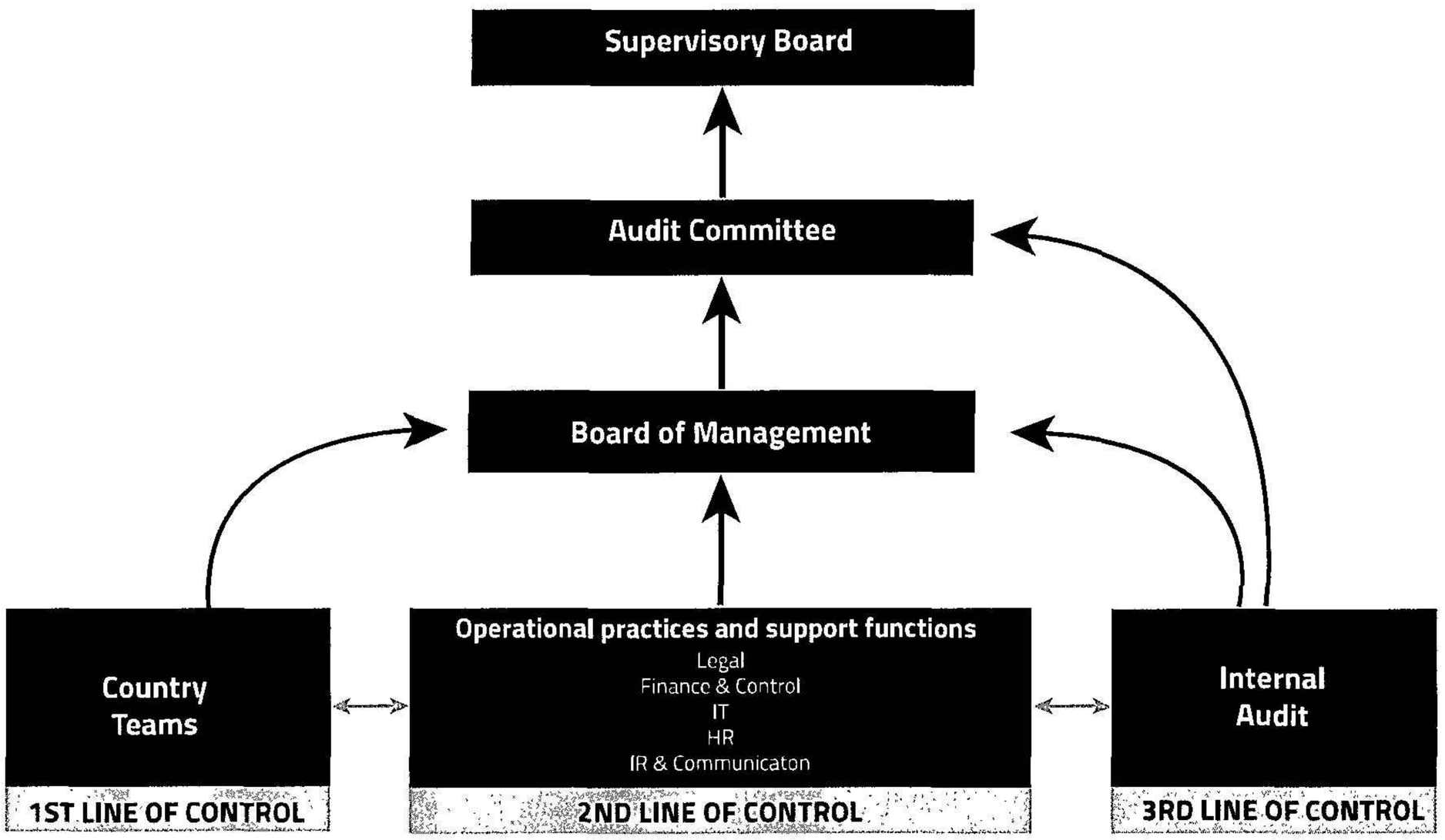
The Company's management structure and corporate strategy are designed to support long-term value creation, including the maximisation of shareholder value, while mitigating risks within the defined risk appetite. With a long-term investment horizon, the Company actively monitors and manages risks arising from its investment policies through a robust internal risk management and control system.

Well established controls and procedures are in place covering the implementation of its policies and the monitoring of the related results and implications. Pplicies, guidelines, reporting systems, and segregation of duties are currently in place to enable the above mentioned controls.

The internal risk management and control system at Eurocommercial Properties is designed to:

- Clearly identify the risks associated with the Company's operations, assess their likelihood and potential impact on the Company's value, assets, and reputation.
- Establish and maintain an effective control environment to monitor, prevent, and mitigate risks.
- Ensure the effective implementation of the Company's corporate strategy.
- Promote efficient and effective corporate processes aligned with business objectives.
- Safeguard the value of corporate assets.
- Ensure the reliability and integrity of financial and management information.
- Ensure compliance with all applicable laws and regulations.

The following table summarise the internal risk management and control system of the Company:



The Supervisory Board oversees the design, implementation, and effectiveness of the control system. It is supported by the Audit Committee, composed of all members of the Supervisory Board, which monitors the Company's risk exposure and evaluates management's mitigation measures.

The Audit Committee specifically assists the Supervisory Board in:

- Verifying that all executive teams across operating countries have identified and assessed risks and implemented appropriate risk management systems.
- Validating the adequacy and effectiveness of risk controls.
- Ensuring clear segregation of duties for risk ownership and mitigation.
- Promoting a strong risk-aware culture across the Group.
- Providing input on the Company's risk appetite and tolerance.
- Monitoring the Company's overall risk profile.

The Audit Committee also supports the Supervisory Board in overseeing the integrity and quality of both financial and sustainability reporting, and the performance of the internal risk management and control systems.

In addition to these responsibilities, the Audit Committee:

- Monitors the financial and sustainability reporting process and proposes measures to ensure its integrity.
- Oversees the effectiveness of the Company's internal control systems, including the internal audit and risk management functions as they relate to financial and sustainability disclosures.
- Approves the Internal Audit Plan and monitors its implementation and findings.

The Audit Committee meets at least quarterly with all Supervisory Board members in attendance. The Board of Management is invited to these meetings as necessary. The meetings include discussions on the progress of the audit plan and findings from both internal and external audits.

The Board of Management ensures that each local team:

- Has identified and assessed the relevant regional risks.
- Has implemented appropriate risk management systems.
- Has validated control levels for each identified risk.
- Has established clear segregation of duties and defined responsibilities.
- Has appointed risk owners for all material risks.

Local teams act as the first line of control. A comprehensive Internal Control Manual, accessible via the Company's intranet, provides detailed operational procedures for each country. It outlines key controls, responsibilities, segregation of duties, and approval structures. The manual addresses both business operations (e.g., lease agreements, shopping centre management, assets valuation, investment execution) and corporate functions (e.g., procurement, budgeting, variance analysis).

Special emphasis is placed on treasury and financial activities to minimise fraud risks. Stringent payment procedures are enforced, with most Group payments requiring dual authorisation by senior signatories at the Amsterdam head office.

The second line of control includes operational support departments such as Legal, Treasury, Finance and Control, IT, HR, Investor Relations, and Communications. Key elements of the internal control systems are designed to enable effective and collegiate decision-making, monthly review of important indicators, such as turnover in shopping centres, rent collection, vacancy, arrears and doubtful debtors, and weekly meetings between the Board of Management and the Country Directors and senior staff to review each country's performance against budgets and long-term financial plans.

All significant property, corporate, and financial decisions are discussed during regular Board of Management meetings, attended by senior management from each country, leasing, finance, technical, marketing, research departments, and the Group Economist. Topics under review

Risk Management (continued)

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include acquisitions, renovations, leasing, asset management, disposals, fundraising, and financing, all assessed for financial impact, strategic alignment, and contribution to long-term value.

Strict procedures guide the preparation of monthly, quarterly, and annual financials, based on adopted policies. The internal reporting system is designed to promptly detect changes in investment value and operating results, supported by integrated data management software and cloud-based systems. A backup and recovery plan is in place to ensure data security and business continuity.

Recognising the importance of safeguarding IT system integrity, the Company continues to invest in digitalising operations, strengthening data security to mitigate business disruption and cyber threats, and ensuring compliance with privacy laws and best practices.

The third line of control is the Internal Audit, an independent function reporting directly to the Audit Committee. Due to the Company's size, internal audit activities are outsourced to a reputable audit firm. The Internal Audit, guided by the approved annual audit plan, evaluates the effectiveness of the risk management and control systems and makes recommendations for improvement.

MAIN RISK FACTORS

The Company identified 23 main material and specific risks, that are grouped in the following four macro categories:

- macro and strategic risks
- operational risks
- financial risks
- compliance and reputation risks.

These risks have been selected on the basis of their impact and probability, before taking into account risk management and internal control mechanisms put in place by the Company and are summarised in the table below.

Category	Risk Factor	
Macro and strategic risks	• Global economy/Occurrence of global events (i.e. a pandemic) • Environmental risks • Evolution of retail market	• Country and sector weighting of assets • Timing of investments and disinvestments
Operational risks	• Asset selection • Counterparty risk • Tenant selection and credit risk • Physical condition of properties • Property extension/redevelopment risk	• Business Ethics • Health & Safety • Human Capital • Cybersecurity
Financial risks	• Credit risk • Interest rate risk • Access to capital resources	• Refinancing and liquidity risk • Foreign currency risk
Compliance and reputation risk	• Taxation • Reporting risk	• Compliance with national and European Regulation • Compliance with ESG reporting requirements

For each risk identified, we have indicated a description of the risk, its impact on the Company and the risk mitigation measures taken.

Macro and strategic risk

Global economy/Occurrence of a global event (i.e. pandemic)

Description

Macroeconomic factors have a significant impact on the Company's activity. They can also be influenced by geopolitical changes. Negative macroeconomic trends and their impact on the labour market and purchasing power can affect footfall and retailers' sales within the Company's shopping centres. This could reduce the possibility to increase rents in renewals or relettings and lead to a decrease of the variable rents based on the retailers' sales.

Severe recessions could lead to bankruptcies of retailers and/or financing banks, requiring the Company to take compensative measures such as to grant temporary discounts.

COVID-19 or other pandemics can result in the (temporary) closures of shopping centres and further restrictions for visitors.

Impacts

Macroeconomic factors and global events, such as a pandemic, could significantly impact the financial results, the financial position and the value of the Company's share price as a consequence of:

- retailers' insolvencies or bankruptcies;
- lower turnover rents;
- rent concessions;
- decisions by tenants to reduce or cease their operations;
- ongoing local or national operational restrictions, such as opening times restrictions, ongoing closure of assets;
- temporary or permanent closure of assets.

Risk mitigation measures

The geographical diversification of the Company's portfolio in four European countries and the diversification of tenants mitigate the risk of averse macroeconomic changes and the impacts of global events such as a pandemic.

Furthermore the Company from the beginning decided to invest in properties located in wealthy areas and dominant in their catchment areas to reduce the potential impact on footfall and turnovers of economic downturns.

The risk of tenants' bankruptcy, in addition, is addressed by a strict tenants' selection procedure before the signing of a lease contract and a regular monitor of their financial performance both at corporate and at asset level for the length of the lease.

Monthly reviews of turnovers and occupancy cost ratios of each tenant are performed to timely identify critical situations and implement case by case solutions.

Risk Management (continued)

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Environmental risks

Description

As owner and manager of real estate assets, the Company is subject to some environmental risks. Climate change poses a risk to our assets, tenants, investors and local communities, potentially leading to an increase in number of extreme weather events like storms, floods, droughts, heat waves and fires. Carbon emissions, energy usage, waste management and water consumption related to the exploitation of the properties are subject to increasing stringent regulatory requirements imposed by international and national institutions. Also the expectations and the pressure of investors and other stakeholders have significantly increased in the last few years, setting ambitious sustainability targets for all market participants in the medium term.

Impacts

Climate change can pose threats to properties, to tenants' operations and to the safety of employees, tenants and clients, potentially affecting the reputation and the attractiveness of the centres.

Climate change in addition could have an impact on the earnings, cash flows and value of the properties as a result of:

- temporary or permanent closure of assets arising from natural events;
- higher cost for adaptation, maintenance, refurbishment and construction capex to meet higher standards of efficiency of assets;
- higher operating costs for heating and air conditioning;
- higher cost for insurance premiums.

Non-compliance with existing and future regulations on carbon emission, energy usage, water consumption, waste management, etc. and/or failure to achieve the foreseen sustainability targets could:

- generate regulatory penalties for the Company;
- reduce the value of the assets;
- increase the cost of refinancing of the existing debts;
- damage the reputation and the attractiveness of the Company among equity investors and other key stakeholders.

Risk mitigation measures

The Company's ESG and business strategies are aligned and the business decisions are approached with a long term view, carefully evaluating their environmental and socio-economic impact.

The Company set ambitious ESG targets for 2030 to demonstrate its commitment to address environmental concerns and ensuring compliance with both regulatory and societal expectations. Climate and related risks are carefully monitored and detailed action plans are approved and implemented to mitigate the risks identified. Physical climate risks are evaluated during our risk assessments at asset level, which are aligned with the international BREEAM In-Use framework. We have completed a portfolio wide analysis conducted also through the support

of external experts to identify potential physical climate change risks impacting the Company. Detailed reports were received outlining the strategies to mitigate these risks. Mitigation plans are integrated into the property-level business plans and are updated on a periodical basis. The Company's approach on energy usage is closely aligned with the CRREM pathways, ensuring that long-term energy reduction targets are in line with the Paris Agreement goals. Energy management action plans are set for all assets, involving energy optimisation actions and investments in energy efficient equipment. On carbon emissions, the Company actively invests in low carbon technologies and strengthens its tenants' engagements to promote renewable energy adoption. All our properties have been assessed or are undergoing recertification under the BREEAM In-Use V6 protocol. To date, 90% of our properties (as a percentage of floor area) have been certified, with 50% achieving an 'Excellent' rating and 50% receiving a 'Very Good' rating. In 2024, the Company increased the number of its green and sustainability loans. We are progressively increasing our on-site renewable energy production capacity and the use of "Green leases" to engage tenants in a more sustainable behaviour. Furthermore, we developed specific action plans for each centre to promote the use of electric vehicles and public transport. Pursuant to the Corporate Sustainability Reporting Directive (CSRD), the Company undertook a double materiality assessment which was completed in the third quarter of 2024 and identified the following key ESG topics to evaluate Eurocommercial's impact on the environment and society:

- Environmental (building adaptation for climate risk, carbon emissions and energy usage);
- Social (health & safety, customer engagement);
- Governance (business conduct).

However, the recently published Omnibus Proposal of the European Commission, if endorsed by the European Council and the European Parliament, will on the basis of the currently available information imply that Eurocommercial is no longer in scope for the CSRD. We are monitoring the further developments to understand what will be applicable for the Company. Meanwhile, we will continue with the planned ESG activities. For more information on the results of the Double Materiality assessment and in general on the Company's sustainability policies please refer to the ESG Section of this report.

Risk Management (continued)

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Evolution of the retail market

Description

E-commerce has shown a steady increase over the past years in the countries where the Company operates its shopping centres. Although physical retail still forms the foundation of the retail business, consumption habits could evolve in an adverse way for the physical distribution channels and the brick-and-mortar businesses.

Impacts

A significant growth of online retail could have a negative impact on footfall and retailers' sales, affecting the valuation of the assets and the earnings of the Company.

Risk mitigation measures

The Company owns shopping centres which have a well balanced and broad tenant mix of shops and a strong supermarket/ hypermarket anchor for daily shopping needs. Notwithstanding the increased use of online shopping during the lockdowns, customers have returned to our shopping centres with a full recovery of retail sales. In addition, a growing number of retailers have developed an omnichannel strategy, offering their products and services on all available channels, platforms and devices to provide their customers with a seamless purchase experience. The Company is actively supporting these retailers adapting their store formats and increasing the attractiveness of their shops. The Company in addition implemented a number of initiatives aimed at giving the customers more reasons to visit the centres and stay there longer, by adapting constantly the mix of retail and services to meet the communities' needs, increasing the food and entertainment offer and organising events. The Company also offers in its centres the possibility to shop on line and a pickup service in dedicated spaces. The Company is also using digital technology to collect and analyse data in order to monitor the evolution of the customers' needs and offer new services to better meet their expectations.

Country and sector weighting of assets

Description

The allocation of capital among countries and assets is crucial to assure a risk/rewarding diversified profile of the portfolio coherent with the REIT nature of the Company and with the targets set by the Board of Management.

Impacts

In case of an unexpected economic downturn in a country or a change in the behaviour of local customers, a wrong asset allocation and/or an excessive geographical and sectorial concentration of investments could affect the internal return from some investments and have a negative impact on the value of the property portfolio and on the share price of the Company.

Risk mitigation measures

The Company invests in a relatively predictable real estate sector (retail) and in relatively and stable economies (Belgium, France, Italy and Sweden) to minimise the economic and political risks. By limiting the number and types of sectors and countries in which the Company operates, management can maintain a high level of understanding and insight into how the assets perform, which in turn reduces risk. The diversification achieved by investing in these countries, both in provincial and major cities, further reduces risk, as well as the spread among a large number of tenants, with a relatively small exposure to any one single tenant (the largest exposure to one single tenant is 4.1% of total portfolio rent).

Timing of investments and divestments

Description

As timing is a fundamental factor in the investment and divestment process, management takes into account the broadest possible parameters, whether economic, political or fiscal to monitor the evolution of the local economies and markets.

Impacts

An incorrect timing in investment and divestment could result in a loss of opportunities, but also in a deterioration of results and in the occurrence of impairment losses negatively affecting the long term performance and the value of the shares of the Company.

Risk mitigation measures

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

Risk Management (continued)

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Operational risk

Asset selection

Description

A correct asset selection enables the Company to optimise the performance of its portfolio and the return from investments in the long term.

Impacts

An incorrect assessment of the quality and/or of the potential of assets could lead to wrong investment decisions and affect the internal rate of return of the investments and the valuation of the Company's portfolio.

Risk mitigation measures

The Company seeks to minimise risks by investing in properties where rents are affordable, buffering a potential downturn in consumer spending and at a yield that provides an adequate return in light of financing costs. Management conducts a thorough due diligence on the assets before an acquisition is made, assisted by external parties including property consultants, lawyers, surveyors, tax advisers and accountants.

Counterparty risks

Description

The Company is exposed to the risk of doing business with parties that are found not to operate in good faith, are fraudulent or have a bad reputation. It also concerns the risk of our employees being part of a fraudulent transaction.

Impacts

Non-compliant or illegal behaviours of the counterparties and employees could have an adverse impact on the operations and cause a reduction of the stakeholders' trust with a negative impact on the reputation of the Company. They could also generate a negative impact on earnings as a consequence of possible litigations with the counterparties and the application of sanctions by public authorities.

Risk mitigation measures

The Company only wishes to do business with parties of good standing and reputation. A Know Your Counterparty (KYC) check is a standard element of the due diligence process for acquisitions and divestments, as well as for new lease contracts, new suppliers or for entering into new partnerships. The Company's Code of Business Conduct provides the core rules for management and staff exposed to counterparty risks.

Tenant selection and credit risk

Description

Leasing and rent collection are the core activities of the Company. They generate stable cash-flows which are essential in supporting the valuation of the properties' portfolio and for the remuneration of lenders and shareholders. The ability of the Company to achieve its rent and collection targets mainly depends on the solvency of the tenants, which is evaluated before the signing and during the life of the lease contracts.

Impacts

An unsatisfactory tenant selection and/or an ineffective monitoring of their performance can significantly impact the occupancy and the cash-flow generation of the centres and affect the earnings and the financial position of the Company.

Risk mitigation measures

The creditworthiness of tenants is researched thoroughly. Bank guarantees or deposits are always required in Belgium, France and Italy, but not in Sweden where this is not market practice. Property performance is reviewed by analysing monthly retail sales and visitor numbers, vacancies and arrears. Such information enables the Board of Management to make prompt judgement about how a tenant is performing and its impact on the performance of the rest of the centre. The credit risk associated with lease debtors is determined through a detailed analysis of the tenant's outstanding debt. The credit risk has also been reduced by investing in mature markets and by choosing major tenants on the basis of their financial strength.

Physical condition of properties

Description

Good physical condition of the properties is fundamental to be able to offer high standard services to tenants and customers and to prevent casualties and accidents.

Impacts

A low level of maintenance and efficiency of the shopping centres could reduce the attractiveness of the properties portfolio and affect the Company's commercial reputation.

Poor maintenance conditions could also generate an interruption of the regular activities of the centres with a loss of income for the tenants or cause damage and injuries to visitors and employees that the Company could be obliged to indemnify.

A discontinued and irregular maintenance could also generate a failure to comply with relevant local health and security regulations and result in the application of fines and penalties from public authorities.

Risk mitigation measures

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

Risk Management (continued)

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Property extension/redevelopment risk

Description

The Company aims to increase the value for the shareholders also through the extension or the redevelopment of existing centres. In most countries the process for obtaining the administrative, building and lease authorisations takes many years and presents significant risks. A delay of a project due to the difficulty in obtaining all the necessary authorisation could generate construction cost increases and revenue reductions, due to the change in the economic or market conditions originally considered.

Impacts

A prolongment of the extension/redevelopment activities could negatively impact the yield on cost and generate a return on the investment lower that the one originally targeted. In certain circumstances a significant change of market conditions due to a delay in obtaining the permits could even induce the Company to abandon the project, with the write-off of the expenses already incurred and, potentially, the sale of the land area at a price lower than the acquisition cost.

Risk mitigation measures

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

Business Ethics

Description

As the Company does business with a big variety of stakeholders, including business counterparties and local and national institutions and authorities, a potential risk of corruption, bribery or fraud exists, as well as a risk of money laundering and of financing of terrorism.

The high number of stringent national and international regulations, in addition, expose the Company to a potential risk of non-compliance, with particular reference to:

- anti-trust regulations.
- non-transparency in the reporting of lobbying activities.
- breach of customers' personal data.

Impacts

Failure to prevent fraud or corruption events and the non-compliance with local, national or international legislation could impact negatively the reputation of the Company, affecting the stakeholders' trust and also lead to financial or administrative sanctions.

Risk mitigation measures

The Company applies a rigorous "zero tolerance" approach towards bribery, fraud and corruption.

Detailed local control procedures are in place in each country to prevent and detect fraud attempts and dedicated training is provided to the employees on the general principles of business ethics and the prevention of corruption and bribery.

Fraud awareness is raised throughout the years and illustrated by real cases shared with all concerned employees.

Interactions with business partners are subject to the "KYC" procedure to evaluate third parties' exposure to corruption and/or sanctions.

The Company implemented a secure payment procedure and a secure procedure for the opening, changing and closing of bank accounts.

An anonymous alert system (whistleblowing) is available for employees.

Employees are regularly involved in training and refresher courses to be always updated with the latest legislation and regulations.

Risk Management (continued)

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Health and safety

Description

The Company has the responsibility to provide a safe and healthy environment both in its shopping centres and in its working places.

As the shopping centres are open to the public, the Company is potentially exposed to risks of accidents affecting both clients and employees and it is also potentially exposed to terrorist acts.

Impacts

Failure to provide a healthy and safe environment to employees and clients could deteriorate the reputation of the Company, affect the attractiveness of the centres and consequently reduce footfall and tenant sales. It can also result in fines or other penalties applied by local and national bodies and in legal actions from persons injured.

The risk of riots, demonstrations or even terrorist attacks in the Company's centres could penalise their attractiveness and reduce the footfall with a negative impact on the valuations.

Risk mitigation measures

The Company has in place detailed technical procedures aimed to anticipate and prevent the risk of accidents. The personnel of the Company and of the management companies are regularly involved in training and courses covering health, safety and security risk management.

Many internal and external controls on health and safety are in place, including the periodical inspections by local authorities and fire-brigades. Audits and surveys on these matters are performed on a regular basis.

An emergency response plan for each centre has been approved and implemented.

The security situation is strictly monitored by the centre managers and regular contacts with local public authorities are maintained to prevent burglery, violent crime and terrorist attacks, or to quickly and adequately react against them.

Human capital

Description

Eurocommercial's employees are one of the most important assets of the Company for their knowledge, experience, skills and commitment. A risk exists therefore that the Company is not able to retain talent and has to recruit new resources to prepare effective succession plans for key roles.

Impacts

A low ability of the Company in attracting and retaining its employees could affect Eurocommercial's reputation, generate excessive recruitment, training and onboarding costs due to high employee turnover reducing the effectiveness and efficiency of its activity.

Risk mitigation measures

The Company runs effective onboarding programmes to ensure a quick integration of new employees and to provide them with all the means necessary to fully develop their potential, including periodical internal and external training courses and dedicated development paths. High attention is also given to the internal working atmosphere and to the workload, in order to maintain an adequate work-life balance.

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Cybersecurity

Description

Rapid technological advancements, the constant change in the cyber threat landscape and increasing digitalisation of the economic and social environments, result in greater cybersecurity risks that may potentially have an adverse impact on the Company's organisation and the achievement of its business objectives.

Impacts

A cyber-attack could lead to a partial or complete unavailability of one or more IT critical systems, affecting the regular conduct of the activity and the integrity of the data. Incapacity to guarantee the integrity of data can generate impacts in terms of market regulation and personal data protection.

In addition, cyber techniques can be used to put in place frauds which can have a negative impact on the asset of the Company.

Risk mitigation measures

The Company has approved a specific policy to manage cybersecurity risk and has implemented specific cyber risk management processes, which have been optimised taking into consideration its relatively small size and the characteristics of its activity.

The main processes utilised by the Company when conducting cybersecurity risk management, are:

- Identify potential threats and "what could go wrong" events that are often a result of malicious acts.
- Classify the levels of cybersecurity threats the Company is exposed to. A good understanding of the risk levels enables the Company to dedicate adequate action and resources to deal with the highest priority and most urgent risks.
- Create a risk-aware culture within the organisation. Risk management is an iterative process that involves engaging employees to be more aware of technology risks and their potential impact on the business objectives.

  From a cybersecurity perspective this approach strongly enhances risk awareness, also through risk management workshops, fraud workshops, and other instruments to the senior management and all employees.
- Cybersecurity risks are addressed by the Business – IT team. The team reports directly to both the Board of Management as well as the Audit Committee of the Supervisory Board.

The Company's main focus on managing cybersecurity risk is on the administrative processes and those relative to the data necessary to maintain and manage its real estate portfolio.

To align the cybersecurity objectives with the business objectives, regular evaluations are conducted. These evaluations consist of a cybersecurity risk assessment for each new digital asset implemented, also through the analysis performed by external consultants assessing and reviewing possible security risks. In the case of newly introduced critical digital assets, as an extra security measure, a full review is conducted by external consultants or auditors shortly after the asset has been taken into production.

The Company in addition entered into a specific insurance policy against cybersecurity risks, which covers losses and liabilities linked to specified cyber-related events.

Financial risks

Credit risk

Description

The Company deals with many financial counterparties in relation to:

- borrowings
- interest rate swaps
- foreign currency contracts
- deposits and cash management

A risk exists that one or more of these counterparties get in financial difficulties or even in default.

Impacts

Due to financial troubles or events of default, a financial counterparty could not be able to settle its liabilities towards the Company arising from these contracts or to repay the deposits, with a negative impact on earnings and on the net financial position of the Company.

Risk mitigation measures

The Company minimises the risks related to the possible default of its counterparties by dealing with major financial institutions for all its borrowings, interest rate swaps, foreign exchange contracts and deposits, by diversifying them by country and by institutions/ groups and by constantly actively managing its financial resources.

In addition a regular monitoring of the public rating of the financial counterparties and of their financial results is carried out on a regular basis.

Due to these measures, the Company considers the risk of incurring losses as a result of default very low.

Risk Management (continued)

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Interest rate risk

Description

As the Company's policy is to have long-term investments, the borrowings used to fund them are also long-term.

To remain flexible over the medium-long term and to avoid incurring significant break costs in case of early repayment of asset backed loans due to disposal of the assets, the larger part of the Company's loan portfolio is composed of floating rate loans. The Company is then exposed to the risk of fluctuation of interest rates (Euribor and Stibor).

Impacts

An increase in interest rates would increase the financial expenses paid by the Company and have a negative impact on earnings and on the net financial position.

Risk mitigation measures

The Company uses fixed interest rate loans, interest rate swaps and other financial instruments to manage its interest rate risk. It is Company policy to operate a defensive interest rate hedging policy to protect the Company against increases in interest rates. The Company is hedged at an average interest rate of 2.3% and only 20% of the net total borrowings are exposed to the fluctuation of the market interest rates. An increase in interest rates of 1% would therefore only have a limited negative impact of an additional annual interest expense of €2.4million, or 1.9%, of the reported direct investment result.

The interest rate risk is also addressed by an active management of the hedging contracts, which residual average maturity of about 6 years is longer that the average maturity of the loan portfolio (almost 3.5 years including the refinancings completed after the reporting date) in order to separate the interest rate risk from the refinancing risk.

Access to capital resources

Description

Poor investor sentiment also due to the perception of a high intrinsic risk of the retail real estate business, could reduce the demand and the price of the Company's shares, increase the discount to the net asset value per share and make more challenging the raising of new equity.

The raising of new equity, in addition, can be hindered also by difficult or even adverse conditions of the capital markets.

Impacts

Poor availability of new equity at acceptable prices could limit the ability of the Company to take the investment opportunities on the market without increasing its leverage and could generate a negative impact on its share price.

Risk mitigation measures

The Company adopted a prudent policy of capital allocation, deciding:

- to set the target LTV ratio at around 40%;
- to distribute a percentage of the Direct Investment Result between 65% and 85%, with a target of 75%.

To finance new investments, the Company can use the non-distributed portion of the cash generated by the operating activity. In this last respect, the Company is used to offer its shareholders the opportunity to receive the dividends in shares instead of in cash, so increasing the amount of cash available after the dividend distributions.

In case of a large investment opportunity, where market conditions do not allow the issuance of new equity at acceptable price, the Company could still evaluate to sell some assets or to enter into new joint venture agreements with other investors.

Refinancing and liquidity risk

Description

The Company's investments are financed by borrowings granted by banks with a three to ten years maturity, but preferably of ten years or more.

A tightening of credit conditions, liquidity crises or big economic downturns may affect the ability of the Company to refinance its debt at maturity.

Impacts

A difficult financial environment could oblige the Company to accept heavier conditions to refinance its debts at maturity and could require additional financial resources to repay part of its liabilities, with a negative impact on the earnings and on the value of its shares. A situation of market disruption could even affect the ability of the Company to continue its activity as a going concern.

Risk mitigation measures

The Company closely monitors the evolution of future cash flows in the short and in the medium term, both at consolidated and at local level, to fully comply with its financial commitments and maturities and to avoid the occurrence of any cash shortfall. In order to reduce liquidity risk the Company has adopted a strategy of spreading the debt maturity profile of its borrowings and the relative repayment dates. Moreover, in some cases the Company has at its disposal flexible long-term borrowings (which allow no penalty repayments and re-drawing of funds up to agreed amounts) and short-term committed and uncommitted lines. An analysis of the liquidity risk related to future out flows due to interest payments, repayment of borrowings, rental deposits and payments to other creditors is provided in note 20 (financial instruments) of the consolidated financial statements.

Risk Management (continued)

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Foreign currency risk

Description

The main part of Company's assets and transactions are denominated in Euro, which is also the functional value of its financial reporting.

The only significant foreign currency exposure for the Company is related to Swedish assets and transactions that are denominated in Swedish Krona (SEK).

Impacts

The fluctuations of the foreign exchange rate between Euro and SEK impact the value of revenues, costs, assets and liabilities of the Swedish operations when they are converted into Euros and they can affect the earnings and the net asset value reported by the Company.

Risk mitigation measures

Due to SEK loan facilities with major financial institutions and currency swaps (if applicable), a hedging of the foreign currency is achieved up to 40%. The remaining exposure is relatively limited compared with the total size of the Company and will in principle not be hedged. Net SEK income may also be hedged from time to time by using defensive currency derivatives. A weakening of this currency by 5% would result, for example, in a decrease of shareholders' equity of 1% and in a decrease of 0.9% of reported direct investment result.

Compliance and reputation risk

Taxation

Description

The Company qualifies as a fiscal investment institution (FBI) under Dutch tax law and consequently is subject to corporate income tax at the rate of zero percent, provided it distributes its taxable profit to its shareholders. The Company is tax-exempt in France as a SIIC (Société d'investissements Immobiliers Cotée) and in Belgium, as the Company's subsidiary is subject to the special tax regime under which property revenues are tax exempt (FIIS/GVBF). In Italy and Sweden the Company's subsidiaries are subject to corporate income tax at full rate and are in a corporate income tax payable position.

Impacts

Changes in tax regulations or incorrect applications of the existing tax regulations could have a negative impact on the Company's tax rate on its results, leading to lower earnings.

Risk mitigation measures

The local finance teams and the corporate accounting and finance Group closely monitor local regulations to limit the risk of non-compliance and to anticipate regulatory changes. The Company also actively contributes to the work of national and international bodies representing the commercial and retail real estate sector to keep a constant and effective dialogue with authorities and policymakers.

Reporting risk

Description

Being listed, the Company is subject to various stock market and legal regulations and requirements with respect of the disclosure of clear, real and objective information to the market.

There is a risk that the financial statements and the other reporting disclosed to the market is not accurate or wrong in some material aspects, providing the investors and the other stakeholders with a misleading picture of the earnings and the financial position of the Company.

Impacts

An inaccurate or not reliable reporting could:

- affect the reputation of the Company in the real estate and financial markets;
- induce the investors who took wrong investments decisions to file legal actions against the Company;
- expose the Company to penalties and fines applied by control and regulatory bodies.

Risk mitigation measures

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

Risk Management (continued)

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Compliance with national and European Regulations

Description

The Company conducts its business in various countries and is then subject to complex and multi-jurisdiction legal and regulatory environments.

At corporate level the Company complies with the Netherlands Corporate Governance Code and the Netherlands Act on Financial Supervision (Wet op het financieel toezicht) as it is listed on Euronext Amsterdam, which is its home market. The Company has two secondary listings on Euronext Brussels and on Euronext Milan.

Impacts

Even small deviations from what is required under the standards and regulation of the Netherlands and of the other countries where the Company is active could put at risk the reputation of the Company and of its management and staff.

In addition, failure to identify or comply with applicable legal and regulatory provisions could result in the application of criminal or financial penalties.

Risk mitigation measures

The Eurocommercial legal team monitors on a regular basis the evolution of laws and regulations applicable to the Company's activity. All employees are made aware of the existing laws and regulations, and procedures are in place, in their own countries and at corporate level, to ensure that employees comply with the rules and are aware of the high standards of ethics applicable. The Company has an internal code of business conduct and a whistleblower's code that all employees are required to read, understand and adhere to. The Country Directors are also responsible for complying with local laws and regulations.

Compliance with ESG reporting requirements

Description

In the future the Company could be under the obligation providing detailed information about ESG according to the EU Corporate Sustainability Reporting Directive (CSRD). Consequently, the Company could be obliged to provide further disclosures and information in its Annual Report. More in detail, the CSRD requires first of all that companies run a detailed assessment (Double Materiality Assessment) to identify both their impacts on people and environment (impact materiality) as well as sustainability matters that financially impact the undertaking (financial materiality). The CSRD implementation in addition obliges organisations to set targets, select a baseline and report progress towards these targets. Information to be disclosed is vast and should contain forward-looking and retrospective data, with the reference target extended to the whole value chain. The ESRS includes the requirement to report in line with information the EU Taxonomy. The information disclosed has to be in line with the TCFD, the transition to a sustainable economy (limiting global warming to 1.5°C and objective of climate neutrality by 2050). Limited assurance is mandatory from the beginning.

Impacts

Mandatory disclosure of sustainability information in the Report of the Board of Management requires an adaptation of the existing data collection and report structures to accommodate new and different types of information.

New resources could be needed to embed technical reporting knowledge in the organisation to implement all CSRD requirements.

There is a risk that the financial statements and the other reporting disclosed to the market could be not accurate in some material aspects, providing third parties with a misleading picture of the earnings, of the financial position and/or of the ESG data of the Company.

Risk mitigation measures

The Company conducted in 2024 a double materiality analysis supported by an external and independent specialist. The Company also started collecting the information to be disclosed, setting up teams, procedures, responsibilities and acquiring resources to embed the technical reporting knowledge needed to implement all CSRD requirements, to report in line with the EU Taxonomy and with the TCFD, the transition to a sustainable economy.

The data flows from the country level to the corporate level are strictly monitored by the corporate administrative structure of the Company. All processes are run by internal working groups with the support of external partners and additional controls are performed by internal and external auditors.

However, the recently published Omnibus Proposal of the European Commission, if endorsed by the European Council and the European Parliament, will on the basis of the currently available information imply that Eurocommercial is no longer in scope for the CSRD. We are monitoring the further developments to understand what requirements will be applicable to the Company. Meanwhile, we will continue with the planned ESG activities. For more information on the results of the Double Materiality assessment and in general on the Company's sustainability policies please refer to the Sustainability Section of this report.

Risk Management (continued)

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Insurance

The Company operates a comprehensive insurance programme for those risks which can be effectively and efficiently insured. The Company is fully insured against property damage, liability and loss of income. Terrorism, flooding and earthquake cover is limited by current market conditions, but the Company believes it has achieved a reasonable balance of risk cover and premium costs. The insurance programme is benchmarked against its peer groups on an annual basis.

In control statement

The Company has a description of the organisation of its business operations (Administrative Organisation and Internal Control). During the financial year ended 31 December 2024, the Company has evaluated various aspects of the Company's Administrative Organisation and Internal Control and found nothing to indicate that the description of the structure of the Company's Administrative Organisation and Internal Control does not meet the requirements as included in the Code. Also, there have been no indications during the financial year ended 31 December 2024 that the Company's Administrative Organisation and Internal Control were ineffective and did not function in accordance with the description. The Board of Management therefore states with a reasonable level of assurance that the organisation of its business operations functioned effectively and in accordance with the description. It is not expected that during the current financial year a major change will be made to the design of the Company's administrative organisation and internal control. Due to its size, the Company has outsourced the internal audit function to a reputable audit firm.

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

The Board of Management believes that the design of the internal controls for financial reporting provide a reasonable level of assurance: (i) to prevent material inaccuracies in the financial statements of the Company for the financial year ended 31 December 2024, as included in this Annual Report; and (ii) that the risk management and control systems as described above worked properly in the financial year ended 31 December 2024.

As required by provision 1.4.3 of the Code and on the basis of the foregoing, the Board of Management states that: (a) this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2 of the Code; (b) the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies; (c) based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and (d) this report states those material risks, as referred to in best practice provision 1.2.1 of the Code, and the uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of this report.

Amsterdam, 14 April 2025

Board of Management

E.J. van Garderen

R. Fraticelli

Responsibility statement

With reference to the EU Transparency Directive and Article 5:25c, section 2 c sub 2 of the Acton Financial Supervision, we hereby state to the best of our knowledge that the financial statements for the financial year ended 31 December 2024 give a true and fair view of the assets, liabilities, financial position and results of the Group, and that the Report of the Board of Management includes a fair review of the development and performance of the business during the financial year and the position of the Group at the balance sheet date, together with a description of the principal risks associated with the Group.

Amsterdam, 14 April 2025

Board of Management

E.J. van Garderen

R. Fraticelli

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Report of the Supervisory Board

To the General Meeting of Shareholders

Financial statements

We are pleased to present the Annual Report of Eurocommercial Properties N.V. for the financial year ended 31 December 2024, as drawn up by the Board of Management. The auditors, KPMG Accountants N.V., have audited the financial statements and have issued an unqualified report thereon. We recommend that you adopt the financial statements.

Dividend proposal

Having regard to the results of the Company for the financial year 2024, the aforesaid dividend policy and the guidance on the 2025 results provided by the Board of Management, the Supervisory Board supports the proposal of the Board of Management to declare a total dividend of €1.80 per share. An interim dividend of € 0.68 per share was already paid on 30 January 2025, representing 40% of the total cash dividend paid out the previous financial year (2023). The payment date of the final dividend of €1.12 per share will be Thursday 3 July 2025. Holders of shares will also be offered the option of taking new shares from the Company's fiscal share premium reserve, instead of the cash dividend payable. The price of these new shares will be announced on Friday 30 May 2025.

Provision of information

In the year under review there were frequent contacts between (members of) the Supervisory Board and (members of) the Board of Management to share information in respect of various subjects, such as the impact of the wars and geopolitical tensions, the high inflation levels and interest rates and other matters. In addition to the information provided in connection with these meetings and contacts, the Supervisory Board receives copies of the monthly management accounts which contain analyses of rental income, rent collection, liquidity, costs of maintenance and extensions, interest, financing, company expenses, investment developments, relevant markets and various other operational and financial items during the month under review, set off against budget and previous relevant periods.

Monitoring and advisory roles

The Supervisory Board convened in total ten times in 2024. These meetings were mostly held at several of the Company's shopping centres or in the Amsterdam office or local offices. One meeting was held by videoconference. The members of the Supervisory Board have also visited several shopping centres in all four countries where the Company is active and were again able to meet the local staff and have valuable discussions with them on the business.

Among the topics discussed in the Board meetings were:

- Updated strategy and risks
- Growth strategy
- Human resources: engagement, performance and retention of personnel
- Property and financial markets
- Management and financial accounts
- Alternative performance measures
- ESG strategy and performance
- Climate Change risks
- Investment and divestment opportunities
- Property valuations
- Interest rates, (re)financing and bank covenants
- Rent collection, cashflow forecast, liquidity and funding
- Foreign currencies, hedging and derivatives
- Dividend policy
- System of internal controls, IT systems and cybersecurity
- Remuneration levels and corporate governance

The Board was also informed on and actively discussed with the Board of Management the implementation of the updated strategy of the Company, aimed at is long term sustainable value creation. The ongoing implementation resulted in an additional focus on ESG, digitalisation and communities. Furthermore, the contents of press releases, the Annual Report, the Interim Report

and the quarterly reports and Internal Audit were discussed.

The Supervisory Board carried out a self-evaluation as well as an evaluation of the Board of Management during 2024.

All meetings held during the financial year were attended by all Supervisory Board members. There have been no conflicts of interest.

Stakeholder and relationship management

The Supervisory Board established that the Company has remained in intensive contact with retailers to keep the Company's shopping centres in line with tenants' needs. The Company actively addresses changes in customer behaviour and the resulting strategic consequences for further developing and expanding the function of shopping centres. The Company also makes careful analyses of the social characteristics, specific requirements and desires of the communities in the relevant catchment areas in order to optimise the services to the communities.

This policy has resulted in a well-managed tenant mix, high occupancy and footfall.

Through roadshows, investor conferences (in some case also by video) and one-on-one meetings, the relationship with the Company's shareholders has been maintained and strengthened. The Company also has an Investor Relations Policy, which is published on the website.

Through regular country visits, the Supervisory Board maintained direct contact with the country operational teams and discussed local challenges and opportunities with them.

Professional training

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

Diversity

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

Gender diversity quota

The Company complies with the law as its Supervisory Board is composed of one male member and two female members since 11 June 2024 and was prior to that date composed of two female members and two male members.

Corporate governance

In accordance with the recommendations of the Netherlands Monitoring Committee of the Corporate Governance Code 2022, a broad outline of the corporate governance structure of the Company is presented in the Report of the Board of Management. In this Report, the Company reviews various corporate governance items in compliance with the Committee's recommendation.

Audit Committee

The Audit Committee is composed of all members of the Supervisory Board. Mrs Attout is Chair of the Audit Committee. The Audit Committee had three meetings with the auditors of the Company as well as two meetings with the auditors of the Company in the absence of the Board of Management. During those meetings, the Audit Committee discussed the financial statements, the report of the auditors thereon, as well as the Annual Report and the Interim Report. The Audit Committee reviewed the new administrative organisation and internal control manual, as well as the cybersecurity risk management policy and the plan to mitigate the related risks. The alternative performance measures were also discussed.

The audit plan, materiality levels, findings, independence and complete reporting of the auditors were discussed with KPMG. The auditors succession plan was also discussed.

Report of the Supervisory Board (continued)

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According to the European and Dutch legislation, the engagement period for an audit firm should not exceed ten financial years, followed by a four-year cooling-off period. The last financial year that the Company's external auditor KPMG Accountants N.V. could act as its auditor is the financial year 2025.

The Audit Committee started an external audit tender process in the fourth quarter of 2023. Based upon the aforesaid, the Supervisory Board, upon the recommendation of the Audit Committee and the Board of Management, proposed to appoint Ernst & Young Accountants LLP ("EY") as external auditors of the Company for the financial year ending 31 December 2026. The proposed appointment of EY Accountants LLP as the Company's auditor for the financial year 2026 was approved by the General Meeting of Shareholders in June 2024.

The internal audit function is outsourced to the audit firm BDO. BDO has been able to examine and audit a number of business processes of the Company and the Company's set up and reporting on ESG matters in accordance with the audit plan for 2024. The Audit Committee has analysed and reviewed the work performed by BDO for the year 2024 and discussed the audit plan for the year 2025.

Nomination and Remuneration Committee

The committee is composed of all members of the Supervisory Board. Mrs Laglas is Chair of the Nomination and Remuneration Committee. Remuneration of the Board of Management was discussed on the basis of the draft updated Remuneration Report. Furthermore, the remuneration policy for the Board of Management and for the Supervisory Board were discussed. On the basis of a benchmark report by Korn Ferry an adapted remuneration policy was designed. The final 2024 Remuneration Report will be posted on the website of the Company when this Annual Report is published. The Committee assessed and discussed the performance of the Board of Management based on self-evaluations by, and interviews with the Board of Management. The questionnaires completed by the members of the Board of Management were discussed in one-on-one meetings and in a group meeting. There were no major findings and personal goals and focus points were identified and will be evaluated next year. The Committee also discussed various aspects of succession in the Board of Management and the Supervisory Board, including the Board of Management composition and succession plan.

Summary remuneration report

The purpose of the remuneration policy is to attract, motivate and retain qualified executives and staff who will contribute to the success of the Company. The remuneration policy aims to reward management and staff for their contribution to the performance of the Company and its subsidiaries. The Supervisory Board proposes the remuneration policy, and any material adjustments to it, at the Annual General Meeting of Shareholders based on recommendations of the Board of Management. The Supervisory Board recommends to the Annual General Meeting of Shareholders decisions on all aspects of the remuneration of the members of the Board of Management, within the scope of the remuneration policy. The Annual General Meeting of Shareholders is invited to approve both the remuneration policy and the remuneration of the members of the Board of Management. At the end of each financial year, the Supervisory Board reviews and discusses the remuneration of the members of the Board of Management.

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

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

Variable pay may be granted each year in addition to the base salary. Variable pay for members of the Board of Management and senior staff are directly linked to the annual growth in the Company's net asset value, the annual absolute performance and the annual relative performance as per the end of the financial year of the listed shares of the

Company compared with a peer group of ten listed retail property companies, as well as two ESG key performance indicators. There is no minimum guaranteed variable pay and variable pay is capped at 70% of one year's base salary. There are also claw-back possibilities for the Company.

Performance shares granted under the Performance Share Plan are also linked to the aforesaid metrics, are capped at 80% of one year's base salary and there is no minimum guaranteed number of performance shares.

Mr Fraticelli joins an Italian defined contribution scheme and Mr van Garderen joins a Dutch defined contribution scheme with current annual premiums being capped using a maximum pensionable salary.

Supervisory Directors receive a fixed cash compensation only.

Proposed remuneration policy

At the AGM in June 2021 the current remuneration policy has been approved by the shareholders, which has been revised and updated in 2022 and approved by the AGM. In line with the Dutch implementation of the European Shareholders Directive ("SRD II") it is mandatory that at least once per four years the remuneration policy is reviewed and put forward to the AGM for approval by the shareholders. In order to prepare the proposed remuneration policy Korn Ferry has been engaged to benchmark and to advise on the proposed remuneration policy. The benchmark group includes the peer group used for the calculation of the relative outperformance and also comparable companies selected on the basis of the recommendations from Korn Ferry. The proposed renumeration levels for the members of the Supervisory Board and the members of the Board of Management are based on surveys and analyses by Korn Ferry.

The full text of the 2024 remuneration report and the proposed remuneration policy is set out in the Notes to the Agenda of the 2025 AGM, which can be found on the website of the Company.

The General Meeting of Shareholders to be held on 3 June 2025 is invited to approve the proposed remuneration policy and the remuneration of the members of the Supervisory Board and the members of the Board of Management.

Composition of the Supervisory Board in 2024

All members of the Supervisory Board are independent. The profile, role and responsibilities of the Supervisory Board are laid down in specific rules and regulations which are posted on the Company's website. At 31 December 2024, the Supervisory Board was composed as follows:

1. Bernard Roelvink (62), of Dutch nationality, was appointed as member of the Supervisory Board at the AGM of 13 June 2023 for a period of four years. Mr Roelvink has more than 30 years of experience in corporate law, litigation and capital markets across various jurisdictions. He is currently Chief Legal Officer and member of the Management Team of Cofra Holding AG, the parent company of a major international retail, real estate and investments group. Mr Roelvink was previously a partner of the Dutch law firm De Brauw Blackstone Westbroek, where he was on the management board between 2000 and 2006.

2. Emmanuèle Attout (65), of Belgian nationality, was appointed as a member of the Supervisory Board in 2018 and reappointed in 2022 for a period of four years. She was a former senior audit partner of PwC Brussels until she retired in 2014. Mrs Attout is a non-executive board member of Atenor, Schréder and AG Insurance and she is a co-founder of the Belgian NGO "Women on Board", whose aim is to promote women in Boards of Directors.

3. Karin Laglas (66), of Dutch nationality, was appointed as a member of the Supervisory Board in 2019 and reappointed in 2023 for a period of four years. She was Chief Executive Officer of the largest Dutch affordable housing investor Ymere, active in the greater Amsterdam area, until she retired in June 2021 after a long career in real estate in several senior and board positions. She is a Supervisory Board member of Royal De Vries Yachtbuilders (part of Feadship), of Brink Groep, of TBI Holdings B.V., Chair of the Supervisory Board of Utrecht University and Board member of Stichting Cokopen.

Report of the Supervisory Board (continued)

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Mr Steins Bisschop

At the AGM which was held at 11 June 2024 Mr Steins Bisschop stepped down as his term expired. The Supervisory Board is grateful to Mr Steins Bisschop for all he has done for the Company for more than three decades.

Mr Steins Bisschop was Chairman of the Supervisory Board from 2014 to 2024, and had in fact been involved with the Company since its inception in 1991.Mr Steins Bisschop's leadership was in particular important during the difficult COVID-19 period, when many shopping centres of the Company were closed. Under his supervision the Company fared comparatively well and bounced back quite quickly after the end of restrictions. The Supervisory Board wishes him all the best for the future.

Mr Mills

At the AGM Mr Mills resigned as a member of the Board of Management as his term expired. He worked for more than 30 years for the Company, and was amongst other matters responsable for the expansion of the property portfolio in Sweden.

The Supervisory Board is grateful to Mr Mills for his many years of service, and all his valuable contributions. The Supervisory Board wishes him all the best for the future.

Rotation scheme

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

2025: No member is up for rotation.

2026: term of Mrs Attout expires with the possibility of re-appointment for an additional period of two years.

Conclusion

We look back on a successful year and we take this opportunity to express our gratitude to the Board of Management and all staff for their efforts during the financial reporting period.

Amsterdam, 14 April 2025

Supervisory Board

B.W. Roelvink (Chairman)

E. Attout

K. Laglas



From left to right:

Emmanuèle Attout
Bernard Roelvink
Karin Laglas

Consolidated statement of profit or loss

(€'000)	Note	2024	2023
Rental income	4	219,733	215,279
Service charge income	4	43,378	41,578
Total revenue		263,111	256,857
Service charge expenses*	4	(45,703)	(46,732)
Property expenses*	5	(31,907)	(34,531)
Total expenses		(77,610)	(81,263)
Net property income	2	185,501	175,594
Share of result of joint ventures	14	10,862	4,837
Revaluation property investments	6	107,670	(95,044)
Company expenses*	7	(12,686)	(10,947)
Investment expenses	9	(5,600)	(2,717)
Other income	10	1,644	1,562
Operating result		287,391	73,285
Interest income	11	966	1,576
Interest expenses**	11	(53,215)	(48,617)
Loss derivative financial instruments	11	(19,961)	(38,652)
Adjustment amortisation put option liability	11	0	(4,789)
Net financing result	11	(72,210)	(90,482)
Result before taxation		215,181	(17,197)
Current tax	12	(2,499)	(3,544)
Deferred tax	12	(35,857)	(5,355)
Total tax		(38,356)	(8,899)
Result after taxation		176,825	(26,096)
Result after taxation attributable to:			
Owners of the Company		176,825	(26,872)
Non-controlling interest	28	0	776
		176,825	(26,096)
Per share (€)* **			
Result after taxation	29	3.30	(0.51)
Diluted result after taxation	29	3.29	(0.51)

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

* The comparative figures have been adjusted for comparison purposes as a result of classification. Please refer to Accounting Policy sections "Property Expenses (Direct and Indirect)", "Service Charge Income and Service Charge Expenses" and "Company Expenses" for more information.

** "Interest Expenses" for the previous year include the interests related to the put option liability on the non-controlling interest (€558,000).

*** The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,521,202 in 2024 and 53,060,280 in 2023. The diluted average number of outstanding shares on issue (after deduction of shares bought back) was 53,781,861 in 2024 and 53,191,780 in 2023.

Consolidated statement of comprehensive income

(€'000)	Note	2024	2023
Result after taxation		**176,825**	**(26,096)**
Foreign currency translation differences (subsequently reclassified to profit or loss)	27	**(12,675)**	**(312)**
Actuarial result on pension scheme (remeasurement of defined benefit liability)	23/27	**0**	**(4,085)**
Total other comprehensive income (net of tax)		**(12,675)**	**(4,397)**
Total comprehensive income		**164,150**	**(30,493)**
Total comprehensive income attributable to:			
Owners of the Company		**164,150**	**(31,269)**
Non-controlling interest	28	**0**	**776**
		164,150	**(30,493)**
Per share (€)*			
Total comprehensive income		**3.07**	**(0.59)**
Diluted total comprehensive income		**3.05**	**(0.59)**

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

* The average number of shares on issue (after deduction of shares bought back) during the financial year was 53,521,202 in 2024 and 53,060,280 in 2023. The diluted average number of outstanding shares on issue (after deduction of shares bought back) was 53,781,861 in 2024 and 53,191,780 in 2023.

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Consolidated statement of financial position

Assets	Note	31-12-24 €'000	31-12-23 €'000
Property investments	13	3,698,526	3,575,898
Investments in joint ventures	14	112,004	101,142
Tangible fixed assets	15	6,353	4,849
Receivables**	16	112	143
Tax receivable**	16	4,021	941
Derivative financial instruments*	20	19,355	31,178
Total non-current assets		3,840,371	3,714,151
Trade and other receivables	16	50,299	68,855
Tax receivable	16	560	560
Derivative financial instruments*	20	743	2,097
Cash and deposits	17	35,964	40,518
Total current assets		87,566	112,030
Total assets		3,927,937	3,826,181
Equity			
Issued share capital	25	545,791	537,817
Share premium reserve	26	253,435	260,117
Currency translation reserve	27	(96,799)	(84,124)
Other reserves	27	1,206,354	1,320,242
Undistributed income		176,825	(26,872)
Total equity		2,085,606	2,007,180
Liabilities			
Trade and other payables	18	16,294	13,984
Borrowings	19	1,426,010	1,319,526
Derivative financial instruments	20	23,075	22,560
Deferred tax liabilities	21	150,354	116,852
Total non-current liabilities		1,615,733	1,472,922
Trade and other payables	18	96,295	110,597
Tax payable	18	1,354	1,860
Borrowings	19	128,738	233,622
Derivative financial instruments	20	211	0
Total current liabilities		226,598	346,079
Total liabilities		1,842,331	1,819,001
Total equity and liabilities		3,927,937	3,826,181

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

* The comparative figures for "Derivative financial instruments" have been restated to include the short-term portion in current assets.
** The comparative figures for "Receivables" have been restated to reflect "Tax Receivable" separately to provide a clearer representation of non-current assets.

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Consolidated statement of cash flow

(€'000)	Note	2024	2023
Result after taxation		**176,825**	**(26,096)**
Adjustments for non-cash movements:			
Movement performance shares granted	5/7/9	**1,292**	**673**
Revaluation property investments	6	**(109,132)**	**90,183**
Loss derivative financial instruments	11	**19,961**	**38,652**
Adjustment amortisation period put option liability	11	**0**	**4,789**
Share of result of joint ventures	14	**(10,862)**	**(4,837)**
Interest income	11	**(966)**	**(1,576)**
Interest expenses and borrowing costs	11	**53,215**	**48,617**
Deferred tax	12	**35,857**	**5,355**
Current tax	12	**2,499**	**3,544**
Depreciation tangible fixed assets	5/7	**1,966**	**1,695**
Other movements		**(162)**	**(686)**
Cash flow from operating activities after adjustments		**170,493**	**160,313**
Changes in receivables and creditors:			
Decrease/(Increase) in receivables		**5,274**	**(798)**
(Decrease)/Increase in creditors		**(11,199)**	**15,817**
Cash generated from operating activities		**164,568**	**175,332**
Current tax paid		**(3,108)**	**(4,314)**
Capital gain tax paid		**0**	**(7,908)**
Derivative financial instruments settled		**(6,030)**	**0**
Pension scheme		**0**	**(4,600)**
Borrowing costs paid		**(2,824)**	**(1,093)**
Interest paid		**(51,468)**	**(41,988)**
Interest received		**966**	**1,576**
Cash flow from operating activities		**102,104**	**117,005**
Acquisition of non-controlling interest		**0**	**(69,600)**
Capital expenditure		**(38,159)**	**(27,464)**
Investment in joint ventures		**0**	**(340)**
Decrease loan to joint ventures		**8,000**	**0**
Additions to tangible fixed assets		**(817)**	**(1,264)**
Cash flow from investing activities		**(30,976)**	**(98,668)**
Proceeds from borrowings	19	**338,175**	**381,531**
Repayment of borrowings	19	**(326,211)**	**(349,134)**
Payments lease liabilities		**(1,309)**	**(1,227)**
Shares bought back		**(15,981)**	**0**
Dividends paid		**(71,035)**	**(74,166)**
Proceeds from non-current creditors		**1,386**	**348**
Cash flow from financing activities		**(74,975)**	**(42,648)**
Net cash flow		**(3,847)**	**(24,311)**
Currency differences on cash and deposits		**(707)**	**(478)**
Decrease in cash and deposits		**(4,554)**	**(24,789)**
Cash and deposits at beginning of year		**40,518**	**65,307**
Cash and deposits at end of year	17	**35,964**	**40,518**

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

Consolidated statement of changes in equity

The movements in shareholders' equity in the financial year ended 31 December 2024 were:

	Issued share capital €'000	Share premium reserve €'000	Currency translation reserve €'000	Other reserves €'000	Undistributed income €'000	Total equity €'000
Balance at 1-1-2024	**537,817**	**260,117**	**(84,124)**	**1,320,242**	**(26,872)**	**2,007,180**
Result after taxation	0	0	0	0	176,825	176,825
Other comprehensive income	0	0	(12,675)	0	0	(12,675)
Total comprehensive income	**0**	**0**	**(12,675)**	**0**	**176,825**	**164,150**
Transactions with owners of the Company						
Contributions and distributions						
Dividend distribution in cash	0	0	0	0	(71,035)	(71,035)
Dividend distribution in shares	7,974	(7,974)	0	19,815	(19,815)	0
Non-distributed result previous financial year	0	0	0	(117,722)	117,722	0
Shares bought back	0	0	0	(15,981)	0	(15,981)
Performance shares granted	0	1,292	0	0	0	1,292
Total contributions and distributions	**7,974**	**(6,682)**	**0**	**(113,888)**	**26,872**	**(85,724)**
Total equity at 31-12-2024	**545,791**	**253,435**	**(96,799)**	**1,206,354**	**176,825**	**2,085,606**

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

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

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

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Notes to the consolidated financial statements

1. Principal accounting policies

1. General

Reporting entity

Eurocommercial Properties N.V. (the Company) domiciled at De Boelelaan 7, 1083 HJ Amsterdam, The Netherlands, is a closed end property investment company. The Company is registered with the Commercial Register under number 33230134 since 18 June 1991. The consolidated financial statements of the Company for the financial year starting 1 January 2024 and ending 31 December 2024 will comprise the Company and its subsidiaries (together referred to as the "Group").

Financial reporting period

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) as per 1 January 2024 and Part 9 of Book 2, section 2:362(9) of the Netherlands Civil Code.

Going concern

The financial statements are prepared on a going concern basis and have been authorised for issue on 14 April 2025. The Group have put in place several measures to preserve liquidity, amongst others in January 2025, a new five-year loan of €48 million (SEK 550 million) was signed with Postbank to refinance the previous loan on the Valbo shopping centre in Gävle that expired in 2025, thereby completing its refinancing programme for the long-term loans expiring in 2025. Based on this, our current knowledge and available information, we do consider the preparation of the financial statements based on the going concern assumption appropriate. Furthermore, the Company has access to existing loan facilities and generates sufficient operational cash flow, which mitigates any concerns regarding its ability to continue as a going concern.

2. Basis of preparation

Statement of compliance

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2025. The Group has decided not to immediately adopt such standards, amendments and interpretations. Standards that are mandatory for the Group's accounting periods beginning on 1 January 2024 are adopted as such by the Group. Additional information on new standards, amendments, interpretations and the relating effect on the financial statements, if material and applicable to the Company, has been disclosed below.

Functional and presentation currency

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

Standards Issued but not yet effective

A number of new standards are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Change in accounting policies and reclassifications

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1)

The Group has adopted the Classification of Liabilities as Current or Non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1) as of 1 January 2024. These amendments, which apply retrospectively, clarify the criteria for classifying liabilities as current or non-current. They also introduce new disclosure requirements for non-current loan liabilities subject to covenants within 12 months after the reporting period.

The Group's other liabilities were unaffected by these amendments. Additionally, there is no retrospective impact on the comparative statement of financial position as of 31 December 2023.

1. Principal accounting policies continued

The following new and amended standards, effective from 1 January 2025 and 1 January 2026, are not expected to have a significant impact on the Group's consolidated financial statements:

- Lack of Exchangeability (Amendments to IAS 21) – effective from 1 January 2025
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) – effective from 1 January 2026

Critical accounting estimates and assumptions

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

Critical accounting judgements in applying the Group's accounting policies

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

3. Material Accounting Policies
Basis of consolidation

(i) Subsidiaries

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

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

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

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

Unless otherwise stated, these subsidiaries are wholly owned.

Furthermore, the consolidated financial statements include the joint venture Galleria Verde S.r.l. in Milan, Italy, reported as equity-accounted investee.

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Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

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

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

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

Property investments and property investments under development
Property investments and property investments under development are stated at fair value. Property investments and property investments under development are held to earn rental income or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions. It is the Company's policy that all property investments and property investments under development be valued semi-annually by qualified independent experts. These experts are instructed to appraise in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). Both documents contain mandatory rules, best practice guidance and related commentary for all RICS members and appraisers undertaking property valuations. These revaluations represent the price, net of normal purchaser's costs, at which the property could be sold in the open market on the date of revaluation. At the balance sheet date the fair value of each property investment is based on comprehensive valuation reports from the independent experts. Valuations are prepared based on current prices for comparable investment properties in an active market. If, however, such information is not available, property valuations are prepared based on standard valuation techniques such as the capitalisation method and discounted cash flow method.

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

The carrying amount of accrued income from spreading of the lease incentives is reduced from the fair value of property investments or property investments under development.

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

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

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

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

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

1. Principal accounting policies continued

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

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

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

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

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

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

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

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

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

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

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Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Put option liability non-controlling interest

The financial liability related to the put option non-controlling interest capitalised is recognised initially at the present value and subsequently measured at amortised cost using the effective interest rate method. Any subsequent changes in the measurement of the put option non-controlling interest capitalised are recognised in the statement of profit or loss. The discount rate used in the amortised cost calculations is 4.1%. If the Group has acquired a present ownership interest as part of a business combination, the present value of the redemption amount of the put option is recognised as a financial liability with any excess over the carrying amount of the non-controlling interest recognised as goodwill. In such a case, the non-controlling interest is deemed to have been acquired at the acquisition date and therefore any excess arising should follow the accounting treatment as in a business combination. All subsequent changes in the redemption value of the financial liability are recognised in the income statement and no earnings are attributed to the non-controlling interest.

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

Leases

(i) Leases as a lessee

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

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

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

(ii) Leases as a lessor

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

Provisions

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

Provision for pensions

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

Other assets and liabilities

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

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

1. Principal accounting policies continued

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

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

The Italian property tax has been reclassified from Property expenses to Service charge expenses during the year as we have changed the accounting policy to reflect changes in the Italian legislation to allow for the recharge of (part of) these taxes to tenants, as it is already the case in the other countries where the Company invests. This reclassification ensures consistency in our financial reporting. The comparative figures have also been adjusted to enable consistent comparison of the numbers.

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

The Italian property tax has been reclassified from Property expenses to Service charge expenses during the year as we have changed the accounting policy to better reflect changes in the Italian legislation to allow for the recharge of (part of) these taxes to tenants, as it is already the case in the other countries where the Company invests. This reclassification ensures consistency in our financial reporting. The comparative figures have also been adjusted to enable consistent comparison of the numbers.

Part of the IT costs have been reclassified from Company expenses to Property expenses to better reflect those IT expenses that are specifically incurred for the properties, rather than traditionally absorbing these costs as Company expenses. The comparative figures have also been amended to ensure consistent comparison of the numbers.

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

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

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

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

Part of the IT costs have been reclassified from Company expenses to Property expenses to better reflect those IT expenses that are specifically incurred for the properties, rather than traditionally absorbing these costs as company expenses. The comparative figures have also been amended to ensure consistent comparison of the numbers.

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

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Notes to the consolidated financial statements (continued)

1. Principal accounting policies continued

Current tax and deferred tax

As an Investment Institution under Netherlands tax law (fiscale beleggingsinstelling) the Company is subject to a nil rate of Netherlands corporate income tax, provided it meets certain conditions, notably the distribution of all taxable income (after permitted deductions) to shareholders within eight months of the end of each financial year. As of 1 July 2005, the Company has opted for the French tax regime applicable to "Sociétés d'investissements immobiliers cotées" (SIIC). As from that date the revenues and capital gains from the French portfolio of the Company are tax-exempt, provided it meets certain conditions, notably a listing at a stock exchange in an EU country and the distribution of at least 85% of French tax-exempt income and of at least 50% of tax-exempt capital gains to shareholders.

In Belgium, the Company incorporated a wholly owned FIIS/GVBF ("Fonds d'investissement immobilier spécialisé"/"gespecialiseerd vastgoedbeleggingsfonds"). The FIIS/GVBF will be subject to corporate income tax, but its taxable basis will be limited to disallowed expenses and abnormal or gratuitous advantages received. Rental income, capital gains on real estate assets, and dividend and interest income will remain untaxed as a matter of principle, provided that the fiscal result is distributed by way of a dividend. However, corporate income tax may be payable on the fiscal results of Netherlands and foreign subsidiaries which do not have the aforesaid special tax status. This tax on taxable income for the year is recognised in the profit or loss account.

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

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

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

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

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

Cash flow statement

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

Segment information

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

ESEF Company information

Name of reporting entity or other means of identification	**Eurocommercial Properties N.V.**
Domicile of entity	**The Netherlands**
Legal form of entity	**Public Limited Liability Company**
Country of incorporation	**The Netherlands**
Address of entity's registered office	**De Boelelaan 7, 1083 HJ Amsterdam**
Principal place of business	**Amsterdam**
Description of nature of entity's operations and principal activities	**The Company is a closed end property investment company**

2. Segment information

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

2024

For the twelve month period ended 31-12-24 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	27,456	47,890	108,401	48,582	0	232,329	(12,596)	219,733
Service charge income	7,185	6,704	17,120	15,779	0	46,788	(3,410)	43,378
Service charge expenses	(7,222)	(4,855)	(18,829)	(18,187)	0	(49,093)	3,390	(45,703)
Property expenses	(2,013)	(10,560)	(12,367)	(7,229)	0	(32,169)	262	(31,907)
Net property income	25,406	39,179	94,325	38,945	0	197,855	(12,354)	185,501
Share of result of joint ventures	0	0	0	0	0	0	10,862	10,862
Revaluation property investments	16,930	11,751	71,267	15,669	50	115,667	(7,997)	107,670
Segment result	42,336	50,930	165,592	54,614	50	313,522	(9,489)	304,033
Net financing result						(77,452)	5,242	(72,210)
Company expenses						(12,686)	0	(12,686)
Investment expenses						(5,618)	18	(5,600)
Other income						883	761	1,644
Result before taxation						218,649	(3,468)	215,181
Current tax						(2,890)	391	(2,499)
Deferred tax						(38,934)	3,077	(35,857)
Result after taxation						176,825	0	176,825

As per 31-12-24 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Property investments	541,540	822,010	1,742,170	797,586	0	3,903,306	(204,780)	3,698,526
Investments in joint ventures	0	0	0	0	0	0	112,004	112,004
Tangible fixed assets	0	1,514	2,880	289	1,670	6,353	0	6,353
Receivables	5,903	32,032	15,178	2,318	826	56,257	(1,265)	54,992
Derivative financial instruments	392	0	25,884	1,431	0	27,707	(7,609)	20,098
Cash and deposits	1,647	3,331	17,222	15,672	2,380	40,252	(4,288)	35,964
Total assets	549,482	858,887	1,803,334	817,296	4,876	4,033,875	(105,938)	3,927,937
Creditors	11,906	28,237	32,149	24,600	3,666	100,558	(2,909)	97,649
Non-current creditors	1,542	9,202	5,085	270	618	16,717	(423)	16,294
Borrowings	264,148	203,493	846,098	312,101	25,000	1,650,840	(96,092)	1,554,748
Derivative financial instruments	3,207	0	18,738	2,227	0	24,172	(886)	23,286
Deferred tax liabilities	0	0	75,894	80,088	0	155,982	(5,628)	150,354
Total liabilities	280,803	240,932	977,964	419,286	29,284	1,948,269	(105,938)	1,842,331

For the twelve month period ended 31-12-2024 (€'000)	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	2,240	7,259	15,311	15,798	0	40,608	(1,064)	39,544

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

Notes to the consolidated financial statements (continued)

2. Segment information continued

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2023

For the twelve month period ended 31-12-23 €'000	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Rental income	27,251	46,776	106,008	47,079	0	227,114	(11,835)	215,279
Service charge income	6,910	5,467	17,112	15,277	0	44,766	(3,188)	41,578
Service charge expenses**	(7,608)	(5,403)	(19,353)	(17,746)	0	(50,110)	3,378	(46,732)
Property expenses**	(2,746)	(13,342)	(12,209)	(6,629)	0	(34,926)	395	(34,531)
Net property income	23,807	33,498	91,558	37,981	0	186,844	(11,250)	175,594
Share of result of joint ventures	0	0	0	0	0	0	4,837	4,837
Revaluation property investments	(62,723)	(10,911)	17,750	(34,433)	205	(90,112)	(4,932)	(95,044)
Segment result	(38,916)	22,587	109,308	3,548	205	96,732	(11,345)	85,387
Net financing result***						(94,620)	8,927	(85,693)
Company expenses**						(10,947)	0	(10,947)
Investment expenses***						(2,727)	10	(2,717)
Adjustment amortisation period put option liability						(4,789)	0	(4,789)
Other income						915	647	1,562
Result before taxation						(15,436)	(1,761)	(17,197)
Current tax						(3,711)	167	(3,544)
Deferred tax						(6,949)	1,594	(5,355)
Result after taxation						(26,096)	0	(26,096)

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

For the twelve month period ended 31-12-2023 (€'000)	Belgium	France	Italy	Sweden	The Netherlands*	Total proportional consolidation	Adjustments joint ventures	Total IFRS
Acquisitions, divestments and capital expenditure (including capitalised interest)	7,220	3,504	8,515	10,317	0	29,556	(1,041)	28,515

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

** The comparative figures have been adjusted for comparison purposes as a result of the reclassification. Please refer to Accounting Policy sections "Property Expenses (Direct and Indirect)", "Service Charge Income and Service Charge Expenses" and "Company Expenses" for more information.

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

3. Exchange rates

It is generally the Company's policy for non-euro investments to use debt denominated in the currency of investment to provide a (partial) hedge against currency movements. Exceptionally, forward contracts may be entered into from time to time when debt instruments are inappropriate for cost or other reasons. The only non-euro investment assets and liabilities of the Company are in Sweden. As at 31 December 2024, €1 was SEK 11.4590 (31 December 2023: SEK 11.0959). The average €/SEK exchange rate during 2024 was SEK 11.4295 (2023: SEK 11.4670).

4. Rental income and service charge income and expenses

Rental income

Rental income in the current financial year comprised:

€'000	2024	2023
Net lease payments collected/accrued*	**226,471**	**220,141**
Amortisation of rent discount due to reletting and fit out-costs for new tenants*	**(7,024)**	**(5,100)**
Entry fees received/accrued	**286**	**238**
	219,733	**215,279**

* Lease payments collected or accrued were previously presented on a gross basis. The updated presentation now includes a separate line item for the amortisation of rent discounts related to re-letting and fit-out costs for new tenants, providing a clearer view of the rental income position.

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

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

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

€'000	2024	2023
– less than one year	**207,873**	**185,214**
– between one and five years	**390,742**	**317,935**
– more than five years	**85,199**	**105,412**
	683,814	**608,561**

Approximately 2.05% of the rental income for the financial year ended 31 December 2024 is turnover rent (2023: 1.73%).

Service charge income and expenses

Service charge income of €43.4 million (2023: €41.6 million) represents income from recharged service costs to tenants for the services of utilities, caretakers etc. when the Group acts as principal.

Service charge expenses of €45.7 million (2023: €46.7 million) represent costs related to the services of utilities, caretakers etc. which are rendered to tenants. The service charge expenses can be higher than the service charge income as costs are not always fully recoverable from tenants.

Notes to the consolidated financial statements (continued)

5. Property expenses

Property expenses in the current financial year were:

€'000	2024	2023
Direct property expenses		
Bad debts (expected credit loss)**	740	2,599
Centre marketing expenses	2,560	2,792
Insurance premiums	1,007	971
Managing agent fees	2,031	2,149
Property taxes*	20	19
Repair and maintenance	824	929
Shortfall service charges	822	1,075
	8,004	10,534
Indirect property expenses		
Accounting fees	589	693
Audit fees	648	677
IT expenses*	2,883	2,416
Depreciation fixed assets	362	372
Depreciation right-of-use assets	1,083	912
Legal and other advisory fees	2,657	2,423
Letting fees and relocation expenses	705	1,507
Local office and accommodation expenses	1,360	1,347
Pension contributions	216	202
Salaries, wages and bonuses	8,279	8,185
Employer's tax and social security charges	3,688	3,709
Performance shares granted (IFRS 2)	246	158
Travelling expenses	714	697
Other local taxes	452	613
Other expenses	21	86
	23,903	23,997
	31,907	34,531

* The comparative figures have been adjusted for comparison purposes as a result of reclassification. Please refer to Accounting Policy section "Property Expenses (Direct and Indirect)" for more information.

** The comparative figures for "Bad Debts (Expected Credit Loss)" in the 2023 Annual Report exclude a €358,000 impairment on tenant receivables, which was presented separately. As the amount is smaller in the current financial year, we have included the net impact of bad debt in the presentation for 2024.

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

Depreciation right-of-use assets includes the depreciation of right-of-use assets related to operating leases for the Company's Group offices in Milan for €533,000 (2023: €427,000), in Paris for €343,000 (2023: €286,000) and Stockholm for €205,000 (2023: €199,000). These leases are standard lease contracts with no contingent rents and sublease payments and expire in February 2033, September 2028 and September 2025 respectively.

The depreciation of fixed assets for the financial year is €182,000 for the Paris office (2023: €169,000), €136,000 for the Milan office (2023: €167,000) and €44,000 for the Stockholm office (2023: €36,000). No depreciation is recorded for Brussels.

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6. Revaluation of property investments

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

€'000	2024	2023
Property investments valuation adjustment	**109,905**	**(90,183)**
Divestment property sold in previous years	**(761)**	**30**
Elimination of accrued entry fees	**(183)**	**314**
Elimination of capitalised letting fees	**(1,564)**	**(6,170)**
Fair value movement long-term creditors	**198**	**774**
Foreign currency results	**75**	**191**
	107,670	**(95,044)**

The Property investments valuation adjustment of positive €109,905,000 (2023: negative €90,183,000) relates to France for an amount of positive €13,085,000 (2023: negative €8,577,000), Sweden for an amount of positive €15,974,000 (2023: negative €34,360,000), Belgium for an amount of positive €17,320,000 (2023: negative €59,177,000), and Italy for an amount of positive €63,526,000 (2023: positive €11,931,000).

7. Company expenses

Company expenses in the current financial year comprised:

€'000	2024	2023
Audit fees	**588**	**456**
Depreciation fixed assets	**246**	**191**
Depreciation right-of-use assets**	**275**	**223**
Directors' fees	**2,035**	**2,250**
IT expenses*	**834**	**833**
Legal and other advisory fees	**1,740**	**1,071**
Marketing expenses	**595**	**588**
Office and accommodation expenses	**589**	**778**
Pension contributions	**541**	**442**
Salaries, wages and bonuses	**2,787**	**2,156**
Employer's tax and social security charges	**462**	**365**
Statutory costs	**769**	**484**
Performance shares granted (IFRS 2)	**166**	**102**
Travelling expenses	**347**	**307**
Other expenses	**712**	**701**
	12,686	**10,947**

* The comparative figures have been adjusted for comparison purposes as a result of reclassification. Please refer to Accounting Policy section "Company Expenses" for more information.

** Depreciation right-of-use assets includes the lease for the Company's head office at De Boelelaan 7, Amsterdam for the financial year. This lease is a standard lease contract with no contingent rents and sublease payments and expires in June 2028. The depreciation of fixed assets for this financial year is €246,000 (2023: €191,000).

8. Personnel costs

Total personnel costs in the current financial year comprised:

€'000	2024	2023
Salaries and wages	**11,029**	**10,982**
Employer's tax and social security charges	**4,949**	**4,599**
Pension costs	**1,094**	**991**
Bonuses	**4,256**	**2,451**
Performance shares granted (IFRS 2)	**1,292**	**673**
	22,620	**19,696**

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Notes to the consolidated financial statements (continued)

8. Personnel costs continued

Total personnel costs are partly presented under (indirect) property expenses €12,429,000 (2023: €12,254,000), partly under company expenses (remuneration of the members of the Board of Management inclusive) €5,810,000 (2023: €5,136,000) and partly under investment expenses €4,381,000 (2023: €2,305,000). These expenses do not include the remuneration of the members of the Supervisory Board. The pension costs consist of €757,000 of pension contributions (2023: €644,000). In accordance with the Company's remuneration policy the bonuses paid to senior executives are directly linked to the annual growth in the Company's adjusted net asset value, the annual absolute and the annual relative performance, as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies as well as two ESG key performance indicators achieved for this financial year. The Group employed an average of 97 full-time equivalent persons during the financial year (2023: 92). The Group staff (members of the Board of Management excluded) holds 74,808 shares, representing 0.14% of the issued share capital of the Company.

9. Investment expenses

Investment expenses in the current financial year comprised:

€'000	2024	2023
Aborted acquisition costs	800	22
Bonuses (included in the bonus amounts as part of Note 8 Personnel costs)	2,768	1,522
Employer's tax and social security charges related to bonuses (included in the amounts as part of Note 8. Personnel costs)	733	370
Performance shares granted (IFRS 2)	880	413
Property valuation fees	419	390
	5,600	2,717

10. Other income

Other income of €1,644,000 for the year ended 31 December 2024 (€1,562,000 for the year ended 31 December 2023) is related to advisory and management fees from joint ventures.

11. Net financing results

Net financing costs in the current financial year comprised:

€'000	2024	2023
Interest income	966	1,576
Interest Income	966	1,576
Gross interest expenses (excluding interest expenses related to lease liabilities)	(53,246)	(48,110)
Interest expenses on lease liabilities	(151)	(71)
Interest on put option non-controlling interest	0	(558)
Capitalised interest	182	122
Interest Expenses	(53,215)	(48,617)
Unrealised fair value movement derivative financial instruments**	(13,931)	(37,847)
Realised fair value movement derivative financial instruments**	(6,030)	0
Movement in present value put option (other than interest)	0	(805)
Loss Derivative Financial Instruments	(19,961)	(38,652)
Adjustment amortisation period put option non-controlling interest*	0	(4,789)
Adjustment amortisation period put option non-controlling interest	0	(4,789)
Net financing results	(72,210)	(90,482)

* The adjustment relates to the exercise of the put option for the minority interest in ECP Belgium SA.
** The fair value movement of derivative financial instruments is based on the fair value of the underlying financial instruments, which consists mainly of interest rate swaps.

11. Net financing results continued

Gross interest expense consists of interest on lease liabilities, interest payable on loans calculated using the effective interest rate method and on derivative financial instruments. The interest payable to finance the extension/acquisition of an asset is capitalised until completion/acquisition date and is reported as capitalised interest. The interest rate used for capitalised interest during this financial year was 3.2% (2023: 3.2%).

The fair value movement of derivative financial instruments is negative €19,961 (2023: negative €37,487). The movement is due to the change in the Euribor and Stibor curves.

12. Taxation

Total tax in the current financial year comprised:

€'000	2024	2023
Current tax Italy	2,071	1,876
Current tax Belgium	177	207
Current tax Sweden	244	1,454
Current tax United Kingdom	7	7
Current tax	2,499	3,544
Deferred tax on unrealised value movements investment property Italy and Sweden	36,661	12,050
Deferred tax on unrealised value movements derivative financial instruments Italy and Sweden	(4,186)	(8,300)
Movement tax losses recognised Italy and Sweden	3,382	1,605
Deferred tax	35,857	5,355
Total tax	38,356	8,899
Tax-exempt income (including effect of FBI, FIIS and SIIC)	57,263	(42,505)
Result before tax attributable to Swedish tax rate of 20.6%	33,676	(26,022)
Result before tax attributable to Italian tax rate of 24.0%	113,232	46,213
Result before tax attributable to UK tax rate of 25.0%	148	281
Result before taxation	204,319	(22,033)
Tax on result before tax attributable to Swedish taxable subsidiaries at a tax rate of 20.6%	6,937	(5,360)
Tax on result before tax attributable to Italian taxable subsidiaries at a tax rate of 24.0%	27,176	11,091
Tax on result before tax attributable to UK taxable subsidiary at a tax rate of 25.0%	23	(2)
Correction prior years	12	55
Non-taxable income/expense Belgium, Italy, Sweden and UK	4,208	3,115
Total tax	38,356	8,899

The result before taxation does not include the share of the result from joint ventures.

As an Investment Institution under Dutch tax law (fiscale beleggingsinstelling), the Company is subject to a nil rate of Netherlands corporate income tax. In Belgium the revenues and capital gains are exempt as a "Fonds d'investissement immobilier spécialisé" (FIIS) and the revenues and capital gains from the French portfolio of the Company are tax-exempt as a "Société d'investissements immobiliers cotée" (SIIC).

In Italy and Sweden, the properties are held by taxable entities. In Italy, the nominal tax rate applied for deferred tax and corporate income tax is 24.0%. In Sweden the nominal tax rate of 20.6% has been applied for deferred tax. The nominal tax rate for the subsidiary in the United Kingdom is 25%.

The Italian Tax Authorities issued two notices of assessment on the property depreciation and the following use of the fiscal losses carry forward for the fiscal years 2014/2015 and 2015/2016 of the Italian subsidiary Eurocommercial Properties Italia S.r.l. In October 2020 and April 2021 respectively, the Italian tax court rendered a decision in the second degree confirming the first degree decision in favour of the Company. The Italian tax authorities have appealed to the final court for both the notices. No provisions have been accounted for in the financial statements.

The effective tax rate stands at 17.8%. This rate is below the average due to the tax-exempt status of entities in certain countries, which results in a portion of earnings remaining untaxed.

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Notes to the consolidated financial statements (continued)

13. Property investments and property investments under development

Property investments and property investments under development are stated at fair value. It is the Company's policy that all property investments and property investments under development be revalued semi-annually by qualified independent experts. The independent valuation figures for the Company's properties represent the net price expected to be received by the Company from a notional purchaser who would deduct any purchaser's costs including registration tax. All properties in the Group are freehold.

The qualified independent valuers have prepared their appraisals in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards published by the International Valuation Standards Committee (IVSC). These standards require that valuers, among other activities, collect a variety of data, including general economic data, property-specific data and market supply and demand data. Property-specific data includes passing rent and future rent, expenses, lease terms, lease incentives, vacancies, rent concessions, etc.

The Board of Management reviewed the valuation reports and determined that the source data provided by the Company is processed correctly. The data and valuation methodologies used are set out in the independent valuation reports. All properties were revalued at 31 December 2024.

Purchasers' costs

The total purchasers' costs including registration tax, which are excluded from the fair value of the property investments, property investments under development and property investments held for sale, for the financial year ended 31 December 2024 were as follows:

	31-12-2024					31-12-2023				
	Belgium	France	Italy	Sweden	Total	Belgium	France	Italy	Sweden	Total
Purchasers' costs (%)	2.5%	6.9%-7.5%	1.0%	1.0%	2.5%	2.5%	6.9%-7.5%	1.0%	1.0%	2.6%
Purchasers' costs (€'000)	13,540	57,393	15,286	7,976	94,195	13,060	56,076	14,526	7,913	91,575

In France the purchasers' costs varies mainly from 6.9% to 7.5%. A percentage of 1.8% is applied as purchaser's costs on lands acquired in France.

Fair value hierarchy

Property investments, including property investments under development are at level 3.

Property portfolio

The current property portfolio is:

	31-12-24 Net value €'000	31-12-23 Net value €'000	31-12-24 Costs to date €'000	31-12-23 Costs to date €'000
Belgium	541,540	522,460	668,413	666,174
France	822,010	802,280	612,881	605,622
Italy	1,537,390	1,459,830	1,072,799	1,058,552
Sweden	797,586	791,328	787,691	771,892
Property investments	3,698,526	3,575,898	3,141,784	3,102,240

Assumptions and sensitivity analysis

The assumptions and sensitivity analysis of the valuations are made by the valuers and represent the property investments, excluding land. The following assumptions were applied as per 31 December 2024:

	31-12-24				31-12-23			
	Belgium	France	Italy	Sweden	Belgium	France	Italy	Sweden
Passing rent per m² (€; average)**	592	406	346	223	589	404	348	234
Estimated rent value per m² (€; average)**	594	430	376	231	590	421	354	253
Net initial yield (%; average)	5.0	5.4	5.9	5.8	5.2	5.3	6.2	5.9
Reversionary yield (%; average)	5.1	5.9	6.0	6.2	4.9	5.9	6.2	5.9
Inflation rate (%; min/max)*	2.1	n.a.	1.9	1.9	n.a.	n.a.	2.3	2.1
Long-term growth in rental value (%; min/max)*	2.0	n.a.	2.0	2.0	n.a.	n.a.	2.3	2.0

* When DCF method is used.
** The comparative figures have been adjusted based on the current GLA.

The DCF valuation method is used by all valuers, except in France, where the capitalisation method is applied. There were no changes in the valuation methodology compared to previous valuations, except in Belgium, where the capitalisation method was used in the previous year.

A sensitivity analysis of the valuations is based on the assumptions of 1) the increase/decrease in net initial yield (NIY) and 2) the increase/decrease of the estimated rental value (ERV). The amounts reflect the increase or decrease of the net value of the respective property portfolio.

13. Property investments and property investments under development continued

	31-12-24					31-12-23				
	Belgium €'000	France €'000	Italy €'000	Sweden €'000	Total €'000	Belgium €'000	France €'000	Italy €'000	Sweden €'000	Total €'000
Increase average NIY by 25 bps	(26,446)	(33,720)	(63,200)	(31,323)	(154,689)	(26,100)	(33,789)	(46,960)	(29,999)	(136,848)
Increase average NIY by 50 bps	(50,447)	(64,763)	(121,430)	(58,160)	(294,800)	(49,780)	(65,112)	(88,570)	(57,949)	(261,411)
Decrease average NIY by 25 bps	29,279	36,935	67,810	31,335	165,359	28,910	37,254	50,190	33,089	149,443
Decrease average NIY by 50 bps	61,881	77,365	141,060	66,520	346,826	61,130	78,157	91,920	68,529	299,736
Increase ERV of 5%	22,100	27,788	35,520	28,656	114,064	26,120	28,099	42,680	33,829	130,728
Increase ERV of 10%	44,210	55,466	74,030	54,363	228,069	52,250	55,260	88,450	68,568	264,528
Decrease ERV of 5%	(22,110)	(29,028)	(29,840)	(30,518)	(111,496)	(26,130)	(27,091)	(42,470)	(33,829)	(129,520)
Decrease ERV of 10%	(44,200)	(57,516)	(70,850)	(59,541)	(232,107)	(52,260)	(54,731)	(84,830)	(66,766)	(258,587)

Changes in property investments for the financial year ended 31 December 2024 were as follows:

	Property investments 31-12-24 €'000	Property investments 31-12-23 €'000
Book value at beginning of year	3,575,898	3,642,946
Capital expenditure – general	4,662	10,991
Capital expenditure – extensions and refurbishments	33,045	11,233
Capitalised interest	182	122
Capitalised letting fees/lease incentives/fit out costs	9,383	12,627
Amortisation capitalised letting fees/lease incentives/fit out costs	(7,819)	(6,457)
Elimination of net capitalised letting fees	(1,564)	(6,170)
Property investments valuation adjustment	109,905	(90,183)
Exchange rate movement	(25,166)	789
Book value at end of year	3,698,526	3,575,898

14. Investments in joint ventures

Investments in joint ventures amounted to €112.0 million (€101.1 million at 31 December 2023) and refers to the Company's 50% stake in the Italian company Galleria Verde S.r.l. which owns the shopping centre Fiordaliso and the adjacent retail park in Milan. Galleria Verde S.r.l. has the same calendar year end as the Group. There are no contingent liabilities or other post balance sheet events in the joint venture other than mentioned below and no unrecognised losses. The payment of cash dividends and the repayment of intercompany loans and advances are allowed, subject to the conditions provided in the loans with the financing banks. During this financial year no dividend was paid by the joint venture (2023: €0).

The Italian joint venture is financed at 31 December 2024 by three banks: a) ING and BNP Paribas, which granted a loan of €177 million, maturing in 2026 with a mortgage on the Fiordaliso gallery; b) Banco BPM, which granted two loans, the first one in 2022 amounts to €21.5 million with a mortgage on the new portion of Fiordaliso gallery (ex-hypermarket) for a term of five years, the second one in March 2024 with a three years loan of €17.5 million with a mortgage on the retail park of Fiordaliso. As of 31 December 2024 the intercompany loans that the two shareholders granted to the joint venture have been fully repaid.

At 31 December 2024, the loans of the joint venture were hedged with interest rate swaps for a notional amount of €160 million.

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Notes to the consolidated financial statements (continued)

14. Investments in joint ventures continued

Property	Fiordaliso	Fiordaliso
Country	Italy	Italy
ECP ownership	50%	50%
Company name	Galleria Verde S.r.l.	Galleria Verde S.r.l.
Summarised profit or loss account	Twelve months ended 31-12-24 €'000	Twelve months ended 31-12-23 €'000
Rental income	25,192	23,670
Property expenses*	(524)	(789)
Service charge income	6,820	6,376
Service charge expenses*	(6,780)	(6,755)
Investment revaluation	15,994	9,866
Net interest expenses	(6,406)	(7,138)
Net derivatives movements	(4,078)	(10,716)
Other expenses to Group companies	(1,522)	(1,296)
Financial and investment expenses	(36)	(22)
Deferred tax	(6,154)	(3,188)
Corporate income tax	(782)	(334)
Result after taxation	21,724	9,674
Total comprehensive income	21,724	9,674
ECP share of total comprehensive income	10,862	4,837

Property	Fiordaliso	Fiordaliso
Country	Italy	Italy
ECP ownership	50%	50%
Company name	Galleria Verde S.r.l.	Galleria Verde S.r.l.
Summarised statement of financial position	31-12-24 €'000	31-12-23 €'000
Property investments (non-current)	409,560	391,720
Cash and deposits (current)	8,576	16,166
Debtors (current)	2,530	2,058
Derivative financial instruments (non-current)	15,218	19,166
Total assets	435,884	429,110
Creditors (current)	5,818	7,668
Borrowings (current)	3,304	20,984
Loan from Group companies (current)	0	16,000
Creditors (non-current)	846	822
Borrowings (non-current)	188,880	174,610
Deferred tax liabilities (non-current)	11,256	5,102
Derivative financial instruments (non-current)	1,772	1,640
Total liabilities	211,876	226,826
Net assets	224,008	202,284
ECP share of net assets in joint ventures	112,004	101,142

* The comparative figures have been adjusted for comparison purposes as a result of the reclassification. Please refer to Accounting Policy sections "Property Expenses (Direct and Indirect)" and "Service Charge Income and Service Charge Expenses" for more information.

15. Tangible fixed assets

Tangible fixed assets represent office equipment and inventory for the Company's head office at De Boelelaan 7, Amsterdam and the Group offices at 200, rue Saint-Lambert, Brussels; Via della Moscova 3, Milan; 107, rue Saint Lazare, Paris and Kungsgatan 48, Stockholm as well as the right-of-use assets related to the lease of these offices. The costs for office equipment and inventory are depreciated over the expected useful lives of the assets concerned varying from two to five years. The movements in the current financial year and the previous financial year were:

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Book value at 1 January 2023	**3,235**	**613**	**3,848**
Additions	1,522	1,284	2,806
Disposals	(146)	(20)	(166)
Depreciation	(1,135)	(560)	(1,695)
Exchange rate movement	(13)	69	56
Book value at 31 December 2023	**3,463**	**1,386**	**4,849**
Additions	2,666	821	3,487
Disposals	0	(4)	(4)
Depreciation	(1,358)	(608)	(1,966)
Exchange rate movement	(10)	(3)	(13)
Book value at 31 December 2024	**4,761**	**1,592**	**6,353**

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Cost at 31 December 2024	**9,592**	**9,137**	**18,729**
Accumulated depreciation	(4,789)	(7,561)	(12,350)
Accumulated exchange rate movement	(42)	16	(26)
Book value at 31 December 2024	**4,761**	**1,592**	**6,353**

During the financial year ended 31 December 2024, tangible fixed assets with a total cost price of €825,000 (31 December 2023: €1,241,000) and right-of-use assets with a total cost price of €1,551,000 (31 December 2023: €682,000) were disposed of or out of use.

16. Receivables

	31-12-24 €'000	31-12-23 €'000
Trade receivables		
Rents receivable	34,369	36,252
Provisions for bad debts (expected credit losses)	(11,500)	(13,953)
	22,869	22,299
Other receivables		
Funds held by managing agents	13,860	16,558
Loan to joint venture	0	8,000
Prepaid acquisition costs*	1,486	1,862
VAT receivable	4,619	3,663
Deposit gift cards	1,299	3,801
Escrow account sale Grenoble	0	1,900
Loan interest receivable	2,482	3,838
Other receivables and prepayments*	3,796	7,077
	27,542	46,699
Total trade and other receivables*	50,411	68,998
Tax Receivable		
Other tax receivable*	4,581	1,501
	4,581	1,501

* The comparative figures have been adjusted to provide a clearer presentation of the "Receivables" split.

Notes to the consolidated financial statements (continued)

16. Receivables continued

Under IFRS 9, the lease receivables are subject to impairment testing. When the landlord has invoiced the rent as defined according to the existing contract and the tenant does not pay, the (expected) risk related losses are fully recognised in property expenses.

The funds held by managing agents mainly relate to prepayments associated with service charges and precarious rental income.

The other tax receivable is mainly related to tax incentives granted by the Italian government on specific ESG investments.

The loan to joint venture is the shareholder loan granted to the joint venture Galleria Verde S.r.l. and has been fully repaid by the joint venture in 2024.

Receivables at 31 December 2024 include an amount of €4,133,000 (31 December 2023: €1,084,000) which is due after one year.

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17. Cash and deposits

Cash and deposits consist of amounts held as bank balances and other liquid assets. All bank balances and deposits are freely available.

	31-12-24 €'000	31-12-23 €'000
Bank balances	35,782	40,461
Deposits	182	57
	35,964	40,518

18. Trade and other payables and tax payable

	31-12-24 €'000	31-12-23 €'000
Current liabilities		
Interest payable	12,835	14,826
Lease liabilities	1,405	1,039
Local and property tax payable	1,369	1,623
Payable on purchased property/extensions	8,477	8,887
Rent received/invoiced in advance	34,851	32,816
Service charge accruals	5,567	8,987
VAT payable	1,998	4,343
Gift card debts	1,481	3,801
Amounts payable related to personnel*	10,664	8,116
Trade payables and other creditors*	17,648	26,159
	96,295	110,597
Non-current liabilities		
Lease liabilities	3,633	2,502
Tenant rental deposits	12,661	11,482
	16,294	13,984
Tax payable		
Current liabilities corporate tax payable	1,354	1,860
	1,354	1,860

* The comparative figures have been adjusted to provide a clearer presentation of the "Current liabilities" split.

19. Borrowings

	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	**1,553,148**	**1,519,062**
Drawdown of funds	**338,175**	**381,531**
Repayments	**(326,211)**	**(349,134)**
Exchange rate movement	**(10,085)**	**603**
Movement prepaid borrowing costs	**(279)**	**1,086**
Book value at end of year	**1,554,748**	**1,553,148**

84% of the borrowings are at a floating interest rate (31 December 2023: 83%), rolled over for a period of generally three months. The interest rate risk is managed by using interest rate swaps and other derivatives 16% of the borrowings are at a fixed interest rate and the interest rate risk is managed by fixing the interest to maturity at the drawdown date (31 December 2023: 17%).

	Borrowings €'000	Borrowing cost €'000	31-12-24 €'000	Fair value €'000	31-12-24 %	31-12-23 €'000	Fair value €'000	31-12-23 %
Borrowings with floating interest rate**	**1,306,153**	**(5,356)**	**1,300,797**	**1,300,797**	**84**	**1,289,086**	**1,289,086**	**83**
Borrowings with fixed interest rate*	**255,388**	**(1,437)**	**253,951**	**251,666**	**16**	**264,062**	**260,472**	**17**
Total borrowings	**1,561,541**	**(6,793)**	**1,554,748**	**1,552,463**	**100**	**1,553,148**	**1,549,558**	**100**

* Fixed rate borrowings consist of ten fixed rate loans and external floating interest rate financing for which fixed interest rate swaps are in place with a remaining term of more than one year.

** Floating rate borrowings consist of all external financing with a remaining interest period of less than one year taking into account the effect of interest rate swaps.

The fair value of the borrowings with a fixed interest rate from drawdown date to maturity is based on a model taking into account the appropriate interest rate curve of the underlying loan. The fair value of the floating interest rate loans is considered equal to the relevant carrying value, as the impact of the margin of the loans is not material.

The borrowings are all directly from major banks, with an average committed unexpired term of more than three years. Investment property amounting to €3,571 billion (2023: €3,451 billion) have been pledged as security of borrowings of € 1,489 million (2023: €1,493).

			31-12-24		31-12-23
Borrowings maturity profile	Secured €'000	Unsecured €'000	Total borrowings €'000	Average interest rate during the financial year* in %	Total borrowings €'000
Current borrowings	**55,759**	**72,979**	**128,738**	**3.1**	**233,622**
Non-current borrowings:					
One to two years	**490,364**		**490,364**		**405,940**
Two to five years	**523,309**		**523,309**		**708,207**
Five to ten years	**419,130**		**419,130**		**211,892**
More than ten years	**0**		**0**		**0**
Total non-current borrowings	**1,432,803**		**1,432,803**	**4.1**	**1,326,039**
Borrowing costs	**(6,793)**		**(6,793)**		**(6,513)**
Total borrowings	**1,481,769**	**72,979**	**1,554,748**	**3.7**	**1,553,148**

* Margin and base rate, excluding swaps.

Notes to the consolidated financial statements (continued)

19. Borrowings continued

Currency and interest rate profile	Fixed rate borrowings* €'000	Floating rate borrowings** €'000	Total borrowings €'000	Average interest rate at 31 December*** %	Average interest maturity in years	Average maturity of borrowings in years
2024						
Euro	204,904	1,043,584	1,248,488	4.0	5.6	3.7
Swedish krona	50,484	262,569	313,053	4.5	4.6	2.3
Borrowing costs	(1,437)	(5,356)	(6,793)	n.a.	n.a.	n.a.
	253,951	1,300,797	1,554,748	4.1	5.4	3.4
2023						
Euro	212,468	1,026,986	1,239,454	4.7	5.7	2.9
Swedish krona	53,307	266,900	320,207	5.4	2.7	2.4
Borrowing costs	(1,713)	(4,800)	(6,513)	n.a.	n.a.	n.a.
	264,062	1,289,086	1,553,148	4.8	5.1	2.8

* Fixed rate borrowings consist of ten fixed rate loans and external floating interest rate financing for which fixed interest rate swaps are in place with a remaining term of more than one year.
** Floating rate borrowings consist of all external financing with a remaining interest period of less than one year taking into account the effect of interest rate swaps.
*** Margin and base rate, excluding swaps.

The table above shows the average interest rate of the Group at December 2024 excluding the effect of the interest rate swaps (4.1%). The average interest rate at 31 December 2024 including the effect of interest rate swaps was 3.2%.

At 31 December 2024 the Group had in total green and sustainability loans for a nominal amount of €863 million (€784 million group share). There are four green loans for a total amount of € 646million (€568 million group share), three sustainability linked loans for a total amount of €100 million and two green and sustainability linked loans for a total amount of €117 million. The Group aims to further increase the number of its green and sustainability linked loans, by upgrading the loans expiring at maturity.

20. Financial instruments

Financial risks

In the normal course of business the Group is exposed to credit risks, liquidity risks, interest rate risks and foreign currency risks. The overall risk management policy focuses on the unpredictable nature of the financial markets with emphasis on minimising any negative impact on the financial performance of the business. The Group closely monitors its financial risks linked to its activities and the financial instruments it uses. However, as the Group is a long-term property investor, it believes that the funding of its investments should also be planned on a long-term basis, reflecting the overall risk profile of the business.

Credit risk

The credit risk is defined as the unforeseen losses on assets if counterparties should default. The credit risk associated with lease debtors is determined through a detailed analysis of the outstanding debt and mitigated by requiring deposits, upfront payments or bank guarantees from tenants to cover rents for a limited period. The risk is further reduced by investing in mature markets and by choosing major tenants also on the basis of their financial strength. Derivative financial instruments are considered to have low credit risk because all contracts are done with top tier counterparties, the risk is spread due to diversification in counterparties and the counterparties at which the financial instruments are held are also providing underlying financing.

The carrying amounts of the financial assets represent the maximum credit risk and were made up as follows:

Carrying amounts of financial assets	Note	31-12-24 €'000	31-12-23 €'000
Short term receivables	16	50,859	69,415
Long term receivables	16	4,133	1,084
Total receivables		54,992	70,499
Derivative financial instruments		20,098	33,275
Cash and deposits	17	35,964	40,518
Total financial assets		111,054	143,732

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20. Financial instruments continued

The ageing analysis of the receivables on the balance sheet date was as follows:

	31-12-24				31-12-23			
	Rents receivable €'000	Provision for bad debts (expected credit loss) €'000	Other receivables €'000	Receivables €'000	Rents receivable €'000	Provision for bad debts (expected credit loss) €'000	Other* receivables €'000	Receivables* €'000
Not due	20,809	(5)	4,133	24,937	21,582	(584)	1,084	22,082
Overdue by 0–90 days	1,876	(173)	27,777	29,481	606	(2,648)	46,846	44,804
Overdue by 90–120 days	1,202	(627)	0	575	1,506	(1,760)	0	(254)
Overdue by more than 120 days	10,482	(10,482)	0	0	12,558	(8,691)	0	3,867
	34,369	(11,287)	31,910	54,992	36,252	(13,683)	47,930	70,499

* The comparative figures in this table have been slightly changed due to the addition of the amounts related to tax receivable.

With respect to the rents receivable, the Group holds rental deposits from its tenants totalling €15.3 million (31 December 2023: €13.9 million) in addition to bank guarantees. The Company has a Group policy to closely monitor the collectibility of rents receivable; based on assessments of uncollectibility, a provision is recorded. Upon formal confirmation of uncollectibility, the rents receivable are written off against the recorded bad debt provision, and any remaining amounts are written off. The amounts listed under other receivables are expected to be received within the next 12 months, except for the long term receivables, for which no specific term is specified.

Refinancing and liquidity risk

Refinancing and liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets at a reasonable price. In order to reduce liquidity risk, the repayment dates of borrowings are well spread over time and 91.8% of borrowings are long term, with 26.8% of borrowings with a remaining term of over five years. The Group aims to enter into long-term loans, preferably five to ten years or longer. At the balance sheet date the average maturity of the borrowings was 3.41 years. Group net borrowings on a proportional consolidated basis will not exceed 60% of the fair value of the property portfolio on a proportional consolidated basis, which further mitigates risk. The ratios to which the Group has committed itself are monitored at regular intervals. The loan to value ratio at 31 December 2024 was 41.0% on IFRS basis and 41.3% on a proportional consolidated basis (31 December 2023: 42.3% and 42.5% respectively). Apart from these obligations and commitments, the Netherlands Fiscal Investment Institution status of the Company imposes borrowing limits and requires the Company to distribute its fiscal income as a dividend to the shareholders.

The risk related to the possible defaults of the Group's counterparties is minimised by dealing directly with a number of reputable banks for all its borrowings, interest rate swaps, foreign exchange contracts and deposits. These banks in their position as lenders have a credit rating AA- (14%), A+ (34%), A (22%), BBB+(11%), BBB (14%), BBB- (2%), BB+ (3%) and 0% have no rating according to Fitch; and Aa2 (16%), Aa3 (36%), A1 (4%), Baa1 (26%), Baa2 (2%), Baa3 (4%), Ba1(7%) and 5% have no rating according to Moody's.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and monitors rent collection and possible arrears.

For further disclosures on the liquidity risk, we refer to the going concern paragraph in note 1b. Basis of preparation of the consolidated financial statements.

The following table shows the undiscounted contractual flows required to pay the Company's financial liabilities:

	31-12-24				31-12-23			
Undiscounted cash flows	Total cash flows €'000	Less than 1 year €'000	1–5 years €'000	More than 5 years €'000	Total cash flows €'000	Less than 1 year €'000	1–5 years €'000	More than 5 years €'000
Non-current borrowings	1,432,803	0	1,013,673	419,130	1,326,039	0	1,114,147	211,892
Current borrowings	128,738	128,738	0	0	233,622	233,622	0	0
Interest derivative financial instruments	(3,187)	532	12,897	(16,616)	(10,715)	(2,097)	(18,552)	9,934
Interest on borrowings	185,605	53,146	113,599	18,859	154,643	66,276	80,278	8,089
Non-current creditors	15,270	2,097	8,770	4,403	13,816	1,369	10,299	2,148
Current creditors	96,295	96,295	0	0	109,558	109,558	0	0
Current tax payable	1,354	1,354	0	0	1,860	1,860	0	0
	1,856,878	282,162	1,148,939	425,776	1,828,823	410,588	1,186,172	232,063

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Notes to the consolidated financial statements (continued)

20. Financial instruments continued

Foreign currency risk

Foreign exchange risk is the risk that the profitability and shareholders' equity of the Group might be affected by currency fluctuations. Individual subsidiaries primarily execute their operating activities in their respective functional currencies which primarily comprise the euro and the Swedish krona. As a result, the Company has only a rather limited foreign currency exposure related to its day-to-day operations in the various countries. Since the financial reporting currency of the Company is the euro, the financial statements of those non-euro operating subsidiaries are translated so that the financial results can be presented in the Company's consolidated financial statements.

Due to Swedish property investments, the Group is exposed to the Swedish krona, the only material foreign currency exposure for the Group. However, due to SEK loan facilities, this exposure is partly hedged. SEK borrowings amount to €312 million (31 December 2023: €319 million). The total property investments in Sweden are €798 million (31 December 2023: €791 million). Therefore, about 39% of this SEK exposure is hedged through these borrowings at 31 December 2024 (31 December 2023: 40%). The remaining exposure is relatively limited compared with the total size of the portfolio and will, in principle, not be hedged. A weakening of this currency by 5% would result, for example, in a decrease of shareholders' equity of only 1% and in a decrease of only 0.9% of direct investment result.

Interest rate risk

The Company operates a defensive interest rate hedging policy by using derivatives to protect the Company against increases in interest rates. The Company intends to hedge at least 80% of its net loans outstanding for the medium to long term (five to 15 years). The fair value (mark to market) of the current interest rate hedge instruments as at 31 December 2024 is a negative value of €3.20 million (31 December 2023: positive €10.7 million).

The interest rate hedge instruments as at 31 December 2024 have a weighted average maturity of 5.9 years and the Company is hedged at an average interest rate of 2.3% (31 December 2023: 2.0%). Only 20% (31 December 2023: 21%) of the total borrowings is at a floating rate without interest hedge. An increase in interest rates of 1% would therefore only have a limited negative impact of an additional annual interest expense of €2.4 million (31 December 2023: €3.3 million) or 1.9% (31 December 2023: 2.6%) of reported direct investment result.

If at 31 December 2024, the euro interest curve and the Swedish krona interest curve were 50 basis points higher, the fair value movement for derivative financial instruments would have increased the shareholders' equity by €24.5 million. If the interest curves were 50 basis points lower, the fair value movement for derivative financial instruments would have decreased the shareholders' equity by €25.7 million. Both calculations assume that all other variables were held constant and do not take into account the impact of deferred taxes.

Maturity profile derivative financial instruments	31-12-24 Notional amount* €'000	31-12-24 Fair value** €'000	31-12-23 Notional amount* €'000	31-12-23 Fair value** €'000
Up to one year	80,000	533	96,006	2,097
From one year to two years	103,000	3,169	140,400	4,922
From two years to five years	485,166	9,728	410,298	13,630
From five years to ten years	210,000	(3,331)	229,654	5,197
Over ten years	75,000	(13,286)	85,000	(15,131)
	953,166	(3,187)	961,358	10,715

* Not including forward starter derivatives.
** Including forward starter derivatives.

Derivative financial instruments comprise the fair value of interest rate swap contracts entered into to hedge the Group's interest rate exposure.

In addition to the notional amounts of the derivative financial instruments effective at year end presented in the previous table , the financial instruments portfolio as per the balance sheet date includes also forward starting interest rate swaps to extend existing interest rate swaps then maturing for a notional amount of €190 million (31 December 2023: €105 million). Although the notional amounts of the aforesaid financial instruments are not included in the previous table, the fair value of these financial instruments is included. Moreover, the IFRS reporting does not include the additional interest rate swaps of the 50% owned Italian joint venture company Galleria Verde for a total notional amount of €95 million (Group share). The Company accounts for the purchase/sale of an interest rate swap at its transaction date.

Changes in net derivative financial instruments for the financial year ended 31 December 2024 were as follows:

Net derivative financial instruments	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	10,715	48,661
Fair value movement derivative financial instruments	(19,961)	(37,847)
Interest rate swaps settlement	6,029	0
Exchange rate movement	30	(99)
Book value at end of year	(3,187)	10,715

20. Financial instruments continued

Effective interest rate and ageing analysis

The following table shows the effective interest rate (variable rate is based on Euribor/Stibor as at 31 December 2024) on financial assets on which interest is receivable and liabilities on which interest is payable as at the balance sheet date. This table also includes an ageing analysis according to interest rate revision dates of these assets and liabilities.

	31-12-24				31-12-23			
	Borrowings floating rate	Borrowings fixed rate	Swaps fixed rate paid	Swaps floating rate received	Borrowings floating rate	Borrowings fixed rate	Swaps fixed rate paid	Swaps floating rate received
Effective interest rate (%)	4.58	1.87	1.55	3.10	5.42	1.87	1.37	4.00
Up to one year (€'000)	119,897	8,841	80,000	80,000	224,886	8,736	96,006	96,006
From one year to two years (€'000)	433,162	57,202	103,000	103,000	397,063	8,878	140,400	140,400
From two years to five years (€'000)	437,594	85,715	485,166	485,166	633,237	74,969	410,298	410,298
From five years to ten years (€'000)	315,500	103,630	210,000	210,000	38,700	173,192	229,654	229,654
Over ten years (€'000)	0	0	75,000	75,000	0	0	85,000	85,000
	1,306,153	255,388	953,166	953,166	1,293,886	265,775	961,358	961,358

The following table shows the periods in which the interest cash flows (variable interest is based on Euribor/Stibor as at 31 December 2024) on both borrowings and derivatives are expected to occur on the basis of the loan and interest rate swap agreements entered into by the Group, as per the balance sheet date:

Interest cash flows 31-12-24	Borrowings floating rate €'000	Borrowings fixed rate €'000	Swaps fixed rate €'000	Swaps floating rate €'000	Total €'000
Up to one year	48,420	4,726	16,883	(24,031)	45,998
From one year to two years	38,274	4,226	18,851	(19,650)	41,701
From two years to five years	61,071	10,028	49,247	(50,274)	70,072
From five years to ten years	15,119	3,741	18,875	(15,331)	22,404
Over ten years	0	0	28,360	(19,724)	8,636
	162,884	22,721	132,216	(129,010)	188,811

Fair value of financial instruments

The financial statements have been prepared on an historical cost basis, except for property investments, property investments under development, property investments held for sale and some of the financial instruments, which are carried at fair value. IFRS 9 contains the following principal classification categories for financial assets and liabilities: A. Financial assets and liabilities measured at amortised cost; and C. Financial assets at fair value through P&L.

The carrying amounts of the financial instruments and their fair values were as follows:

			31-12-24 €'000		31-12-23 €'000	
	Note	Categories in accordance with IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value
Receivables	16	A	54,992	54,992	69,939	69,939
Derivative financial instruments		C	20,098	20,098	33,275	33,275
Cash and deposits	17	A	35,964	35,964	40,518	40,518
			111,054	111,054	143,732	143,732
Creditors	18	A	113,943	113,943	126,442	126,442
Borrowings	19	A	1,554,748	1,552,463	1,559,661	1,549,558
Derivative financial instruments		C	23,286	23,286	22,560	22,560
			1,691,977	1,689,692	1,708,663	1,698,560

The fair values of the financial instruments were determined as explained in the principal accounting policies (note 1) to the extent that for those borrowings with a fixed interest rate (carrying amount of €255,388,000), the fair value was based upon the relevant yield curves.

For the borrowings with a floating interest rate (carrying amount of €1,306,153,000), the carrying amount is deemed to approximate the fair value because the floating interest rate approximates the market interest rate and own credit risk is not deemed material. Due to their short-term nature the carrying amount approximates to fair value for the other balance sheet items.

Notes to the consolidated financial statements (continued)

20. Financial instruments *continued*

Fair value hierarchy

All derivative financial instruments are at level 2. For the level 2 derivative financial instruments the Group uses a model to determine the fair value with inputs that are directly or indirectly observable market data.

21. Deferred tax liabilities

Deferred tax liabilities are attributable to the following items in the current financial year:

	31-12-23 €'000	Recognised in profit or loss €'000	Exchange rate movement €'000	31-12-24 €'000
Investment property	(112,240)	(36,661)	2,379	(146,522)
Derivative financial instruments	(15,246)	4,186	(24)	(11,084)
Tax value of loss carry-forwards recognised	10,634	(3,385)	0	7,249
Deferred tax properties IFRS 9	0	3	0	3
Total deferred tax liabilities	(116,852)	(35,857)	2,355	(150,354)

As at 31 December 2024, the total amount of deferred tax liabilities of €150.4 million is for an amount of €80.1 million related to Sweden and for an amount of €70.3 million to Italy.

Deferred tax liabilities were attributable to the following items in the previous reporting period:

	31-12-22 €'000	Recognised in profit or loss €'000	Exchange rate movement €'000	31-12-23 €'000
Investment property	(100,182)	(12,050)	(8)	(112,240)
Derivative financial instruments	(23,540)	8,300	(6)	(15,246)
Tax value of loss carry-forwards recognised	12,240	(1,605)	(1)	10,634
Total deferred tax liabilities	(111,482)	(5,355)	(15)	(116,852)

22. Put option liability non-controlling interest

Changes in put option liability non-controlling interest for the financial year ended 31 December 2024 were as follows:

Financial liability related to the put option non-controlling interest	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	0	(63,448)
Interest put option non-controlling interest	0	(558)
Movement of put option non-controlling interest Belgium	0	(5,594)
Exercise of put option non-controlling interest Belgium	0	69,600
Book value at end of year	0	0

In April 2023 AG Insurance, the minority shareholder of ECP Belgium, exercised the put option and Eurocommercial Properties N.V. purchased the remaining shares of ECP Belgium. As a result of the exercise of the put option and the settlement of the payment, the put option liability non-controlling interest no longer exists.

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23. Provision for pensions

The provision for pensions is related to one defined benefit plan in the United Kingdom. The plan has no active members, neither for the comparative figures and no new members have entered the scheme since 2001. The scheme is based on a final salary plan with a pensionable salary cap and the Company expects no new members in the scheme in the near future.

In November 2023 the Trustee of the Scheme entered into a contract with Aviva Life & Pensions UK Limited for the purchase of a bulk annuity insurance policy to secure the benefits of all members of the Scheme with the insurance company. As a result of these transactions, the Scheme's assets as per 31 December 2024 consist of the bulk annuity policy from Aviva and a remaining cash amount of €428,000.

The major categories of plan assets are as follows:

	31-12-24 €'000	31-12-23 €'000
Insured annuity policy	7,575	7,418
Cash and cash equivalents	428	330
Unquoted investment funds – mixed	0	0
	8,003	7,748

Changes in the defined benefit obligation and fair value of plan assets in the current and previous financial reporting year/period:

	Fair value of plan assets 31-12-24 €'000	Defined benefit obligation 31-12-24 €'000	Benefit liability 31-12-24 €'000	Fair value of plan assets 31-12-23 €'000	Defined benefit obligation 31-12-23 €'000	Benefit liability 31-12-23 €'000
Book value at beginning of year	8,737	(8,737)	0	7,371	(7,940)	(569)
Interest income/(expenses)	399	(399)	0	459	(391)	68
Pension cost charged to profit or loss account	399	(399)	0	459	(391)	68
Return on plan assets	(1,000)	0	(1,000)	(2,967)	0	(2,967)
Actuarial changes arising from changes in assumptions	0	933	933	0	43	43
Experience adjustments	0	106	106	0	(156)	(156)
Actuarial result on pension scheme charged to OCI	(1,000)	1,039	39	(2,967)	(113)	(3,080)
Buy-in	0	0	0	3,970	0	3,970
Benefits paid	(81)	81	0	(72)	72	0
Effects of asset ceiling	0	(39)	(39)	0	(382)	(382)
Exchange rate movement	0	0	0	(24)	17	(7)
Book value at end of year	8,055	(8,055)	0	8,737	(8,737)	0

The defined benefit obligation is has been recorded at €0 since 31 December 2023 as an insurance company has been engaged to assume any future liabilities associated with the obligations. The buyout by this insurance company was successfully completed in March 2025 and the winding up of the pension scheme by the trustee will follow in due course.

The principal assumptions used in determining the pension obligations for the Group's plan are set out as follows for the year ended 31 December 2024. The discount rate is 5.6% (31 December 2023: 4.6%) and pension increase is 3.1% (31 December 2023: 3.1%). The life expectancy for pensioners at the age of 60 is 25.9 years and 28.1 years for men and women respectively (31 December 2023: men 25.9 years and women 28.0 years). A quantitative sensitivity analysis for material assumptions as at 31 December 2024 is as shown below:

Year		Discount rate: 0.25% increase	Discount rate: 0.25% decrease	Rate of inflation: 0.25% increase	Rate of inflation: 0.50% increase	Life expectancy: 1 year increase
31 December 2024	Liabilities (€'000)	7,380	7,778	7,767	7,389	7,729

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The duration of the liabilities of the Scheme is approximately 18 years as at 31 December 2024 (31 December 2023: approximately 18 years).

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Notes to the consolidated financial statements (continued)

24. Leases

A. Leases as lessor (IFRS 16)

The Group leases out its investment properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

For the recognised rental income and the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, reference is made to note 4 of these statements.

B. Leases as lessee (IFRS 16)

The Group leases office space and company cars.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as tangible fixed assets (see Note 15).

	31-12-24 €'000	31-12-23 €'000
Balance at the beginning of year	**3,463**	**3,235**
Additions to right-of-use assets	**2,666**	**1,522**
Disposal of right-of-use assets	**0**	**(146)**
Depreciation for the period	**(1,358)**	**(1,135)**
Exchange rate movement	**(10)**	**(13)**
Balance as at the end of year	**4,761**	**3,463**

ii. Lease liabilities

The current and non-current portions of the Company's lease liabilities are presented as current liabilities and non-current liabilities respectively (see Note 18).

	31-12-24 €'000	31-12-23 €'000
Balance at the beginning of the financial year	**3,541**	**3,334**
Lease payments for the period	**(1,309)**	**(1,227)**
Additions to lease liabilities	**2,666**	**1,522**
Disposal of lease liabilities	**0**	**(146)**
Interest expenses	**151**	**71**
Exchange rate movement	**(11)**	**(13)**
Balance as at the end of the financial year	**5,038**	**3,541**

During the financial year 2024, several additions or renewals of lease contracts have been taken up by Eurocommercial Properties N.V. to align with the prevailing market conditions, the IBR percentage was updated using the Country Risk Premium and an average company Credit Spread of 0.032%. The adjusted IBR percentage was implemented for leases which commenced in 2024. For leases that were previously recorded, the initial interest rate percentage remained at 2% as there were no substantial changes to the lease amounts or modifications to the lease terms. The Company uses a discount rate of 2.6% in France, 3.2% in Italy, 2.4% in Netherlands and 2.1% in Sweden.

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments to be paid after the reporting date.

	31-12-24 €'000	31-12-23 €'000
Less than one year	**3,082**	**3,156**
One to two years	**1,482**	**2,482**
Two to three years	**1,235**	**841**
Three to four years	**901**	**666**
Four to five years	**498**	**382**
More than five years	**84**	**0**
Total undiscounted lease payments	**7,282**	**7,527**

24. Leases continued

iii. Amounts recognised in profit or loss

	Twelve months ended 31-12-24 €'000	Twelve months ended 31-12-23 €'000
Interest from lease liabilities	**151**	**71**
Depreciation right-of-use assets	**1,358**	**1,135**
Expenses related to short-term and/or low-value leases	**248**	**261**
Total	**1,757**	**1,467**

iv. Amounts recognised in statement of cash flows

	Twelve months ended 31-12-24 €'000	Twelve months ended 31-12-23 €'000
Lease payments of lease liabilities	**1,309**	**1,227**
Interest expenses on lease liabilities	**151**	**71**
Total cash outflow for leases	**1,460**	**1,298**

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Notes to the consolidated financial statements (continued)

25. Issued share capital

Share capital comprises of 100,000,000 authorised shares of €10 par value, of which 54,579,114 shares are issued and fully paid as at 31 December 2024 and of which 1,148,075 were bought back as at 31 December 2024.

The weighted average number of shares in issue in the current financial year is 53,521,202. The number of shares in issue (after deduction of shares bought back) as per 31 December 2024 is 53,431,039. The Company's shares are listed on Euronext Amsterdam, Brussels and Milan. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	**537,817**	**533,492**
Dividend paid in shares	**7,974**	**4,325**
Book value at end of year	**545,791**	**537,817**

On 30 January 2024, the Company issued an interim cash dividend of €0.64 per share, offering shareholders the choice of receiving a stock dividend, yielding one new share per 37 existing shares. This resulted in the issuance of 267,684 shares, each with a nominal value of €10, thereby increasing the Company's nominal share capital by €2,676,840. On 5 July 2024, a final cash dividend of €1.06 per share was paid, with an option for a stock dividend that provided one new share for every 24 existing shares. This led to the issuance of 529,739 shares with a nominal value of €10 each, raising the nominal share capital by €5,297,390. In total, 797,423 shares were issued during the year, increasing the Company's share capital by €7,974,230.

	2024 No. of shares	2023 No. of shares
Number of shares on issue at beginning of year	**53,781,691**	**53,349,162**
Shares issued for dividend paid in shares	**797,423**	**432,529**
Number of shares on issue at end of year	**54,579,114**	**53,781,691**
Number of shares bought back at beginning of year	**(506,924)**	**(506,924)**
Shares bought back during the year	**(641,151)**	**0**
Number of shares bought back at end of year	**(1,148,075)**	**(506,924)**
Number of shares at end of year after deduction of shares bought back	**53,431,039**	**53,274,767**

Net asset value per share

The net asset value per share is €39.03 at 31 December 2024 (31 December 2023: €37.68).

Shares bought back

The Company launched a buy-back program on 13 June 2024, aimed at mitigating the dilution caused by the 2024 stock dividends. The program was scheduled to end on 29 November 2024, or once €15 million had been expended on repurchasing shares in the Company's capital. From 13 June 2024, through 30 September 2024, a total of 641,151 shares were repurchased at an average price of €23.40 each. These repurchased shares constitute 1.2% of the Company's issued share capital. As per 31 December 2024 the number of shares bought back is 1,148,075 (31 December 2023: 506,924).

Performance shares

The Performance Share Plan (PSP) provides for an annual grant of free long-term performance shares for all employees and members of the Board of Management and is conditional upon the meeting of Company performance targets and that the employee remains with the Company for more than three years from the grant date of the performance shares and holds them from that vesting date for a further two years. All permanent employees and Directors of the Company are entitled to the scheme. The calculation is based on a Black, Scholes and Merton option valuation model. The fair value of the performance shares is based on the share price at grant date and a number of assumptions to be made relating to the expected volatility, risk free interest rate, dividend yield and the remaining life of the instruments.

25. Issued share capital continued

Performance Share Plan (PSP)	PSP 2024	PSP 2023	PSP 2022	Total
Grant date	13-06-2024	15-06-2023	01-07-2022	
Vesting date	13-06-2027	15-06-2026	01-07-2025	
Share price at grant date	€21.95	€21.06	€20.22	
Dividend yield	7.46%	7.32%	7.07%	
Fair value per performance share	€16.06	€15.38	€16.36	
Performance shares granted	89,841	173,752	45,860	309,453
Performance shares forfeited	0	(6,864)	(4,908)	(11,772)
Outstanding performance shares at end of the year	**89,841**	**166,888**	**40,952**	**297,681**

Movements in the number of performance shares during the year	PSP 2024	PSP 2023	PSP 2022	Total
Performance shares at beginning of year	0	172,324	43,147	215,471
Performance shares granted	89,841	0	0	89,841
Performance shares forfeited	0	(5,436)	(2,195)	(7,631)
Outstanding performance shares at end of year	**89,841**	**166,888**	**40,952**	**297,681**

The expenses for the performance shares granted (IFRS 2) are €1,292,000 positive (2023: €674,000 positive). The outstanding performance shares as per 31 December 2024: 297,681 (31 December 2023: 215,471). As at 31 December 2024, the outstanding performance shares represent 0.55% of the issued share capital (31 December 2023: 0.40%).

26. Share premium reserve

	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	260,117	263,774
Performance shares granted (IFRS 2)	1,292	674
Dividend paid in shares	(7,974)	(4,325)
Cost for dividends paid	0	(6)
Book value at end of year	**253,435**	**260,117**

27. Other reserves and currency translation reserve

Other reserves	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	1,320,242	1,129,675
Result previous financial year	(117,722)	116,190
Acquisition of put-option non-controlling interest	0	68,081
Shares bought back	(15,981)	0
Dividend paid in shares	19,815	10,381
Buy-in	0	(4,085)
Book value at end of year	**1,206,354**	**1,320,242**

Currency translation reserve	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	(84,124)	(83,812)
Foreign currency translation differences	(12,675)	(312)
Book value at end of year	**(96,799)**	**(84,124)**

Notes to the consolidated financial statements (continued)

28. Non-controlling interest

Non-controlling interest was related to the 25.63% stake in Eurocommercial Properties Belgium S.A. owned by AG Insurance as a result of the contribution in kind made in 2019 of the Inno department store, which is part of the Woluwe shopping centre. This non-controlling interest was acquired by the Company in April 2023 and, from that point, Eurocommercial Properties Belgium S.A. became a fully owned subsidiary.

	31-12-24 €'000	31-12-23 €'000
Calculation value minority shares		
Balance at the beginning of the year	**0**	**67,305**
Profit after taxation contributable to non-controlling interest	**0**	**776**
Reallocation to equity after acquisition of non-controlling interest	**0**	**(68,081)**
Equity attributable to non-controlling interest at the end of the year	**0**	**0**

29. Earnings per share

Basic earnings per share

The Company's shares are listed on Euronext Amsterdam, Brussels and Milan.

The calculation of basic earnings per share of positive €3.30 at 31 December 2024 (2023: negative €0.51) was based on the result attributable to shareholders of positive €176.8 million (2023: negative €26.9 million) and the average number of shares on issue (after deduction of shares bought back) during the financial year was 53,521,202 as calculated below.

Result attributable to shareholders:

	31-12-24 €'000
Result for the year	**176,825**
	In Units
Average issued shares (after deduction of shares bought back) at beginning of the year	**53,274,767**
Effect of number of shares issued (dividend in shares)	**509,896**
Effect of number of shares bought back	**(263,461)**
Average number of shares on issue (after deduction of shares bought back) over the year	**53,521,202**

Diluted earnings per share

The calculation of diluted earnings per share of positive €3.29 at 31 December 2024 (2023: negative €0.51) was based on the result attributable to holders of shares of positive €176.8 million (2023: negative €26.9 million) and the diluted average number of outstanding shares was 53,781,861 as calculated below.

Result attributable to shareholders (diluted):

	31-12-24 €'000
Result for the year	**176,825**
	In Units
Average number of shares on issue (after deduction of shares bought back) over the year	**53,521,202**
Effect of issued and forfeited performance shares	**260,659**
Average number of shares (diluted) over the year	**53,781,861**

30. Commitments not included in the balance sheet

The Company is committed to contributing a residual amount of €2.0 million to its Italian joint venture company, Galleria Verde S.r.l., for the refurbishment of the Fiordaliso shopping centre. Additionally, the Company is committed to completing activities related to the Curno extension project, as agreed with the Municipality of Curno, with an estimated residual amount of €1.2 million.

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31. Capital management

The primary objective of the Company's capital management is to ensure that capital is available for the long term. No changes have been made to these objectives, policies or processes during the financial year ended 31 December 2024. The Company monitors capital primarily using a loan to value ratio. The loan to value (LTV) ratio is defined as the net borrowings expressed as a percentage of the total value of property investments, property investments under development, property investments in joint ventures and property investments held for sale, calculated on a proportionally consolidated basis. The total values are net of any (estimated) purchasers' costs. The net loan to value ratio will not exceed 60 per cent, which is also a covenant agreed with a number of banks financing the Group.

The calculation of the LTV ratio is as follows:

Loan to value ratio (on a proportional consolidated basis)	**31-12-24 €'000**	**31-12-23 €'000**
Net borrowings (total borrowings less cash and deposits)	**1,610,588**	**1,602,344**
Property investments	**3,698,526**	**3,575,898**
Property investments held by joint ventures	**204,780**	**195,860**
Total property investments	**3,903,306**	**3,771,758**
LTV ratio (%)	**41.3%**	**42.5%**

All bank covenants are monitored at regular intervals. During the year the Company complied with its banking covenants. The most frequently agreed covenants in the loan agreements are a loan to value ratio on a proportional consolidated basis and an interest cover ratio.

The Company's secured bank loans are subject to various covenants which are reviewed quarterly.

Under the current circumstances, we expect the Company to comply with the quarterly covenants within 12 months after the reporting date.

In the case of the LTV ratio for each individual property, the Company cannot foresee the market condition in the duration specified as it might adversely affect the value of the property.

32. Related parties

Introduction

Subsidiaries, minority shareholders and joint ventures of the Company, members of its Supervisory Board, Board of Management and the UK pension scheme are related parties. No transactions have been entered into with them other than those disclosed in this report.

The Directors' fees recognised in the company expenses for the current financial year include an amount of €179,000 (2023: €179,000) in respect of gross remuneration paid to the members of the Supervisory Board to be specified as follows:

	31-12-24 €'000	**31-12-23 €'000**
B.T.M. Steins Bisschop	**30**	**61**
E. Attout	**47**	**47**
K. Laglas	**47**	**47**
B.W. Roelvink	**55**	**24**

The Directors' fees also include salaries, bonuses, pension premiums and social security charges for the members of the Board of Management.

The total remuneration for the members of the Board of Management for the current financial year can be specified as follows:

	E.J. van Garderen		**R. Fraticelli**		**J.P.C. Mills**	
	31-12-24 €'000	**31-12-23 €'000**	**31-12-24 €'000**	**31-12-23 €'000**	**31-12-24 €'000**	**31-12-23 €'000**
Salary	**475**	**475**	**508**	**508**	**207**	**460**
Housing allowance	**0**	**0**	**0**	**0**	**7**	**13**
Bonus	**333**	**189**	**355**	**202**	**149**	**185**
Pension premiums (defined contribution plan)	**76**	**75**	**215**	**178**	**46**	**94**
Employers tax and social security charges	**12**	**11**	**107**	**111**	**62**	**99**
Performance shares granted (IFRS 2)	**109**	**55**	**117**	**58**	**44**	**55**
	1,005	**805**	**1,302**	**1,057**	**515**	**906**

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Notes to the consolidated financial statements (continued)

32. Related parties continued

In accordance with the Company's remuneration policy the bonuses paid to members of the Board of Management are directly linked to the annual growth in the Company's adjusted net asset value, the annual absolute and the annual relative performance as per the end of the financial year of the listed shares of the Company compared with a peer group of ten listed retail property companies, as well as two ESG key performance indicators achieved for this financial year. For this financial year there was no growth of the adjusted net asset value per share. The total remuneration for the members of the Supervisory Board and the Board of Management for the financial year is €3,001,000 (2023: €2,947,000).

The members of the Board of Supervisory Directors and the members of the Board of Management of Eurocommercial Properties N.V. have no personal interest in investments made by Eurocommercial Properties N.V. now nor at any time in the past year. The Company has no knowledge of property transactions taking place in the financial year under review with persons or institutions which can be considered to stand in a direct relationship to the Company.

Performance shares
In 2024, 8,903 performance shares have been granted to the Board of Management under the Performance Share Plan. At 31 December 2024, the outstanding performance shares held by the Board of Management represent 0.09% of the issued share capital.

For more information about the Performance Share Plan, reference is made to note 25.

20.86% (€269,000) of the amount included in the consolidated statement of profit or loss (€1,292,000) as performance shares granted (IFRS 2) is related to the performance shares granted to the members of the Board of Management.

Shareholdings
As per 31 December 2024, E.J. van Garderen holds 35,000 shares, which includes 11,706 vested performance shares, in total representing 0.07% of the issued share capital of the Company. R. Fraticelli holds 35,249 shares, which includes 8,843 vested performance shares, in total representing 0.07% of the issued share capital of the Company.

None of the members of the Board of Supervisory Directors has any holdings in the Company with the exception of B.W. Roelvink, who holds 2,006 shares in the capital of the Company.

Loans
There are no loans granted to members of the Supervisory Board or members of the Board of Management.

All outstanding balances with related parties are priced on an arm's length basis.

33. Auditor's fee

The following fees were charged by KPMG Accountants N.V. to the Company, its subsidiaries and other consolidated companies, as referred to in section 2:382a(1) and (2) of the Netherlands Civil Code.

	KPMG Accountants N.V. 2024 €'000	Other KPMG Network 2024 €'000	Total KPMG 2024 €'000	KPMG Accountants N.V. 2023 €'000	Other KPMG Network 2023 €'000	Total KPMG 2023 €'000
Audit of the financial statements	409	593	1,002	349	526	875
Other audit engagements	9	12	21	9	24	33
Total audit fees	418	605	1,023	358	550	908

34. Post balance sheet events

In January 2025 the Company entered a SEK 550 million (circa €48 million) five-year loan with Postbank (a branch of Deutsche Bank) on its Swedish shopping centre Valbo in Gävle, thereby completing its refinancing programme for the long-term loans expiring in 2025.

The defined benefit obligation of the Pension Scheme has been recorded at €0 since 31 December 2023 as an insurance company has been engaged to assume any future liabilities associated with the obligations. The buyout by this insurance company was successfully completed in March 2025 and the winding up of the pension scheme by the trustee will follow in due course.

35. Dividend distribution

The Board of Management and the Board of Supervisory Directors propose to the Annual General Meeting of Shareholders, to be held on 3 June 2025 at 13.30 hours (CET), to declare a total dividend of €1.80 per share for the financial year ended 31 December 2024. A cash interim dividend of €0.68 per share was already paid on 30 January 2025 (31 December 2023: €1.70 total dividend per share). The distribution date of the final dividend of €1.12 per share will be 3 July 2025. Holders of shares will also be offered the option of taking new shares from the Company's fiscal share premium reserve, instead of the final cash dividend payable. The price of these new shares will be announced on 30 May 2025.

Company financial statements

Company balance sheet

(before result appropriation)

Assets	Note	31-12-24 €'000	31-12-23 €'000
Investments in subsidiaries	3	2,087,787	1,976,291
Tangible fixed assets	4	3,083	3,776
Total non-current assets		2,090,870	1,980,067
Due from subsidiaries	5	287,307	229,029
Receivables	6	1,022	684
Cash and equivalents	7	2,135	3,104
Total current assets		290,464	232,817
Total assets		2,381,334	2,212,884
Liabilities			
Creditors	8	6,124	5,157
Due to subsidiaries	9	262,354	172,762
Current lease liabilities	12	686	642
Credit facilities	10	25,000	25,000
Total current liabilities		294,164	203,561
Long-term lease liabilities	12	1,564	2,143
Total non-current liabilities		1,564	2,143
Total liabilities		295,728	205,704
Net assets		2,085,606	2,007,180
Shareholders' equity			
Issued share capital	14	545,791	537,817
Share premium reserve	14	253,435	260,117
Legal reserve subsidiaries	14	788,490	647,618
Currency translation reserve	14	(96,799)	(84,124)
Other reserves	14	417,864	672,624
Undistributed income	14	176,825	(26,872)
Total Shareholder's equity		2,085,606	2,007,180

Company financial statements (continued)

Company statement of profit or loss

(€'000)	Notes	2024	2023
Company expenses	15	(8,059)	(6,489)
Total operating expenses / Net turnover result		**(8,059)**	**(6,489)**
Interest income due from subsidiaries	16	12,438	16,390
Interest expenses due to subsidiaries	16	(11,909)	(7,571)
Interest expenses from borrowings	16	(939)	(1,423)
Movement of put option non-controlling interest	13	0	(5,594)
Other income and financing costs	16	8,164	8,178
Net financing income		7,754	9,980
Result before taxation		(305)	3,491
Result from subsidiaries after taxation	3	177,130	(30,363)
Result after taxation		176,825	(26,872)

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Notes to the company financial statements

1. General

The description of the Company's activities and structure, as included in the notes to the consolidated financial statements, also applies to the Company financial statements. The Company financial statements have been prepared in accordance with the financial reporting requirements of Part 9, Book 2 of the Netherlands Civil Code. In order to harmonise the accounting principles of the Company financial statements with the consolidated financial statements, the Board of Management has decided, from 1 July 2005 onward, to adopt the provisions of Article 2:362 paragraph 8 of the Netherlands Civil Code, whereby the accounting principles applied in the consolidated financial statements also apply to the Company financial statements. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) as per 1 January 2024 and Part 9 of Book 2 of the Netherlands Civil Code. The Company financial statements are prepared on a going concern basis. In this respect specific reference is made to Note 1(b) of the consolidated financial statements.

2. Principal accounting policies

The accounting principles as described in the notes to the consolidated financial statements also apply to the Company financial statements unless indicated otherwise.

Investments in subsidiaries
Group companies are all entities in which the Company has directly or indirectly control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the group company and has the ability to affect those returns through its power over the group company. Group companies are recognised from the date on which control is obtained by the Company and derecognised from the date that control by the Company over the group company ceases.

In accordance with Article 2:362 paragraph 8 of the Netherlands Civil Code, all subsidiaries are accounted for on a net asset value basis. For determining the net asset value all assets, liabilities and profits and losses are subject to the accounting principles as applied to the consolidated financial statements.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If the Company fully or partially guarantees the debts of the relevant participating interest, or if has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised accordingly to the amount of the estimated payments by the Company on behalf of the participating interest.

Shareholders' equity
The Company recognises a legal reserve subsidiaries in its Company financial statements. This legal reserve subsidiaries is based on Article 2:389 paragraph 6 of the Netherlands Civil Code.

Share in result of investments in subsidiaries
The share in the result of participating interests consists of the share of the Group in the results of these participating interests. The results of participating interests subsidiaries acquired or sold during the financial year are measured in the group result from the date of acquisition or until the date of sale respectively.

3. Investments in subsidiaries

The subsidiaries of the Company are listed in Note 1 Principal accounting policies in the consolidated financial statements.

Movements in investments in subsidiaries for the financial year ended 31 December 2024 were as follows:

	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	**1,976,291**	**1,906,915**
Dividends from subsidiaries	(54,742)	(76,300)
Investments	0	175,295
Result from subsidiaries via other comprehensive income	(10,892)	744
Result from subsidiaries	177,130	(30,363)
Book value at end of year	**2,087,787**	**1,976,291**
Cost at end of year (less dividends received)	**104,382**	**159,124**
Cumulative result from subsidiaries via other comprehensive income	(45,877)	(34,985)
Cumulative profit from subsidiaries	2,029,282	1,852,152
Book value at end of year	**2,087,787**	**1,976,291**

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Notes to the company financial statements (continued)

4. Tangible fixed assets

Tangible fixed assets represent office equipment and inventory for the Company's head office in Amsterdam and the Paris office and includes the Right-of-use assets of both offices. These costs are depreciated over the expected useful lives of the assets concerned varying from two to five years. The movements in the current and previous financial years were:

	Right-of-use assets €'000	Office equipment €'000	Total €'000
Book value at 1 January 2023	**2,163**	**294**	**2,457**
Additions	**1,334**	**1,131**	**2,465**
Disposals	**(268)**	**(11)**	**(279)**
Depreciation	**(509)**	**(358)**	**(867)**
Book value at 31 December 2023	**2,720**	**1,056**	**3,776**
Book value at 1 January 2024	**2,720**	**1,056**	**3,776**
Additions	**35**	**318**	**353**
Disposals	**0**	**0**	**0**
Depreciation	**(618)**	**(428)**	**(1,046)**
Book value at 31 December 2024	**2,137**	**946**	**3,083**
Cost at 31 December 2024	**4,879**	**6,631**	**11,510**
Accumulated depreciation	**(2,742)**	**(5,685)**	**(8,427)**
Book value at 31 December 2024	**2,137**	**946**	**3,083**

During the financial year ended 31 December 2024, tangible fixed assets for an amount of €611,293 were out of use (31 December 2023: €1,100,000).

5. Due from subsidiaries

The balance of €287.3 million at 31 December 2024 represents mainly funds advanced to Eurocommercial Properties France S.A.S., Eurocommercial Properties Sweden A.B. and Eurocommercial Properties Belgium S.A. These balances are characterised as current accounts used for funding or reimbursing cash to Group companies as part of the cash management of the Company. Consequently, these balances have been presented as current assets in the Company balance sheet.

The average interest rate of these advances is 5.9% (31 December 2023: 6.3%).

6. Receivables

	31-12-24 €'000	31-12-23 €'000
Prepayments	**1,022**	**684**
	1,022	**684**

7. Cash and equivalents

Cash and deposits of €2.1 million consist of amounts held as bank balances. All bank balances are freely available.

8. Creditors

	31-12-24 €'000	31-12-23 €'000
Interest payable	64	284
Remuneration payable	2,809	1,761
VAT payable	757	827
Other creditors and accruals	2,494	2,285
	6,124	5,157

The total amount of creditors have a remaining term of shorter than one year and is therefore classified as short term liability.

9. Due to subsidiaries

The balance of €262.4 million at 31 December 2024 (31 December 2023: €172.8 million) represents mainly funds advanced from ECP Service S.r.l. These balances are characterised as current accounts used for funding or reimbursing cash from Group companies as part of the cash management of the Company. Consequently, these balances have been presented as current liabilities in the Company balance sheet.

The average interest rate of these advances is 5.7% (2023: 5.3%).

10. Credit facilities

	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	25,000	0
Drawdown of funds	0	25,000
Book value at end of year	25,000	25,000

The maturity of the credit facility is shorter than one year and is therefore classified as short term liability. The weighted average interest rate of this credit facility for the year 2024 is 4.65% (2023: 4.61%).

11. Provisions for pensions

The disclosure of the provisions for pensions is provided in Note 23 of the consolidated financial statements.

12. Lease Liabilities

As per 31 December 2024, right-of-use assets are reported as part of the Company's tangible fixed assets for an amount of €2.1 million. An analysis of the Company's right-of-use assets is provided in Note 4 of the Company financial statements.

The lease liabilities are reported as part of the current liabilities and non-current liabilities for amounts of €0.7 million and €1.6 million respectively.

	31-12-24 €'000	31-12-23 €'000
Book value at beginning of year	2,785	2,244
Additions	35	1,334
Disposals	0	(268)
Lease payments	(642)	(577)
Interest on lease liabilities	72	52
Book value at end of year	2,250	2,785

13. Put option liability non-controlling interest

The disclosure of the put option liability non-controlling interest is provided in Note 22 of the consolidated financial statements.

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Notes to the company financial statements (continued)

14. Shareholders' equity

The movements in shareholders' equity in the current financial year were:

	Issued share capital €'000	Share premium reserve €'000	Legal reserve subsidiaries €'000	Currency translation reserve €'000	Retained profit reserve €'000	Undistributed income €'000	Total €'000
Balance at 1-1-2024	537,817	260,117	647,618	(84,124)	672,624	(26,872)	2,007,180
Non-distributed result previous financial year	0	0	0	0	(117,722)	117,722	0
Profit for the year	0	0	0	0	0	176,825	176,825
Dividend distribution in cash	0	0	0	0	0	(71,035)	(71,035)
Dividend distribution in shares	7,974	(7,974)	0	0	19,815	(19,815)	0
Performance shares granted	0	1,292	0	0	0	0	1,292
Shares bought back	0	0	0	0	(15,981)	0	(15,981)
Foreign currency translation differences	0	0	0	(12,675)	0	0	(12,675)
Movement of legal reserve	0	0	140,872	0	(140,872)	0	0
Total equity at 31-12-2024	545,791	253,435	788,490	(96,799)	417,864	176,825	2,085,606

The movements in shareholders' equity in the previous financial period were:

	Issued share capital €'000	Share premium reserve €'000	Legal reserve subsidiaries €'000	Currency translation reserve €'000	Retained profit reserve €'000	Undistributed income €'000	Total €'000
Balance at 1-1-2023	533,492	263,774	649,247	(83,812)	480,428	200,737	2,043,866
Non-distributed result previous financial year	0	0	0	0	116,190	(116,190)	0
Profit for the year	0	0	0	0	0	(26,872)	(26,872)
Dividend distribution in cash	0	(6)	0	0	0	(74,166)	(74,172)
Dividend distribution in shares	4,325	(4,325)	0	0	10,381	(10,381)	0
Performance shares granted	0	674	0	0	0	0	674
Actuarial gain on pension scheme	0	0	0	0	(4,085)	0	(4,085)
Acquisition of non-controlling interest without a change in control	0	0	0	0	68,081	0	68,081
Foreign currency translation differences	0	0	0	(312)	0	0	(312)
Movement of legal reserve	0	0	(1,629)	0	1,629	0	0
Total equity at 31-12-2023	537,817	260,117	647,618	(84,124)	672,624	(26,872)	2,007,180

Both the retained earnings and the share premium reserve are available for distribution as dividend.

For further details on movements in shareholders' equity relating to issued share capital and share premium reserve, reference is also made to the consolidated financial statements and the notes thereto for movements in the components of shareholders' equity.

Legal reserves
The legal reserves in the Company balance sheet are reserves which must be retained pursuant to the Netherlands Civil Code and consist of the legal reserve subsidiaries and the legal reserve for foreign currency translation. The amounts recognised by these reserves amount to €788 million (31 December 2023: €648 million) and negative €97 million (31 December 2023: negative €84 million) respectively and are not freely distributable. For dividend distribution, however, both the retained profit reserve, share premium reserve and the undistributed income are available.

Legal reserve subsidiaries
The legal reserve subsidiaries for participating interests in subsidiaries, pertains to participating interests in subsidiaries that are measured at net asset value. The reserve is equal to the share in the results and direct changes in equity (both calculated on the basis of the Company's accounting policies) of the participating interests since the first measurement at net asset value, less the distributions that the Company has been entitled to since the first measurement at net asset value, and less distributions that the Company may effect without restrictions. As to the latter share, this takes into account any profits that may not be distributable by participating interests that are Dutch limited companies based on the distribution tests to be performed by the management of those companies. The legal reserve is determined on an individual basis.

14. Shareholders' equity continued

Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than that of the Company, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

The currency translation reserve of negative €96.8 million mainly relates to investments in Sweden.

15. Company expenses

Company expenses in the current financial year comprised:

	2024 €'000	2023 €'000
Audit fees	567	447
Depreciation fixed assets	1,048	869
IT expenses**	1,820	1,605
Legal and other advisory fees	2,559	1,117
Marketing expenses	436	329
Office and accommodation expenses**	953	1,152
Pension costs	617	566
Salaries, wages, bonuses and performance shares granted*	8,671	7,770
Social security charges*	2,617	2,503
Statutory costs	769	484
Travelling expenses	559	621
Other expenses	739	674
	21,355	18,137
Recharge of company expenses to subsidiaries**	(13,296)	(11,648)
	8,059	6,489

* Including Directors' fees.
** The comparative figures have been adjusted for comparison purposes as a result of the reclassification of parts of the IT costs previously reported in "IT expenses" to "Recharge of company expenses to subsidiaries".

The Company employed an average of 48 full-time equivalent persons during the financial year (2023: 47). An analysis of the Directors' fees is provided in note 32 of the consolidated financial statements.

16. Net financing income

The net financing income of €7.8 million (2023: €10.0 million) comprises interest income due from subsidiaries of €12.4 million (2023: €16.4 million); interest expenses due to subsidiaries of €11.9 million (2023: €7.6 million); interest expenses from borrowings and put option non-controlling interest amounting to €0.9 million (2023: €1.4 million); net derivatives movement and put option liability non-controlling interest of €0 million (2023: €5.6 million) and other income and financing costs of €8.2 million (2023: €8.2 million). The other income and financing costs consist of €8.2 million positive (2023: €8.0 million positive) for guarantees in favour of financial institutions for debts incurred by Group subsidiaries and €0.0 million positive (2023: €0.2 million positive) for foreign currency results.

17. Commitments not included in the balance sheet

The Company has entered into guarantees in favour of credit institutions for debts and interest rate swaps incurred by its subsidiaries to an amount of €1.6 billion and €953 million respectively.

The Company has entered into guarantees in favour of credit institutions for debts and interest rate swaps incurred by its joint ventures to an amount of €192 million and €140 million respectively.

Amsterdam, 14 April 2025

Board of Management
E.J. van Garderen
R. Fraticelli

Board of Supervisory Directors
B.W. Roelvink, Chairman
E. Attout
K. Laglas

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Other information

Provisions in the Articles of Association concerning the appropriation of income

The appropriation of income is subject to the Provisions of Article 42 of the Articles of Association of the Company of which the major provisions are as follows:

(a) Out of the profit as shown in the adopted annual accounts in which all taxes due by the Company have been deducted, such amount may be reserved as the Board of Management shall determine, which reserve shall be at the disposal only of the Board of Management.

(b) The remainder of the profit shall be at the disposal of the General Meeting of Shareholders for distribution of dividend, either in cash or in shares in the capital of the Company, or a combination of both, or for reserves or such other purposes covered by the objects of the Company, as the General Meeting of Shareholders shall decide.

(c) Distribution of dividend shall take place after the adoption of the annual accounts which show that such distribution is permitted. (Interim) dividends may be paid in cash or in shares in the capital of the Company, or a combination thereof.

Financial calendar

8 May 2025	Announcement of first quarter results 2025	3 July 2025	Dividend distribution date
3 June 2025 at 13.30 hours	Annual General Meeting of Shareholders	28 August 2025	Announcement of half-year results 2025
5 June 2025	Ex-dividend date	8 November 2025	Announcement of third quarter results 2025

Holders of shares with a holding of 3% or more

Under the Netherlands Act on Financial Supervision, the Netherlands Authority for the Financial Markets has received notification from four holders of ordinary shares with interests greater than 3% in the Company. According to the latest notifications these interests were as follows:

Mr A. van Herk (20.22% – notification 8 May 2019), BlackRock, Inc. (4.37% – notification 14 Jan 2025), PGGM Vermogensbeheer B.V. (3.13%- notification 4 December 2023) and APG Asset Management N.V. (3.03% – notification 22 April 2024).

Stock market prices and turnover

The Company is listed on Euronext Amsterdam, Brussels and Milan and is admitted to the Amsterdam Midcap (AMX).

For the year 01-01-2024 to 31-12-2024	High	Low	Average
Closing price 31 December 2024 (€; shares)	**22.20**	**23.65**	**19.57**	**21.33**
Average daily turnover (in shares)	**45,624**			
Average daily turnover (€'000,000)	**1.0**			
Total turnover over the past 12 months (€'000,000)	**127**			
Market capitalisation (€'000,000)	**1,216**			
Total turnover divided by market capitalisation	**10.45**			

Source: Euronext, Global Property Research

Shares listed on Euronext Amsterdam and Brussels have been accepted for delivery through the book entry facilities of the Netherlands Central Institute for Giro Securities Transactions (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) trading as Euroclear Nederland.

On 10 May 2023, Borsa Italiana S.p.A. has ruled, with notice number 8947, the admission to listing of the Company's shares (ISIN NL0015000K93), with a nominal value of € 10.00 each (the "Shares"), on the Italian regulated market Euronext Milan, organised and managed by Borsa Italiana (respectively, the "Dual Listing" and "Euronext Milan").

ISIN – Code: NL 0015000K93, symbol: ECMPA
Stock market prices are followed by Bloomberg:
Ticker: ECMPA NA (Amsterdam)
Ticker: ECMPA (Belgium)
Ticker: ECMPM (Milan)

Valuers

The following independent firms have valued the Company's properties (including the properties held by joint ventures) at 31 December 2024:

Belgium:	JLL
France:	Cushman & Wakefield, JLL, Knight Frank, Savills
Italy:	CBRE, Cushman & Wakefield, JLL, Kroll
Sweden:	Cushman & Wakefield, JLL

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Independent auditor's report

To: the General Meeting of Shareholders and the Supervisory Board of Eurocommercial Properties N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Eurocommercial Properties N.V. as at 31 December 2024 and of its result and its cash flows for the year then ended, in accordance with IFRS Accounting Standards as endorsed by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- the accompanying company financial statements give a true and fair view of the financial position of Eurocommercial Properties N.V. as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2024 of Eurocommercial Properties N.V. (the Company) based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1 the consolidated statement of profit or loss for 2024;
2 the consolidated statement of comprehensive income for 2024;
3 the consolidated statement of financial position as at 31 December 2024;
4 the consolidated statement of cash flow for 2024;
5 the consolidated statement of changes in equity for the financial year ended 31 December 2024; and
6 the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1 the company balance sheet as at 31 December 2024;

KPMG Accountants N.V., a Dutch limited liability company registered with the trade register in the Netherlands under number 33263683, is a member firm of the global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Other information (continued)

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2 the company statement of profit or loss for 2024; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Eurocommercial Properties N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of going concern, fraud and non-compliance with laws and regulations, climate-related risks and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

Summary

Materiality
• Materiality of EUR 25 million • 0.64% of total assets • Lower materiality for results from net property income: EUR 12.5 million

Group audit
• Performed substantive procedures for 100% of property investments • Performed substantive procedures for 100% of rental income

Risk of material misstatements related to Fraud, NOCLAR, Going concern and Climate-related risks
• Fraud risks: presumed risk of management override of controls and a presumed fraud risk of revenue recognition identified and further described in the section 'Audit response to the risk of fraud and non-compliance with laws and regulations'. • Non-compliance with laws and regulations (NOCLAR) risks: no reportable risk of material misstatements related to NOCLAR risks have been identified. • Going concern risks: no going concern risks have been identified. • Climate-related risks: we have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matter
• Valuation of property investments

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 25 million (2023: EUR 25 million). The materiality is determined with reference to total assets at 0.64% (2023: 0.65%) We consider total assets as the most appropriate benchmark because due to the nature of the business and the asset value is likely the primary focus of the users of the financial statements when evaluating the performance of the Company.

In addition, we applied a materiality of EUR 12.5 million (2023: EUR 12.5 million) for net property income, which is lower than the materiality for the financial statements as a whole. Net property income is an important measure of the performance of the Company's operational performance.

We agreed with the Supervisory Board that audit misstatements identified during our audit in excess of EUR 1 million would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Eurocommercial Properties N.V. is at the head of a group of components (hereafter "Group"). The financial information of this group is included in the financial statements of Eurocommercial Properties N.V.

This year, we applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group.

Other information (continued)

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We performed risk assessment procedures throughout our audit to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements. To appropriately respond to those assessed risks, we planned and performed further audit procedures, either at component level or centrally. We identified four components associated with a risk of material misstatement. For all of these components we involved component auditors. We set component performance materiality levels considering the component's size and risk profile. We as group auditor performed certain procedures centrally such as the valuation of property investments, the valuation of derivatives, procedures on equity and the Dutch tax position.

We have performed substantive procedures for 100% of the Group's rental income and 100% of the Group's property investments. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

In supervising and directing our component auditors, we:

- Held risk assessment discussions with the component auditors to obtain their input to identify matters relevant to the group audit.
- Issued group audit instructions to component auditors on the scope, nature, and timing of their work, and received written communication about the results of the work they performed.
- Held meetings with all component auditors in person and/or virtually to discuss relevant developments, understand and evaluate their work and attend meetings with local management.
- Inspected the work performed by of all component auditors and evaluated the appropriateness of audit procedures performed and conclusions drawn from the audit evidence obtained, and the relation between communicated findings and work performed. In our inspection we mainly focused on significant risks and key findings.

We consider that the scope of our group audit forms an appropriate basis for our audit opinion. Through performing the procedures mentioned above we obtained sufficient and appropriate audit evidence about the Group's financial information to provide an opinion on the financial statements as a whole.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapters 'Corporate Governance' and 'Risk Management' of the annual report, the Board of Management describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations and the Supervisory Board reflects on this in the chapter 'Report of the Board of Supervisory Directors'.

As part of our audit, we have gained insights into the Company and its business environment and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, amongst other things, assessing the

Company's code of conduct, whistle blowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance (when applicable).

Furthermore, we performed relevant inquiries with the Board of Management and Supervisory Board and other relevant functions, such as the Group Director Legal. We have also incorporated elements of unpredictability in our audit such as the authorisation of bank payments at group level.

As a result from our risk assessment, we identified the following laws and regulations as those most likely to have a material effect on the financial statements in case of non-compliance:

- Anti-money laundering laws and regulations; and
- Anti-bribery and corruption laws and regulations.

Based on the above and on the auditing standards, we identified the following fraud risk that is relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries and estimates;
- We performed a data analysis of high-risk journal entries (adjustments to initially recorded changes in fair value of investment property above a threshold). Further we evaluated the key estimate valuation of property investments and other judgments for bias by the Board of Management. This included a retrospective review of prior years' estimates; and
- Where we identified instances of unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.

Revenue recognition (a presumed risk)

Risk:

We identified a fraud risk in relation to the recognition of rental income. This risk inherently includes the fraud risk that management deliberately overstates rental income, throughout the period, as management may feel pressure to achieve the communicated expectations for revenue related metrics for the current year.

Responses:

- We have evaluated the design and implementation of relevant controls related to the recognition of rental income;

Other information (continued)

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- We have performed test of details on rental income where we traced back the recognised income to underlying agreements and/or indexation letters;
- We have identified manual journal entries and other adjustments related to rental income with characteristics that make them susceptible to fraud and tested the appropriateness of these entries and adjustments; and
- We assessed the adequacy of the Company's disclosure with respect to rental income in relation to EU-IFRS.

Our evaluation of procedures performed related to fraud and non-compliance with laws and regulations did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Board of Management and the Audit Committee of the Supervisory Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As explained in note 1b of the financial statements, the Board of Management has performed its going concern assessment and has not identified any going concern risks. To assess the Board of Management's assessment, we have performed, inter alia, the following procedures:

- We considered whether the Board of Management's assessment of the going concern risks *includes all relevant information of which we are aware as a result of our audit;*
- We considered whether the developments in share price indicate a going concern risk;
- We analysed the financial position of the Company as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks; and
- We inspected the financing agreements on terms of conditions that could lead to going concern risks, including the remaining duration, and any covenants.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Board of Management's going concern assessment.

Audit response to climate-related risks

Eurocommercial Properties N.V. has set out its ambitions related to climate change in the chapter Environmental, Social and Governance of the annual report. The Company's ambition is to achieve carbon neutrality (scope 1 and 2) by 2030 and reduce carbon emissions for scope 1,2 and 3 with 85% by 2050.

The Board of Management has assessed, against the background of the Company's business and operations how climate-related risks and opportunities and the Company's own ambitions could have a significant impact on its business or could impose the need to adapt its strategy and operations. The Board of Management has considered the impact of both transition and physical risks on the financial statements in accordance with the applicable financial reporting

framework, more specifically on the valuation of property investments. The Company has performed a physical climate risk assessment with the assistance of an external party.

The Board of Management prepared the financial statements, including considering whether the implications from climate-related risks and ambitions have been appropriately accounted for and disclosed. As part of our audit, we performed a risk assessment of the impact of climate-related risk and the ambitions made by the Company in respect of climate change on the financial statements and our audit approach. In doing this we performed the following:

- Understanding the Company's processes: we held inquiries with the Board of Management and the Group Director Legal (responsible for the ESG Working Group) who are responsible for the climate related risk assessment within the Company. Further we inspected Board minutes, policies, and risk assessment documentation. The purpose is to understand the Company's assessment and plans to achieve carbon neutrality in scope 1 and 2 emissions by 2030. Further, we assessed the impact of the climate-related risk and opportunities on the Company's annual report and financial statements;
- We have evaluated climate related fraud risk factors such as pressure as a result of variable remuneration and expectations from external stakeholders to meet ESG/climate risk related targets; and
- We have inquired with the external appraisers on how climate-risk factors are considered in the external appraisal process and inspected the external valuation reports on potential climate related impact on the fair value of property investments

Based on our risk assessment procedures we found that climate related risks have no material impact on the 2024 financial statements under the requirements of EU-IFRS and no material impact on our key audit matters.

Furthermore we have read the other information with respect to climate-related risks as included in the annual report and considered whether such information contains material inconsistencies with the financial statements or our knowledge obtained through the audit, in particular as described above and our knowledge obtained otherwise.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of property investments

Description

The property investments amount to €3.7 billion and represent 94% of the Group's total assets as at 31 December 2024. Property investments are valued at fair value; therefore, the Group has to make estimates and use assumptions to determine those fair values. The fair value is

Other information (continued)

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based on appraisal reports by independent appraisers, as explained in notes 1 and 13 to the financial statements.

Because the valuation of property investments is complex and highly dependent on estimates and significant assumptions (such as estimated rental value and yield/discount rate) and the availability of comparable transactions, we consider the valuation of property investments as a key audit matter in our audit.

Our response

With involvement of KPMG auditors in the Netherlands, Italy, France, Sweden, and Belgium, we performed the following procedures:

- assessment of the valuation process with respect to property investments as at 31 December 2024, including an evaluation of the design and implementation of related internal controls;
- component audit teams verified whether lease data provided to the appraisers is consistent with the property management systems, and whether any significant changes have occurred since providing the data to the appraisers;
- assessment of the competence, capabilities, and objectivity of the external appraisal firms;
- involvement of our property valuation experts to verify the appropriateness of the valuation methodology and determine the mathematical accuracy of the valuation model;
- additionally, our property valuation experts verified the appropriateness of key assumptions in the valuation process, which consists of estimated rental values and yields/discount rates. This includes an assessment of the historical accuracy of the assumptions in previous periods, our understanding of the market and market developments and a comparison of assumptions and movements therein with publicly available data;
- discussion of the results of the valuation process and our findings and observations with the Board of Management and the appraisal firms; and
- evaluation of the adequacy of the related disclosures in note 1 and 13 in relation to the requirements of EU-IFRS.

Our observation

Overall, we assess that the assumptions and methodologies used, and related estimates resulted in a valuation of property investments which is deemed reasonable and concur with the related disclosures in the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. In addition, the other information includes the remuneration report.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and

- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Management is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were initially appointed by the General Meeting of Shareholders as auditor of Eurocommercial Properties N.V. on 3 November 2015, as of the audit for the year ended 30 June 2016 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

Eurocommercial Properties N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Eurocommercial Properties N.V., complies in all material respects with the RTS on ESEF.

The Board of Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Board of Management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others:

Other information (continued)

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- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Management and the Supervisory Board for the financial statements

The Board of Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Board of Management, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Board of Management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Management should prepare the financial statements using the going concern basis of accounting unless the Board of Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at www.nba.nl/eng_oob_20241203. This description forms part of our auditor's report.

Amstelveen, 14 April 2025

KPMG Accountants N.V.

W.L.L. Paulissen RA

Kopian överensstämmer med originalet Intygas

Tom Alley