



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

EPRA Annual Report 2022

EPRA CEO's Report and
Financial Statements

MARCH
2023

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ABOUT EPRA

EPRA, the European Public Real Estate Association, is the voice of the publicly traded European real estate sector. With more than 280 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 790 billion of real estate assets* and 94% of the market capitalisation of the FTSE EPRA Nareit Europe Index.

EPRA's mission is to promote, develop and represent the European public real estate sector. We achieve this through the provision of better information to investors and stakeholders, active involvement in the public and political debate, improvement of the general operating environment, promotion of best practices and the cohesion and strengthening of the industry.

**European companies only*

Foreword by the CEO

RESILIENCE IN AN INCREASINGLY UNCERTAIN WORLD

2022 showed us that it was a very difficult year for real estate, both listed and non-listed. High inflation, rising interest rates and a burning geo-political landscape has put a huge pressure on the listed real estate sector throughout the year. But the sector has been able to demonstrate its resilience and strong operational performance notwithstanding turbulent times on capital markets.

Our sector is facing many opportunities and challenges as we enter 2023 and I invite you to discover the main initiatives EPRA undertook in 2022 to promote the European listed real estate sector with decision-makers, investors and external stakeholders.

ESG AT ITS TIPPING POINT IN THE REAL ESTATE INDUSTRY

EPRA and CRREM (Carbon Risk Real Estate Monitor) joined forces in April 2022 to educate EPRA members on CRREM resources and to support them in formulating, setting and implementing science-based targets to reduce operational carbon emissions of buildings towards achieving a 1.5°C goal. This partnership combines previous work from both parties and ensures clarity for EPRA members that their decarbonization plans are aligned with climate science. The developed guidelines “How to manage your net zero targets with CRREM” provides a view on the use of the CRREM pathways and on the tool for EPRA members.

EPRA has also put together a practical guide to determine if Listed Real Estate (LRE) activities are environmentally sustainable as per the criteria of the EU Taxonomy. Since the publication of the guidelines and accompanying webinar, EPRA published a Q&A document.

The proposal for a Corporate Sustainability Reporting Directive (CSRD), published in 2021 by the European Commission, was politically agreed in June 2022 by the European Parliament and the European Council and only needs to be formally approved so that it can be then integrated into member states' national laws within 18 months. EPRA hosted a webinar and launched a CSRD tool helping its members to determine whether they are in scope of the CSRD.

The EPRA & FTSE ESG Summit was held in person for an engaging afternoon with a series of sessions dedicated to ESG in real estate and explored our sector's sustainability challenges in the current global outlook.

Finally, the webinar around SFDR (Sustainable Finance Disclosure Regulation) on “How to green financial markets for real estate” produced in collaboration with Baker McKenzie focused on the different policy initiatives that have emerged in recent years to promote sustainable investments, including the EU's agenda for Sustainable Finance. Following dialogue with members, EPRA created a dedicated SFDR Working Group to kick start a specific advocacy project in 2023.

EPRA RESEARCH & EXECUTIVE EDUCATION PROGRAMME

EPRA Market and Academic research papers produced in 2022 focused on positioning LRE as an inflation-hedge and liquid proxy for investment in the property market.

EPRA continued its partnership with Euronext and released two Real Estate Barometers, highlighting the key trends and figures of the European listed real estate sector. We also held different webinars as part of our 'Research Webinar Series' launched in late 2020.

In partnership with INSEAD, one of the world's leading graduate business schools, EPRA developed a unique Executive Education Programme for listed real estate practitioners. Following a successful first edition in 2021 in the form of an online course around the theme "Strategy for Listed Real Estate – What Good Looks Like", EPRA hosted a successful second edition in June 2022 in Fontainebleau. EPRA will pursue this initiative with INSEAD in 2023.

EPRA also launched a new education partnership with Bayes Business School which took place in March and October 2022 called "Understanding the REIT price" as an online programme. This 6-week online course took a deep dive into what really drives REIT pricing, the mechanics of the buy-side and sell-side, specific investor requirements, valuation and price target models and a lot more. EPRA will also pursue this initiative in 2023.

BEST PRACTICES RECOMMENDATIONS AND FINANCE SUMMIT IN THE SPOTLIGHT

The EPRA Sustainability Best Practices Recommendations (sBPR) are intended to raise the standards and consistency of sustainability reporting for listed real estate companies across Europe. As with the EPRA financial BPR Awards, each year EPRA recognises companies which have issued the best-in-class annual sustainability performance report.

Amid the current challenges posed by inflation, economic headwinds and climate change, it is time to recognise the efforts made this year by EPRA members in complying with the EPRA sustainability standards. 2022 has seen a continuing rise in reporting standards with 77 members receiving a Gold Award and 23 members a Silver Award. In addition, 65% of Members received an Award, up from 62% in 2021. In total, 11 Members moved up an Award category.

Regarding the financial BPR Awards, EPRA is proud to share that 97 companies received a Gold Award, up 8 on the previous year's 89 Gold Award winners, while 20 companies received a Silver Award, and 9 received a Bronze Award. Taken together, the award winners represent a 76.7 percent share of the market capitalisation of the EPRA membership. Additionally, a total of 6 EPRA Most Improved Awards were presented to companies that succeeded in increasing their score by 30 percentage points.

Congratulations on this excellent outcome which is the accomplishment of the different companies and their teams.

The EPRA LTV (Loan-to-Value) was introduced as a consistent and comparable metric for the sector, with the aim to assess the gearing of the shareholder equity within a real estate company.

The EPRA & Bloomberg Finance Summit 2022 in London engaged the minds of some of Europe's most innovative, proactive and visionary real estate executives, and confronted the extraordinary challenges geopolitics and the pandemic legacy presented for European commercial real estate.

REITS' VISIBILITY INSIDE AND OUTSIDE EUROPE

EPRA continued to be the main point of contact for promoting and protecting the REIT brand with policy outreach undertaken in the Netherlands, the UK, Sweden and Iceland. New research with top-level academia was triggered to showcase the impact of REIT regimes in Europe. EPRA also participated for the first time as part of European Retirement Week in Brussels together with the pension and insurance sector.

Alongside the achievement of carving-out REITs within the landmark global tax agreement on the OECD pillar II in 2021, EPRA steered LRE's position to smoothen its implementation. The team continued pushing for improvements to Solvency II to remove barriers to long-term investments for listed real estate which is in its final negotiations among EU institutions.

EPRA ANNUAL CONFERENCE BACK IN PERSON

Over 400 EPRA members were pleased to gather in person during EPRA's 2022 ReThink Conference in Paris from 6-8 September. After a first day dedicated to various committee meetings and property tours across Paris, we welcomed two electrifying keynote speakers in macro-economics and geopolitics – Professor Nouriel Roubini and former Danish Prime Minister & NATO Secretary General Anders Fogh Rasmussen – which were followed by a collaborative afternoon where EPRA members reflected on our industry's future and growth opportunities.

The Conference ended up with its Investors' Day featuring over 100 investors and 40 EPRA company members around thematic panels.

EPRA's Annual Conference 2023 is scheduled to take place in London on 5-7 September.

PROPERTY COMPANIES AND INVESTORS CONNECT TO NEW OPPORTUNITIES

EPRA reinforced its key role in educating investors about the benefits of the European listed real estate sector and in connecting property companies with investors, no matter their size or coverage.

We reiterated a strong bond between our members and Asian investors by conducting two virtual editions of the Asia Week, where Asian investors demonstrated a growing interest in our sector. Our half-yearly Corporate Access events were also back in person in May and November and facilitated the discussion between EPRA member listed real estate companies and investors in one-on-one and group sessions.

DIVERSITY & INCLUSION

EPRA launched a 2021-2022 mentoring programme for its members to support and empower women in their careers, help them develop their skills and increase leadership succession. The programme was addressed to senior level female candidates, both from property companies and investors, who wished to further their career objectives, overcome barriers and increase self-confidence in their workplace.

We believe that the listed real estate sector – as it has been the case in so many other areas of collective innovation – should take a lead in providing a diversity and inclusion boost. EPRA's 2022-2023 mentoring programme will therefore promote broader diversity and inclusion.

OUR MEMBERSHIP

EPRA welcomed 23 new members last year, 74% representing listed property companies, 13% investors and 13% other stakeholders. Final membership composition was 283. Our new members joined us from the UK, Germany, Czech Republic, Italy, Sweden, Spain, France, Norway, Greece, Switzerland and the US and are active in the logistics, residential, office, healthcare and retail sectors. Our team will continue working closely with all members to ensure that their voice is heard and that the benefits of joining EPRA are maximised.

OUR LEADERSHIP

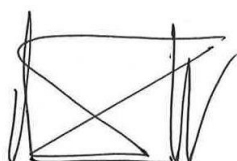
Following the expiry of the term of office of Méka Brunel, Chief Executive Officer of Gecina and EPRA Chairwoman on 21 April 2022, Pere Viñolas Serra, Chief Executive Officer of Inmobiliaria Colonial, was co-opted as the new EPRA Chairman.

As always, the above mentioned EPRA achievements would not be possible without the EPRA committees who are fundamental to the good work of the Association, and many of our members give up their time to assist with the development and promotion of the sector, for which I would like to thank them. I would also like to take the opportunity to thank Patrick Kanter and Méka Brunel who stepped down from the Board of Directors. We welcomed Beñat Ortega, CEO of Gecina, and Robert-Jan Foortse, Head of European Property Investments at APG to the Board.

2023: THE YEAR OF CAUTIOUS OPTIMISM

We hope to see a real confidence settle in the market in 2023 and the recovery observed on the financial markets since the beginning of the year mirrors the ability of our sector to bounce back. While there are obvious challenges – such as the war in Ukraine, rising interest rates and valuation uncertainties – the sector's ability to adapt to changing circumstances and to leverage innovative strategies bodes well for its long-term growth prospects.

However, the year 2023 will probably be the one of cautious optimism. And the current disconnect between share prices and operational performance of the listed real estate sector should offer opportunities to investors who wish to further diversify their portfolio with inflation-hedge and ESG credentials.



Dominique Moerenhout
EPRA CEO

Independent auditor's report

Unqualified opinion

We have audited the consolidated financial statements of European Public Real Estate Association (the "Company"), which comprise the balance sheet as at 31 December 2022, the income statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of European Public Real Estate Association for the year ended 31 December 2022 give a true and fair view of the Company's net equity and financial position as at 31 December 2022, and of its results for the year then ended, in accordance with its accounting policies and procedures ("Principles for the valuation of assets and liabilities and the determination of the result").

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the accounting policies and procedures to the consolidated financial statements which describes the basis of

accounting. The consolidated financial statements are prepared to be in accordance with its accounting policies and procedures ("Principles for the valuation of assets and liabilities and the determination of the result"). As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the preparation of the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the financial reporting provisions of its accounting policies and procedures for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of the Board of Director's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

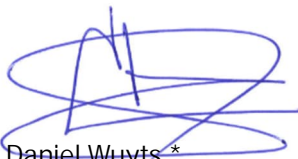
our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- Evaluating the overall presentation, structure and content of the consolidated financial statements, and evaluating whether the consolidated financial statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Diegem, 15 March 2023

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by



Daniel Wuyts*

Partner

*Acting on behalf of a BV/SRL

Ref. 23DW0175

Balance sheet as at 31 December 2022

(after profit appropriation)

Assets				annulation interco	31 December 2022		31 December 2021	
		SRL	ASBL		€	€	€	€
Fixed assets								
<i>Intangible fixed assets</i>	(1)					-		
website and database		285,671				285,671		247,986
<i>Tangible fixed assets</i>	(1)							
Other fixed operating assets		183,416	-			183,416		236,249
<i>Financial fixed assets</i>	(1)		1,018,500	-	1,018,500	-		
Rental guarantee Brussels		52,171				52,171		52,171
Current assets								
<i>Accounts receivable</i>								
Debtors	(2)	2,893,147	362,376	-	1,844,981	1,410,541	1,554,048	
Amount receivable from								
Taxes and social insurance contributions	(2)	48,170	-			48,170	8,446	
Other accounts receivable	(3)	101,266	6,971,556	-	6,971,556	101,266	54,793	
						1,559,977		1,617,287
<i>Cash at banks and in hand</i>		6,763,233	2,014,196			8,777,429		6,959,626
		10,327,072	10,366,628	-	9,835,037	10,858,663		9,113,319

Equity and liabilities			annulation interco	31 December 2022		31 December 2021	
	SRL	ASBL		€	€	€	€
Equity							
Other reserves	1,120,405	6,782,896	-		6,884,801		5,912,157
Undistributed earnings	1,855,430				1,855,430		1,147,670
Provisions							
Income equalization account (4)		1,682,799			1,682,799		1,647,572
Provision staff	-				-		-
Provision HK closing	-				-		-
Current liabilities							
Creditors	95,319	1,897,933	-	148,270		94,194	
Taxes and social insurance contributions (5)	54,783			54,783		102,971	
Remuneration and social security (6)	188,532			188,532		180,462	
Other debts	7,012,604	3,000	-	44,048		28,293	
					435,633		405,919
	10,327,072	10,366,628	-	9,835,037	10,858,663		9,113,319

Statement of operating income and expense for the year 2022

		annulation interco		2022	2021
		SRL	ASBL		
Revenue					
Membership fees	Code ana 4 & 11		2,300,105	2,300,105	2,185,840
Turnover Conference	Code ana 1 & 2		498,125	498,125	158,525
Sponsorship fees				-	-
BPR Licences	Code ana 6		64,057	64,057	76,380
Investor outreach Asia	Code ana 5		-	-	-
Project M and Q				-	-
Revenue Insead		55,000		55,000	46,200
Bloomberg	Code ana 8		27,500	27,500	16,118
FTSE index	(7)	6,757,571		4,912,590	3,517,950
			-	1,844,981	
					7,857,377
					6,001,012
Expense					
Cost of conference		-	550,845	-	172,842
Wages and salaries	(8)	-	3,176,388	-	3,210,196
Depreciation on tangible fixed assets	(10) code ana 3200	-	246,812	-	196,301
Provisions staff	(9)			-	-
Reporting and accounting				-	-
Other operating costs	(11)	-	1,582,672	-	947,669.47
VAT REFUND NON DEDUCTIBLE	(11)	-	1,862,271	-	1,844,981
				-	5,574,007
					2,283,371
					1,474,003
Operating result					
Interest income and similar income		-	146,808	-	16,686
Interest expense and similar expense				-	243,581
				-	55,050
				-	188,530
Result from ordinary activities before taxation					
Taxation on results from ordinary activities		-	439,474	-	2,119,877
Taxation on result from other income			-	-	304,653
				0	0
				-	-
				-	-
Result after taxation					
Non recurring /Exeptional costs				0	0
Non recurring /Exeptional income				0	0
				0	0
Result after exeptional costs		1,220,418	459,986	-	1,680,403
					1,357,881

Balance sheet as at 31 December 2022**Fixed assets*****Intangible fixed assets*** (1)

	website & database	Total
	€	€
Balance as at 1 January 2022	1,770,955	1,770,955
Investments	221,857	221,857
Désaffecation	1,131,340-	1,131,340-
Accumulated depreciation	575,801-	575,801-
Book value	285,671	285,671

Tangible fixed assets

Other fixed operating assets	# 260000	#240100 & 221000	# 230000	
	Autres immo. Corpo	Computer and automatisation + furniture	Leasehold improvements	Total
		€	€	€
Balance as at 1 January 2022	227,084	86,256	9,634	322,974
Accumulated depreciation	16,226-	63,950-	6,550-	86,725-
Book value	210,858	22,306	3,084	236,249
Movements in book value				
Investments	-	9,189	-	9,189
Depreciation	45,417-	15,512-	1,094-	62,023-
Balance	45,417-	6,323-	1,094-	52,833-
Balance as at 31 December 2022	227,084	86,256	9,634	322,974
Investments	-	9,189	-	9,189
Accumulated Depreciation	61,643-	79,462-	7,644-	148,748-
Book value	165,442	15,984	1,990	183,415

Financial fixed assets

	31 Dec. 2022	31 Dec. 2021
	€	€
Rental guarantee Brussels	52,171	52,171

Current assets***Accounts receivable******Debtors*** (2)

		31 Dec. 2022	31 Dec. 2021
		€	€
Nominal value of outstanding accounts receivable FTSE	#400000	298,725	273,875
Nominal value of outstandings receivables members	#404000	1,039,713	1,168,739
Other clients	#406000	49,651	105,133
Trade payables	#404100	-	6
Due from suppliers	#408000	22,452	6,295
Prepayments clients		-	-
		<u>1,410,541</u>	<u>1,554,048</u>

Taxes and social insurance contributions

		31 Dec. 2022	31 Dec. 2021
		€	€
Turnover tax (vat)			
Receivable VAT	#41 TVA	2,513	8,446
Receivable social security		-	-
Corporation Tax	# 412000	45,656	-
		<u>48,170</u>	<u>8,446</u>

Other accounts receivable (3)

		31 Dec. 2022	31 Dec. 2021
		€	€
Prepaid rent Brussels		29,104	-
Office supplies & repairs		5,273	6,257
Interest receivable		-	-
Software fees		3,400	1,203
Prequin online subscription		-	-
Consulting fees		29,181	11,149
Advisory		-	-
Subscription		27,626	23,479
Conference fees		-	9,330
Insurances		6,683	3,374
Memberships		-	-
Memberships Epra VZW		-	-
		<u>101,266</u>	<u>54,793</u>

Equity

Other reserves

The result of the financial year is added to the other reserves.

Provisions

Income equalization account (4)

	31 Dec. 2022	31 Dec. 2021
	€	€
Membership fee 2022 received in advance	-	1,647,572
Membership fee 2023 received in advance	1,682,799	-
	<u>1,682,799</u>	<u>1,647,572</u>

Current liabilities

Taxes and social insurance contributions

(5)	31 Dec. 2022	31 Dec. 2021
	€	€
Turnover tax (vat vzw)	-	-
Income taxes to pay	54,783	102,971
Taxation on result from other income	-	-
Wage tax BVBA Belgium	-	-
Social security Belgium	-	-
Tax on intrests Belgium	-	-
	<u>54,783</u>	<u>102,971</u>

Remuneration and social security

(6)	31 Dec. 2022	31 Dec. 2021
	€	€
Holiday pay provisions	188,532	180,462
	<u>188,532</u>	<u>180,462</u>

Statement of operating income and expense for the year 2022**Revenue** (7)

	2022	2021
	€	€
FTSE Index	4,912,590	3,517,950

Wages and salaries (8)

	2022	2021
	€	€
Gross wages and salaries	3,176,388	3,210,196

Provision Staff (9)

	2022	2021
	€	€
Severance pay deputy CEO		
Provisions		
Provision Severance pay decided by the board		
Provision Bonus decided by the board		
Provision used for pay out		

Depreciation on tangible fixed assets

	2022	2021
	€	€
Website and database	184,161	168,293
Furnitures	62,650	28,008
Computer and automatisisation		
Leasehold improvements		
Bad debts		
	246,812	196,301

Other operating costs (11)

	2022	2021
	€	€
Reporting & Accounting	168,585	112,952
Costs Insead	124,250	-
Communication	252,107	268,245
Public Affairs	37,317	54,842
Meetings and events	160,511	39,413
Travelcosts	147,009	22,391
Research	241,502	294,618
Office cost	287,198	310,418
Advisory	181,403	194,790
Asia Costs	80	-350,000
	1,599,962	947,669

Staff

During the financial year the Association employed an average of 18 employees in the following staff categories:

	2022	2021
Chief Executive Officer	1	1
Operations Director	1	1
Director Indexes and Research	-	1
Director R & A + ESG	1	1
Director Public Affairs	1	1
Director Investor Outreach	1	1
Indexes Manager	1	1
Senior Analyst Research & Indexes	1	1
Senior Analyst Research & Indexes & Membership Manager	1	-
Membership Manager	-	1
Communication Manager	1	1
Research Manager	1	1
Office Manager	1	1
Office Assistant	1	1
ESG Manager	1	1
EU Policy Manager	1	1
Investor Outreach Manager Europe	1	1
Analyst investor outreach	1	1
Events & Project Manager	1	1
Reporting Accounting Manager	1	1
	18	19