



EPRA

EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

EPRA Annual Report 2020

EPRA CEO's Report and
Financial Statements

MARCH
2021

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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 275 members, covering the whole spectrum of the listed real estate industry (companies, investors and their suppliers), EPRA represents over EUR 670 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

CHALLENGING TIMES

In 2020 our daily lives became dramatically disrupted by Covid-19. All sectors and countries were, and still are, deeply affected. European listed real estate, which serves businesses and societies alike, rose to the challenge and showed tremendous solidarity and generosity. From immediate relief, like the repurposing of vacant space, enabling delivery services, donations to charities and NGOs, to the preparation for the long-term impacts of the pandemic, our members continue fulfilling their responsibility towards our communities.

To enable an exchange of information, resources and best practices in a broader community, EPRA launched at the beginning of the crisis two forums dedicated to property companies and investors respectively, as well as provided regular global reports of Covid-19 public health measures and business supports.

At the same time, EPRA continued working together with other national and European real estate associations to raise the profile of our sector with policymakers, and ensure financial support for the broader real estate community and the specific sub-sectors which were more at risk.

I invite you to discover the main initiatives EPRA undertook in 2020 to promote the European listed real estate sector with decision-makers, investors and external stakeholders.

PROMOTING LISTED REAL ESTATE'S CONTRIBUTION TO SOCIETY

In 2020, the public affairs team, in collaboration with PwC, conducted the first-ever Total Tax Contribution (TTC) study of REITs in Europe. Thanks to the participation of 48 European REITs from 11 countries and representing 82% of the entire European REITs portfolio value, the report provided an overview of the tax contribution of REITs. The results revealed that 33% of turnover is being contributed in tax to European public finances. The TTC study is an objective source of evidence to improve awareness of REIT regime and their tiered contribution to public finances.

Alongside this project, the team continued pushing for further improvements to Solvency II, to facilitate insurers to apply the new long-term equity investments option properly when looking to invest in equity for long-term. Potential relaxation of existing measures following EPRA's advocacy is expected in late 2021. EPRA has been also closely following the developments under the Capital Markets Union project, including the European Commission's recent proposals that aim to move the EU's capital markets forward by enhancing insurers to invest in equity and other long-term assets, establishing an EU-wide platform for investors to get access to transparent financial and sustainability information but also simplifying withholding tax procedures to lower the cross-border investment's costs.

VIRTUALLY MEETING AND CONNECTING LISTED REAL ESTATE COMPANIES AND INVESTORS

In 2020 EPRA's investor outreach department created a specific awareness workstream and focused its efforts on explaining the more favourable regulatory conditions under Solvency II, that should enable insurance companies to increase their allocations to listed real estate companies.

EPRA continued meeting members and investors virtually, and conducted two Corporate Access Days in May and November, which saw an increased interest from the wider investment community, as the event becomes more established and increasingly recognised within large organisations. The virtual aspect allowed the event to go global, with investors joining in from the U.S., Singapore, South Korea or the Middle East. On the latter, we also hosted our first virtual outreach to Middle East investors

together with Nareit, reinforcing our messages about the numerous benefits of investing in listed real estate and discussing the recovery in Europe. The interest from the region's investor remains strong to invest globally and the listed route is increasingly being assessed due to cost-efficiency and performance. EPRA also maintained the bond with Asian investors, and conducted a virtual edition of its Asia Week, where investors demonstrated that their interest in the European listed real estate sector is still very much alive. A concrete proof of this is the launch of several new global real estate mandates in early 2021.

RESEARCH AND THE ROAD TO RECOVERY

At the beginning of 2020 we celebrated 15 years of partnership with FTSE Russell and Nareit. When we first launched the Index in 2005 there were 307 companies in the FTSE EPRA Nareit Global Index representing a market cap of EUR 546 billion. In 15 years, it has grown to 477 constituents globally, representing a total market cap of EUR 1.68 trillion.

With the spread of the pandemic, EPRA commissioned various studies looking into the impact of Covid-19 on our sector, key trends and figures of the European listed real estate sector. In the second quarter of last year, Oxford Economics and EPRA published a market research which analyses the similarities and disparities between the Covid-19 crisis and the previous global financial crisis and foresees a return to pre-crisis level at some point in 2022.

In partnership with Euronext, EPRA also released the first Real Estate Barometer, which highlights the key trends and figures of the European listed real estate sector. Through REITs and Real Estate Developers listed on Euronext markets and the analysis of EPRA indices' performance and valuation, the Real Estate Barometer raised awareness of the sector as well as provided key analytics on its recent developments to the investors' community.

At the end of the year EPRA also launched a Research Webinar Series, an offering we will continue in 2021.

NAV EDUCATIONAL PLAN AND ESG PROMOTION

The Reporting & Accounting team has concluded the educational plan for the new EPRA NAVs (NRV, NTA, NDV) with ten workshops and webinars conducted in partnership with the Big Four and national associations in various locations to familiarise stakeholders with the changes. The year was crowned with the first virtual Finance Summit with over 200 top-industry leaders, organised in partnership with Bloomberg Intelligence.

The pandemic has once again confirmed the European listed real estate sector's commitment to ESG. In 2020, EPRA has published a new guidance for listed property companies already reporting EPRA Sustainability Best Practices Recommendations to meet the reporting requirements of the Task Force on Climate-related Financial Disclosures (TCFD). This guidance is designed to demonstrate how EPRA Performance Measures and Overarching Recommendations can support climate-related reporting in line with the TCFD, and provides reporting efficiencies.

EPRA continued advocating at the EU-level on sustainability regulation, particularly on the non-financial reporting as well as the EU Taxonomy Initiative, the European Green Deal and the EU Renovation Wave Strategy. Transition to a low carbon future was also at the center of last year's EPRA Sustainability Summit.

EXPANDING THE REACH OF OUR EVENTS

EPRA adapted to the virtual challenge and brought the membership thought-provoking content in a new format. The virtual edition of the EPRA Annual Conference extended to a five-day event and

attracted 600 attendees. The traditional “Investors’ Day” was converted into live investor pitches delivered by over 30 EPRA company members throughout the five days.

Our flagship Insight event expanded to a new location – Paris – and the series brought together over 500 professionals from the listed real estate sector.

We also developed activities under the newly launched PropTech Committee, by participating as jury member in the PropTech Europe Awards 2020 and by hosting the first PropTech Webinar dedicated to strategies to adapt to the new reality from an innovation and tech perspective.

WELCOMING NEW MEMBERS

EPRA continued to attract new members despite the challenging times. 23 new members joined us last year, 89% representing listed property companies and 11% investors. It is encouraging to see this growth and we believe it is a sign of the strength of the sector for the future.

OUR LEADERSHIP

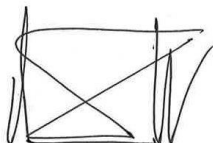
As always, the above would not be possible without the EPRA committees who are fundamental to the good work of the Association, and many of our members give up their time to assist with the development and promotion of the sector, for which I would like to thank them.

I would also like to take the opportunity to thank Christophe Cuvillier, Chris Grigg and Rob Noel who stepped down from the Board of Directors in 2020, as well as Guillermo Baygual Ferrater and Antoine Frey who stepped from the Advisory Board, for their active support and commitment to the Association. At the same time, I was pleased to welcome Mark Allan to the Board of Directors and Yakir Gabay, Struan Roberson and Olivier Wigniolle to the Advisory Board, while Helen Gordon was appointed Vice Chairwoman in charge of HR.

Finally, I would like to particularly thank our stepping down Chairman Rolf Buch and welcome our recently appointed Chairwoman Méka Brunel. Together with the Board of Directors and Advisory Board we look forward to serving the EPRA membership and promoting the European listed real estate sector.

GOING FORWARD IN 2021

2021 will undoubtedly still be a year of uncertainty for all of us, but we look at the future optimistically. Most of the events will have to remain virtual, though hopefully only during the first half of the year, and face-to-face meetings will probably still be scarce. However, I strongly believe that building resilience in our economy, growing the European listed real estate sector and continuing working on the projects that inspire us will make 2021 a success.



Dominique Moerenhout

EPRA CEO

Independent auditor's report

Unqualified opinion

We have audited the consolidated financial statements of European Public Real Estate Association and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of operating income and expense for the year then ended, and the notes to the consolidated financial statements, including a summary of accounting policies and procedures ("Principles for the valuation of assets and liabilities and the determination of the result"). In our opinion, the accompanying consolidated financial statements of European Public Real Estate Association for the year ended 31 December 2020 are prepared, in all material respects, 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 Board of Directors and the officials of the Group the explanations and information necessary for the performance 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 in the consolidated financial statements which describes the basis of accounting. The consolidated financial statements are prepared 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 report is intended solely for the Group and should not be distributed to or used by other parties other than the Group. Our opinion is not modified in respect of this matter.

Responsibilities of 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 in accordance with the financial reporting provisions of its Accounting Policies and procedures and for such internal control as 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the 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 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 Group'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 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 Group'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 consolidated 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 Group to cease to continue as a going-concern;

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, 17 March 2021

EY Bedrijfsrevisoren BV
Represented by



Daniel Wuyts*

Partner

*Acting on behalf of a BV

21DW0160

European Public Real Estate

Consolidated Financial Statements

31 December 2020

Balance sheet as at 31 December 2020

(after profit appropriation)

Assets				annulation interco	31 December 2020		31 December 2019	
	SRL	ASBL	HK		€	€	€	€
Fixed assets								
<i>Intangible fixed assets</i>	(1)					-		
website and database		245,599				245,599		88,983
<i>Tangible fixed assets</i>	(1)							
Other fixed operating assets		27,466	-			27,466		23,688
<i>Financial fixed assets</i>	(1)							
Rental guarantee Brussels		52,171	1,018,500	-	1,018,500	-		52,171
Current assets								
<i>Accounts receivable</i>								
Debtors	(2)	3,267,660	364,540	-	1,799,368	1,832,832		1,285,476
Amount receivable from								
Taxes and social insurance contribution	(2)	219,623	977			220,600		693,770
Other accounts receivable	(3)	70,953	5,388,147	0	5,306,810	152,290		73,607
							2,205,722	2,052,853
<i>Cash at banks and in hand</i>		3,534,004	2,375,330	83,308			5,992,642	6,413,763
		7,417,476	9,147,495	83,308	-	8,124,678	8,523,601	8,631,459

Equity and liabilities				annulation interco	31 December 2020		31 December 2019	
	SRL	ASBL	HK		€	€	€	€
Equity								
Other reserves		1,120,405	5,561,422	-	1,018,500		5,663,327	4,969,529
Undistributed earnings	-	210,211	248,830	69,443			108,062	395,915
Provisions								
Income equalization account (4)			1,515,085				1,515,085	1,469,163
Provision staff		-					-	-
Provision HK closing		350,000					350,000	475,000
Current liabilities								
Creditors		370,687	1,820,158	-	1,799,368	391,477		1,083,991
Taxes and social insurance contributions (5)		237,425	-			237,425		93-
Remuneration and social security (6)		221,360				221,360		200,331
Other debts		5,327,810	2,000	13,865	5,306,810	36,865		37,624
							887,127	1,321,852
		7,417,476	9,147,495	83,308	-	8,124,678	8,523,600	8,631,459

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Statement of operating income and expense for the year 2020

				annulation interco	2020		2019	
	SRL	ASBL	HK		€	€	€	€
Revenue								
Membership fees		2,091,103.79			2,091,104		2,123,009	
Turnover Conference		-	1,250		1,250-		677,713	
Sponsorship fees					-		-	
BPR Licences			55,151		55,151		120,000	
Investor outreach Asia			6,000		6,000		60,000	
Project M and Q					-		-	
FTSE index (7)	5,057,153			1,799,368	3,257,785		3,456,287	
						5,408,789		6,437,009
Expense								
Cost of conference		-	80,612		-	80,612	-	510,587
Wages and salaries (8)	3,353,249		-	165,491	-	3,518,739	-	3,432,093
Depreciation on tangible fixed assets (10)	164,980				-	164,980	-	161,645
Provisions staff (9)					-	-	-	-
Provision HK closing					-	-	-	475,000
Reporting and accounting	43,843				-	43,843	-	41,873
Other operating costs (11)	985,012	-	1,819,564	-	16,765	1,799,368	-	1,657,983.56
						-	4,830,148	-
Operating result							578,641	157,826
Interest income and similar income	-	920,335	-	1,998	972,290	49,956	-	275,616
Interest expense and similar expense	-	218,880		-	97	-	218,977	-
							-169,021	201,839
Result from ordinary activities before taxation							409,620	359,665
Taxation on results from ordinary activities	-	58,319		-		58,319	-	-
Taxation on result from other income						0	0	0
Result after taxation							-58,319	0
							351,301	359,665
Non recurring /Exeptional costs						0	0	0
Non recurring /Exeptional income						0	5,590	5,590
							0	5,590
Result after exeptional costs	-	687,465	248,830	789,937	-		351,301	365,255

Balance sheet as at 31 December 2020**Fixed assets*****Intangible fixed assets*** (1)

	website & database €	Total €
Balance as at 1 January 2020	1,289,464	1,289,464
Investments	310,811	310,811
Accumulated depreciation	1,354,676-	1,354,676-
Book value	245,599	245,599

Tangible fixed assets

Other fixed operating assets	#240100 & 221000	# 23000	
	Computer and automatisation + furniture €	Leasehold improvements €	Total €
Balance as at 1 January 2020	200,376	74,729	275,106
Accumulated depreciation	179,661-	71,756-	251,417-
Book value	20,715	2,973	23,688
Movements in book value			
Investments	14,563	-	14,563
Depreciation	8,042-	2,742-	10,784-
Balance	6,520	2,742-	3,778
Balance as at 31 December 2020			
Investments	214,939	74,729	289,668
Accumulated Depreciation	187,704-	74,498-	262,202-
Book value	27,235	231	27,467

Financial fixed assets

	31 Dec. 2020 €	31 Dec. 2019 €
Rental guarantee Brussels	52,171	52,171

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

	31 Dec. 2020	31 Dec. 2019
	€	€
Nominal value of outstanding accounts receivable FTSE	1,444,714	890,753
Nominal value of outstandings receivables members	223,024	322,595
Other clients	146,976 -	
Trade payables	11,891	295
Due from suppliers	6,227	26,491
Prepayments clients	-	45,343
	<u>1,832,832</u>	<u>1,285,476</u>

Taxes and social insurance contributions

	31 Dec. 2020	31 Dec. 2019
	€	€
Turnover tax (vat)		-
Receivable VAT	220,600	198,510
Receivable social security	-	-
Corporation Tax	-	495,260
	<u>220,600</u>	<u>693,770</u>

Other accounts receivable (3)

	31 Dec. 2020	31 Dec. 2019
	€	€
Prepaid rent Brussels	26,881	26,656
Office supplies & repairs	4,479	8,082
Interest receivable	-	935
Software fees	80	1,502
Prequin online subscription	-	-
Consulting fees	13,439	6,058
Advisory		
Subscripion	20,451	-
Conference fees	80,612	3,570
Insurances	3,981	4,755
Memberships	2,368	22,049
Memberships Epra VZW	-	-
	<u>152,290</u>	<u>73,607</u>

Equity

Other reserves

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

Provisions

Income equalization account(4)

	31 Dec. 2020	31 Dec. 2019
	€	€
Membership fee 2019 received in advance	-	1,469,163
Membership fee 2020 received in advance	1,515,085	-
	<u>1,515,085</u>	<u>1,469,163</u>

Current liabilities

Taxes and social insurance contributions

(5)	31 Dec. 2020	31 Dec. 2019
	€	€
Turnover tax (vat vzw)	-	93-
Income taxes to pay	58,319	-
Taxation on result from other income	-	-
Wage tax BV Belgium	103,344	-
Social security Belgium	75,761	-
Tax on intrests Belgium	-	-
	<u>237,425</u>	<u>93-</u>

Remuneration and social security

(6)	31 Dec. 2020	31 Dec. 2019
	€	€
Holiday pay provisions	221,360	200,331
	<u>221,360</u>	<u>200,331</u>

Statement of operating income and expense for the year 2020

<i>Revenue</i>	(7)		
		2020	2019
		€	€
FTSE Index		3,257,785	3,456,287
<i>Wages and salaries</i>	(8)		
		2020	2019
		€	€
Gross wages and salaries*		3,518,739	3,432,093
* Including the reversal of the provision of 125 K EUR for closure Hong-Kong			
<i>Provision Staff</i>	(9)		
		2020	2019
		€	€
Severance pay deputy CEO		-	
Provisions		-	
Provision Severance pay decided by the board			
Provision Bonus decided by the board			
Provision used for pay out			-
Provision 2019 HK closing		-	475,000
<i>Depreciation on tangible fixed assets</i>	(10)		
		2020	2019
		€	€
Website and database		154,406	141,885
Furnitures		10,574	8,728
Computer and automatisaton			2,742
Leasehold improvements			8,289
Bad debts			
		164,980	161,645

Other operating costs (11)

	2020	2019
	€	€
Communication	226,576	296,410
Public Affairs	90,222	88,180
Meetings and events *	51,115	291,308
Travelcosts	44,785	248,144
Research	155,697	171,119
Office cost	282,112	328,954
Advisory	167,633	233,868
Vat refund non deductible (vat refund 2018)	3,834	
	<u>1,021,974</u>	<u>1,657,984</u>

* include Asia operating costs

Staff

During the financial year the Association employed an average of 19 employees in the following staff categories:

	2020	2019
Chief Executive Officer	1	1
Operations Director	1	1
Director Indexes and Research	1	1
Finance & Sustainability Director	1	1
Director Public Affairs	1	1
Director Investor Outreach	1	1
Senior Analyst Research & Indexes	2	2
Membership Manager	1	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	2	1
Events & Project Manager	1	1
R&A Manager	1	1
Director Asia Pacific	-	1
Assistant Asia	-	1
	<u>19</u>	<u>20</u>