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FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

22 July 2024

HAMMERSON plc
(“Hammerson” or the “Group” or the “Company”)

ISIN: GB0004065016
LSE share code: HMSO / JSE share code: HMN

Disposal of Hammerson’s interest in Value Retail

Hammerson is pleased to announce that it has entered into a binding agreement for the disposal of its entire interest in Value Retail (the “**Value Retail Group Interests**”) to Silver Bidco Limited (“**Bidco**”), a newly-formed company incorporated in Jersey and established by certain affiliates of *L* Catterton (“***L* Catterton**”), for an enterprise value of £1.5bn[1], generating cash proceeds of c.£600m (the “**Disposal**”)[1].

Highlights

- Disposal of Hammerson’s overweight, non-controlling and yield-dilutive interest in Value Retail for c.£600m of cash proceeds will:
    - ensure a clean exit from a complex structure at an attractive price, representing an EBITDA multiple of 24x[2];
    - unlock value from 42% of Hammerson’s total portfolio[3], retiring a historical five-year average cash yield of c.2%[4]; and
    - represent an exit cash yield of c.3.4%[5], a 24% discount to GAV of £2.0bn[6], and crystallising a 10-year IRR of 13%.
- Hammerson intends to use the Disposal proceeds for a combination of:
    - significant and immediate deleveraging through a reduction in net debt, with pro forma LTV of 23% and net debt: EBITDA of 5.1x;
    - reinvestment into assets in its core markets at higher yields and stronger returns, with a priority on JV consolidation and repurposing asset enhancement initiatives; and

[1] EV of €1,816m (see note 2), cash proceeds of €705m, based on closing exchange rate of 1.179 (30.6.24)
[2] Based on enterprise value of £1,540m at share and FY23 EBITDA of £64m
[3] By portfolio value as at 31 December 2024
[4] Based on last 5 year average of £20.3m and FY23 EPRA NTA of £1,194m
[5] Based on last 5-year average of £20.3m distributions and cash proceeds of £600m
[6] Based on FY23 Hammerson GAV share of €2,399m adjusted for participative loans

    - a return of capital to shareholders via a share buy back of up to £140m, representing c. 10% of Hammerson's market capitalisation [7] prior to the date of this announcement.

- The Board of Hammerson (the "**Board**") also today announces the intention, following the successful completion of the Disposal, to adopt an enhanced payout ratio policy for ordinary dividends of c.80-85% of adjusted earnings.
- The Disposal builds on Hammerson's track record and momentum of the last three years to accelerate strategic and financial delivery.
    - Hammerson will be a retail-anchored, specialist cities business positioned for growth and value creation, with its entire portfolio comprising leading city centre destinations.
    - The Company is primed to drive both rental and earnings growth through reinvestment, and operating leverage from its lean and scalable platform.
    - In the medium term, Hammerson expects to deliver an annualised total accounting return ("**TAR**") of c.10% (assuming stable yields) whilst maintaining its commitment to a sustainable capital structure and an investment grade credit rating.
- The Disposal is, in the Hammerson Board's opinion, in the best interests of shareholders as a whole.
- The Disposal constitutes a "Class 1" transaction for Hammerson under the current Listing Rules in force as at the date of announcement. However, the new UK Listing Rules will come into force on 29 July 2024 (as announced by the FCA on 11 July 2024), when the current Listing Rules will cease to have effect and there will no longer be a requirement for shareholder approval of significant transactions. As such, the Disposal is not conditional on approval by Hammerson's shareholders.
- The Disposal is subject to certain customary antitrust approvals and completion of the Disposal ("**Completion**") is expected in H2 2024.
- In addition to the Disposal, Hammerson is proposing to simplify its share capital through a 1 for 10 share consolidation, and to increase distributable reserves by reducing the Company's share premium account. A Circular with more detail, and a notice convening a general meeting, will be sent to shareholders in due course.

Rita-Rose Gagné, CEO, Hammerson plc, said:

"This is a transformational deal for Hammerson, generating cash proceeds of c.£600m whilst removing an overweight, low yielding and minority stake, and positioning us for accelerated growth and value creation.

The Disposal focuses our portfolio on prime urban real estate with a transformed capital structure and the capacity and capability to advance our strategy in higher yielding opportunities with stronger returns, whilst enhancing returns to shareholders.

I'm excited about the opportunity this gives us to build on our momentum and track record of the last three years. We are at a point in the cycle where I can now be on the front foot to capture the exceptional value creation opportunities I see in the near, medium and long term. This is exactly what this transaction will deliver."

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[7] Three-months average.

Michael Chu, Global Co-CEO of *L* Catterton, said:

"With its high quality portfolio, reputation for luxury, and commitment to delivering a distinctive experience to customers, Value Retail is well positioned for growth and continued success.

We have deep experience investing in luxury retail, and we are eager to leverage our operational expertise and global network of established relationships to partner with Value Retail and propel the business forward."

Principal terms of the Disposal

On 22 July 2024, the Company and Hammerson UK Properties Limited ("**HUK**"), a wholly-owned subsidiary of Hammerson, entered into a share purchase agreement (the "**Share Purchase Agreement**") pursuant to which HUK has agreed to sell the entire issued share capital of its wholly owned subsidiary, Hammerson (Value Retail Investments) Limited (the "**Target**"), which holds all of Hammerson's interests in the Value Retail Group, to Bidco in consideration for €705m (equivalent to c.£600m) of total cash proceeds.

The obligations of the parties to the Share Purchase Agreement to complete the Disposal are subject to the satisfaction of certain customary antitrust conditions (the "**Conditions**").

The consideration will be satisfied through a combination of a payment for the sale of the shares in the Target and the repayment of certain amounts owed by the Target to the retained Hammerson Group.

In relation to the Disposal, *L* Catterton has provided (through one of its investment vehicles, LC10 International AIV, LP) an equity commitment letter dated 22 July 2024 to Bidco and Hammerson to ensure that Bidco has the required funds to fulfil its obligations under the Share Purchase Agreement and complete the Disposal.

Financial effects of the Disposal and use of proceeds

The Disposal means the Group will forego its share of Value Retail adjusted earnings (see Appendix 1 for key financial information relating to the Disposal). For FY 24 interest income on cash received is expected to broadly replace earnings disposed with Hammerson's interests in Value Retail.

On a pro forma basis (as per Appendix 1), the Disposal will have an immediate and material strengthening effect on the balance sheet, reducing LTV to 23% and net debt:EBITDA to 5.1x pre any deployment of capital. Net tangible assets will be reduced to approximately £1.9bn, or 39p per share.

The proceeds of the Disposal (the "**Disposal Proceeds**") are intended to be deployed in line with Hammerson's stated capital allocation framework, namely to further strengthen the balance sheet, invest for growth and value creation, and enhance distributions to shareholders.

1. c.£95m to add strength and flexibility to the balance sheet

The Disposal will result in significant and immediate deleveraging while ensuring that near-term low-coupon debt maturities are covered by cash earning higher rates of interest. The Board remains committed to maintaining a robust investment grade credit rating with a target LTV of 30-35% and a net debt:EBITDA ratio of 6-8x through the cycle. Allocating c.£95m to reduce net debt alongside existing cash of £688m[8], giving a total pro forma cash position of c.£798m, means Hammerson's Group debt maturities are covered until 2027 with low weighted average interest expense until 2028. This allows the Group flexibility to access the debt markets and refinance as appropriate to maintain a sustainable balance sheet whilst funding growth.

[8] FY23 cash pro forma for receipts from the disposals of Union Square and O'Parinor

2. Reinvestment capital for growth and value creation of c.£350m

Building on its strong three-year track record of value creation in core city centre urban destinations, Hammerson sees an attractive and sizeable pipeline of near, medium and long-term opportunities for growth and value creation.

Following the Disposal, Hammerson will have the ability to rotate the proceeds from the low yielding Value Retail investment into higher yielding opportunities with attractive returns, with £350m allocated to reinvestment. In the near-term, Hammerson intends to prioritise opportunities within the existing core portfolio, including JV consolidation, repurposing and asset enhancement initiatives.

3. Enhanced distributions to shareholders via share buy back of up to £140m (c. 10% of Hammerson's pre announcement market capitalisation) and increased dividend payout ratio

Following completion of the Disposal, Hammerson intends to return up to £140m to shareholders via an on-market share buy back, representing 10% of pre-announcement market capitalisation[9]. As a consequence of the proposed Share Consolidation (summarised below), the buy back will be subject to shareholders approving customary, general authorities to (amongst other things) make market purchases of Hammerson shares. The buy back will also be subject to shareholders approving the Capital Reduction (as summarised below).

Furthermore, following the successful conclusion of the Disposal, the Board of Hammerson intends to increase the ordinary dividend payout ratio from 60-70% to c.80-85% of adjusted earnings, which brings Hammerson in line with its UK REIT peers.

Medium-term financial framework

Alongside the Disposal, Hammerson today announces an indicative medium-term financial framework, assuming timely reinvestment of net proceeds and completion of the share buy back. Outcomes for shorter reporting periods will be highly dependent on activity levels and prevailing market conditions, with variances across different components of the portfolio. The framework consists of:

- GRI CAGR: 4-6%;
- EPS CAGR: 6-8%;
- DPS CAGR: 6-8%; and
- Annualised TAR: c.10% (assuming stable yields).

Risks to Hammerson as a result of the Disposal

Following the Disposal, the Group will have greater concentration risk, holding fewer asset classes (and lower NTA), and will therefore be more susceptible to adverse developments in the remaining markets, asset classes and segments in which the Group operates. In particular, following Completion, the Group will have greater relative exposure to the risks associated with the property markets of the UK, France and Ireland, and to fluctuations in the value of the retained Group's property portfolio.

Therefore, should any part of the retained Group underperform, this may have a larger relative impact on its financial condition, results, profitability, and/or future prospects than it would have had on the entire Group before the Disposal.

The geographical distribution of the Retained Group's revenue after the Disposal will also be different to that of the Group at the date of this announcement. This means that adverse financial market movements or economic conditions in the region and/or in one of the markets in which the retained

[9] Based on last three month average

Group operates may have a larger relative impact on the capital position, financial condition, results, profitability and/or future prospects of the retained Group than they would have done prior to the Disposal.

The loss on disposal will significantly reduce the Group's distributable reserves prior to the completion of the Capital Reduction (as defined below), which is subject among other things to shareholder approval.

New UK Listing Rules

The Disposal constitutes a "Class 1" transaction for Hammerson under the current Listing Rules in force as at the date of this announcement. However, the new UK Listing Rules will come into force on 29 July 2024 (as announced by the FCA on 11 July 2024), when the current Listing Rules will cease to have effect and there will no longer be a requirement for shareholder approval of significant transactions. As such, the Disposal is not conditional on approval by Hammerson's shareholders.

Further information relating to the Disposal, as required by the new UK Listing Rules, is set out in the Appendices to this announcement.

Completion of the Disposal is also subject to the customary Conditions mentioned above.

Advisers

Eastdil Secured International Limited is acting as Lead Financial Adviser to Hammerson. Morgan Stanley & Co. International plc is acting as Financial Adviser and Corporate Broker to Hammerson. Lazard & Co., Limited is acting as Financial Adviser to the Board of Hammerson. Slaughter and May is acting as legal adviser to Hammerson. J.P. Morgan is acting as sole financial adviser to L Catterton. Latham & Watkins LLP is acting as legal counsel to L Catterton.

Information on Value Retail

Through its affiliate The Bicester Collection, Value Retail specialises exclusively in the creation and operation of luxury shopping destinations. In the UK and Europe it operates nine Villages outside of Barcelona, Brussels, Dublin, Frankfurt, London, Paris, Madrid, Milan, and Munich.

As at 31 December 2023, the gross asset value of Hammerson Group's interest was £1.9bn[10]. For the year ended 31 December 2023, the profits attributable to the Value Retail Group Interests was £32.1m. Value Retail is managed by a team led by Global President, Chris Cabot, and CEO Europe, Jose-Luis Duran.

Information on *L* Catterton and Bidco

L Catterton is a market-leading consumer-focused investment firm, managing approximately $35 billion of equity capital across three multi-product platforms: private equity, credit, and real estate. The firm's funds have the ability to invest between $5 million and $5 billion, and across the capital structure, in well-positioned consumer businesses. Leveraging deep category insight, operational excellence, and a broad network of strategic relationships, *L* Catterton's team of more than 200 investment and operating professionals across 17 offices partners works with management teams to drive differentiated value creation across its portfolio. Founded in 1989, the firm has made over 275 investments in some of the world's most iconic consumer brands. For more information about *L* Catterton, please visit https://www.lcatterton.com/.

Bidco is a private limited company incorporated in Jersey. Bidco is a new-formed company indirectly owned by *L* Catterton. Pursuant to an equity commitment letter dated 22 July 2024 from LC10 International AIV, LP (an investment vehicle of *L* Catterton), Bidco will be provided with the required funds to fulfil its obligations under the Share Purchase Agreement and complete the Disposal.

[10] Unadjusted for participative loans.

Proposed Share Consolidation and Capital Reduction

In addition to the Disposal, Hammerson is proposing to simplify its share capital through a 1 for 10 share consolidation, subdivision and re-designation of the ordinary shares in the Company (the "**Share Consolidation**") and to increase distributable reserves by reducing the Company's share premium account (the "**Capital Reduction**"). The Hammerson Board proposes to make these changes and a circular, with more detail on the Share Consolidation and the Capital Reduction, and a notice convening a general meeting, will be sent to shareholders in due course.

Summary of the Share Consolidation

The Hammerson Board is proposing the Share Consolidation in order to (i) reduce the number of ordinary shares in issue, (ii) create a nominal value for an ordinary share which should be significantly below the price at which shares trade on the open market, and (iii) reduce the likelihood of there being large dealing spreads in ordinary shares.

The Share Consolidation will involve the following steps:

- each 10 ordinary shares will be consolidated into one consolidated ordinary share of £0.50; and
- each such consolidated ordinary share of £0.50 will then immediately be subdivided and redesignated into one new ordinary share of £0.05 and nine Deferred Shares of £0.05.

The effect of the Share Consolidation will be that Hammerson will need to seek the renewal of its customary, general authorities to (amongst other things) allot Hammerson shares, disapply pre-emption rights and make market purchases of Hammerson shares (the "**General Authorities**"). The intended return of capital to shareholders via a share buy back of up to £140m will be contingent on the General Authorities being approved by shareholders.

Summary of the Capital Reduction

The Capital Reduction involves a reduction in Hammerson's share premium account, which is a non-distributable reserve. Reducing amounts standing to the credit of this reserve will increase Hammerson's distributable reserves.

Further details on the Share Consolidation, the Capital Reduction and the General Authorities, including timetable and a notice convening a general meeting, will be contained in a circular to be published in due course.

Investor Presentation

Hammerson will host a virtual presentation for analysts and investors at 8:30am UK time on Monday 22 July 2024, followed by Q&A.

Date & Time: 22 July 2024, 08:30 (BST)

Webcast link: https://hammerson-plc.open-exchange.net/

Market Abuse Regulation Statement

This announcement contains inside information.

The person responsible for arranging the release of this announcement on behalf of the Company is Alex Dunn, General Counsel & Company Secretary.

Hammerson has its primary listing on the London Stock Exchange and secondary inward listings on the Johannesburg Stock Exchange and Euronext Dublin.

Sponsor: Investec Bank Limited

Enquiries

Hammerson plc
Investor & Media Contact

Josh Warren, Director of Strategy, Commercial Finance and Investor Relations	+44 (0)20 7887 1053

MHP for Hammerson

Oliver Hughes, Ollie Hoare	+44 (0)7885 224 532 +44 (0)7817 458 804

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Eastdil Secured International Limited ("**Eastdil Secured**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser for Hammerson and no one else in connection with the matters set out in this announcement. Eastdil Secured will not be responsible to anyone other than Hammerson for providing the protections afforded to clients of Eastdil Secured, or for providing advice in connection with the content of this announcement or any matter referred to herein. Neither Eastdil Secured nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Eastdil Secured in connection with this announcement, any statement or other matter or arrangement referred to herein or otherwise.

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Apart from the responsibilities and liabilities, if any, which may be imposed on any of the financial advisers by the Financial Services and Markets Act 2000, as amended, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither the financial advisers nor any of their respective subsidiaries, branches or affiliates, accept any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company as to the contents of this announcement or make any representation or warranty, express or implied, as to the contents of this announcement including its accuracy, completeness or verification or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Disposal and nothing in this announcement shall be relied upon as a promise or representation in this respect, whether or not as to the past or future. The financial advisers and their respective subsidiaries, branches and affiliates accordingly disclaim, to the fullest extent permitted by law, all and any duty, liability and responsibility whatsoever arising in tort, contract or otherwise which any of them might otherwise have in respect of this announcement or any such statement.

Neither the contents of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

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No person has been authorised to give any information or to make any representations other than those contained in this announcement and, if given or made, such announcements must not be relied on as having been authorised by the Company, the financial advisers or any of their respective affiliates. Subject to the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation ("**MAR**"), the issue of this announcement and any subsequent announcement shall not, in any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this announcement or that the information contained in it is correct as at any subsequent date.

This announcement contains "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. None of the Company, the financial advisers or their respective affiliates undertakes or is under any duty to update this announcement or to correct any inaccuracies in any such information which may become apparent or to provide you with any additional information, other than any requirements that the Company may have under applicable law or the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules or MAR. To the fullest extent permissible by law, such persons disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this announcement. The information in this announcement is subject to change without notice.

No statement in this announcement is intended as a profit forecast and no statement in this announcement should be interpreted to mean that the future earnings per share, profits, margins or cash flows of Hammerson following the Disposal will necessarily match or be greater than the historical published earnings per share, profits, margins or cash flows of Hammerson.

The distribution of this announcement in or from certain jurisdictions may be restricted or prohibited by the laws of any jurisdiction other than the UK. Recipients of this announcement are required to inform themselves of, and comply with, all restrictions or prohibitions in such other jurisdictions. Any failure to comply with applicable requirements may constitute a violation of the laws and/or regulations of such other jurisdictions.

This announcement has been prepared for the purposes of complying with the applicable law and regulation of the UK (including the UK Listing Rules and the Disclosure Guidance and Transparency Rules) and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside of the UK.

Save as required by MAR, the Disclosure Guidance and Transparency Rules, the UK Listing Rules or by applicable law, each of Hammerson, Eastdil Secured, Morgan Stanley and Lazard expressly disclaim any intention, obligation or undertaking to update, review or revise any of the information or the conclusions contained herein, including forward-looking or other statements contained in this announcement, or to correct any inaccuracies which may become apparent whether as a result of new information, future developments or otherwise.

APPENDIX I
KEY FINANCIAL INFORMATION RELATING TO THE DISPOSAL

To assist with the assessment of the valuation of the Value Retail Group Interests, below is a summary of the key financials.

Income statement – Value Retail (HMSO share)

	Year ended 31 December 2022 (£m)	Year ended 31 December 2023 (£m)
IFRS profit/(loss) for the year	(5.3)	14.8
Adjusted earnings	27.4	32.1

Balance sheet – Value Retail (HMSO share)

	Year ended 31 December 2022 (£m)	Year ended 31 December 2023 (£m)
Investment property valuation	1,887.0	1,885.7
Investment in associates	1,189.4	1,115.0

Supporting calculations: Value Retail financials, key Group and Disposal metrics

Income statement	*ARA*[11]		**Year ended 31 December 2023 £m**
GRI	*pg.152*		162
NRI	*pg.152*		115
Administration expenses	*pg.152*		(51)
EBITDA[12]	*pg.152*	***(A)***	64
Adjusted finance costs[13]			(29)
Taxation	*pg.152*		(3)
Adjusted earnings	*pg.152*	***(B)***	**32**

Distributions received	*pg. 188*		74
5 year average distributions[14]		***(C)***	20

Balance Sheet	*ARA*		**December 2023 £m**
IFRS GAV	*pg. 153*		**1,886**
Loans	*pg. 153*		(794)
Other balance sheet items	*pg. 153*		23
IFRS NAV	*pg. 153*		**1,115**
Deferred Tax - 50% share	*pg. 144*		101
Fair value of interest rate swaps	*pg. 144*		(22)
EPRA NTA		***(D)***	**1,194**

11 Hammerson 2023 published audited annual report and accounts ("**ARA**")
12 Profit from operations (pg. 152 of 2023 ARA) adjusted for tenant incentive amortisation
13 Adjusted finance costs reflect net finance costs of £30.7m (pg. 152 of 2023 ARA) less EPRA adjustments (pg. 142 of ARA) in relation to the change in fair value of derivatives (£11.1m loss) and change in fair value of participative loans (£9.1m gain)
14 Average of £24.3m distributions received in 2019 (pg. 200 of 2019 ARA) and £73.6m in 2023 (pg. 188 of ARA)

GAV reconciliation €[15]	ARA	€m
IFRS GAV as reported £1,886m converted to €	pg. 153	**2,224**
Equity portion of participative loans[16]		175
Total GAV	(E)	**2,399**

Enterprise Value[16]	ARA	€m
Gross Proceeds	(F)	705
Loans £794m converted to €	pg. 153	936
Secured debt held within the participative loans[15]		67
Cash and deposits[15]		(79)
Other balance sheet items (net) [15]		160
Intercompany balances[17]		27
Total Consideration	(G)	**1,816**

Enterprise Value		£m
Total Consideration £ equivalent[15]	(H)	**1,540**
Discount to GAV	(G)/(E)	**-24%**

Earnings and cash yield		
Earnings yield on NTA	(B)/(D)	2.7%
Cash yield on NTA	(C)/(D)	1.7%

Key Disposal metrics		
GAV price/discount	(G) & (G)/(E)	€1,816m/24%
Cash proceeds[15]		€705m/£600m
2023 EV/EBITDA	(H)/(A)	24x
Exit cash yield	(C)/(F)	3.4%
Exit earnings yield	(B)/(F)	5.4%

Group: pro forma Hammerson LTV, Net debt:EBITDA & NTA per share

Credit metrics	Valuation £m	Net debt £m	EBITDA £m
Dec-23	**3,891**	**1,326**	**166**
Net Proceeds from disposals of:			
- Union Square[18]	(121)	(111)	(15)
- O'Parinor[19]	(7)	(7)	-
- Value Retail	(1,115)	(598)	(32)
Pro forma	**2,648**	**610**	**119**

15 Sterling balances converted at £1:€1.179 (30 June 2024 exchange rate)
16 Enterprise value includes the underlying assets and liabilities associated with the participative loans which relate to the Group's sponsor share of Value Retail's Spanish Villages (pg. 153 ARA) aggregated with the Group's share of other assets and liabilities as per pg. 153 ARA
17 Intercompany balances reflect "Distributions received in advance from Value Retail" of €29.6m (£25.1m in pg. 156 ARA) less €2m loan due from Value Retail (pg. 170 ARA) which are included in the Disposal
18 Reflects the valuation at 31 December 2023 and 2023 EBITDA in relation to Union Square which was sold in March 2024 for gross proceeds of £111.0m
19 Reflects the valuation at 31 December 2023 and 2023 EBITDA in relation to ancillary units at O'Parinor which were sold in February 2024 for gross proceeds of £6.5m

Pro forma LTV	23%	Pro forma Net debt:EBITDA	5.1x
	NTA	**No. of Shares**	**NTA per share**
	£m	*pg. 145 ARA*	**£**
Dec 23 - as reported	2,542	5,002	0.51
Value Retail EPRA NTA[20]	(1,194)		
Cash proceeds	598		
Pro forma EPRA NTA	**1,946**	**5,002**	**0.39**

Sources of Financial Information

Unless otherwise stated, all financial information relating to Hammerson and Value Retail disclosed in this announcement (including these Appendices) has been extracted, without material adjustment, from the Hammerson's 2022 and 2023 published audited annual report and accounts.

20 IFRS NAV of £1,115.0m plus EPRA NTA adjustments of £78.7m (deferred tax of £100.7m less fair value of interest rate swaps of £22.0m as per pg. 144 of ARA)

APPENDIX II
MATERIAL CONTRACTS

1. MATERIAL CONTRACTS OF THE HAMMERSON GROUP

1.1 Share Purchase Agreement

On 22 July 2024, the Company and HUK (the "**Seller**"), a wholly-owned subsidiary of Hammerson, entered into the Share Purchase Agreement pursuant to which HUK has agreed to sell the entire issued share capital of the Target, which holds all of Hammerson's interests in the Value Retail Group, to Bidco (the "**Purchaser**") in consideration for €705m (equivalent to c.£600m) of total cash proceeds.

Conditions precedent to Completion

The obligations of the parties to the Share Purchase Agreement to complete the Disposal are subject to the satisfaction of certain customary antitrust conditions.

Consideration

The total consideration for the Disposal of the Value Retail Group Interests (including amounts outstanding under a term loan agreement between Hammerson and Value Retail) will be the payment of EUR 705,000,000, minus an amount in EUR equal to: (i) the net inter-company balance between the Group excluding the Target (the "**Retained Group**") and the Target; and (ii) any leakage adjustment amounts (the "**Consideration**").

The net inter-company balance will be repaid by the Purchaser on behalf of the Target at or prior to Completion, which shall extinguish any and all outstanding liabilities between the Target and members of the Retained Group in respect of the inter-company balances.

Disposal Proceeds

The proceeds from the Purchaser are expected to be c.£600m payable on Completion.

Warranties

In the Share Purchase Agreement, Hammerson and HUK provide only limited warranties to the Purchaser given the nature of the Disposal, including as to Hammerson and HUK's authority to enter into the Share Purchase Agreement and Hammerson's and HUK's ability to complete the Disposal, as well as HUK's ownership of the shares in the Target, and the Target's ownership of the Value Retail Group Interests. Customary tax warranties in respect of the Target are also given.

In the Share Purchase Agreement, the Purchaser has given customary warranties to HUK, including confirming the Purchaser's authority to enter into the Share Purchase Agreement.

Indemnities

HUK has agreed to a customary indemnity in relation to a pre-signing reorganisation of the Value Retail Group Interests (the "**Reorganisation**"), pursuant to which HUK has agreed to indemnify the Purchaser against direct losses arising from the implementation of the

Reorganisation or any failure by any member of the Group or the Retained Group to implement the Reorganisation in accordance with the Reorganisation steps plan and/or applicable law (the “**Reorganisation Indemnity**”).

Parent Company Guarantee

The Company has given to the Purchaser an irrevocable and unconditional guarantee in respect of HUK’s obligations under the Share Purchase Agreement in respect of: (i) any leakage; (ii) any claims under any of the warranties given by HUK; (iii) any claim under the Reorganisation Indemnity; and/or (iv) any claim under the Tax Covenant.

Limitations on liability

Claims under the Share Purchase Agreement are subject to customary financial and other limitations of liability.

Termination

If the Conditions are not fulfilled on or before 5.00pm 15 months from the date of the Share Purchase Agreement (the “**Long-Stop Date**”), then HUK or Bidco is entitled to terminate the Share Purchase Agreement.

In addition, if the respective obligations of HUK and/or the Purchaser are not complied with on the date of Completion, the Share Purchase Agreement may be terminated by the Purchaser (in the case of non-compliance by HUK) or, as the case may be, HUK (in the case of non-compliance by the Purchaser).

Governing law

The Share Purchase Agreement is governed by English law.

1.2 Tax Covenant

HUK has given a customary tax covenant (the “**Tax Covenant**”) in favour of the Purchaser which covers any taxation in respect of the period prior to Completion, subject to usual exclusions for a transaction of this nature.

The Tax Covenant is governed by English law.

1.3 Italie Deux SPA and Italik SPA

On 31 March 2023, Hammerson Centre Commercial Italie, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with two wholly owned subsidiaries of Ingka Centres (the “**Italie Deux SPA**”) pursuant to which Hammerson Centre Commercial Italie disposed of its 25% stake in the Italie Deux shopping centre (“**Italie Deux**”).

On 31 March 2023, Hammerson France, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with a wholly owned subsidiary of Ingka Centres (the

“**Italik SPA**”) pursuant to which Hammerson France disposed of its 100% interest in the extension to the Italie Deux shopping centre known as ‘Italik’ (“**Italik**”) to Ingka Centres.

The total cash consideration from the Italie Deux disposal and the Italik disposal was €164 million.

The Italie Deux SPA and the Italik SPA are governed by French law.

1.4 Union Square SPA

On 23 February 2024, HUK entered into a sale and purchase agreement with an affiliate of Lone Star Real Estate Fund VI, L.P. (the “**Union Square Buyer**”) pursuant to which HUK disposed of its 100% interest in the Union Square shopping centre in Aberdeen (the “**Union Square SPA**”).

Structure and consideration

Under the Union Square SPA, the purchase price payable to HUK was £111 million, subject to NAV adjustments. A deposit of £11.1 million was paid by the Union Square Buyer on the date of the Union Square SPA and held in escrow until completion. The remainder of the purchase price was paid on completion.

The Union Square SPA contained conduct of business provisions to govern arrangements between the parties between signing and completion. Completion was not subject to any conditions and occurred on 15 March 2024.

Warranties, limitations on liabilities and indemnities

HUK gave fundamental warranties in respect of due incorporation and title and capacity, as well as certain business and tax warranties.

Governing law

The Union Square SPA is governed by English law.

1.5 2021 JPY Revolving Credit Facility Agreement

On 18 June 2021, the Company as borrower entered into a JPY 7,760,750,000 revolving credit facility with MUFG Bank Ltd. as lender (the “**2021 JPY Revolving Credit Facility Agreement**”).

Purpose

Advances under the 2021 JPY Revolving Credit Facility Agreement may be used for general corporate purposes including refinancing certain existing indebtedness.

Maturity

The maturity date of the 2021 JPY Revolving Credit Facility Agreement is 18 June 2026.

Governing law

The 2021 JPY Revolving Credit Facility Agreement is governed by English law.

1.6 2021 Multicurrency Revolving Credit Facility Agreement

On 18 June 2021, the Company as borrower entered into a £150,000,000 multicurrency syndicated revolving credit facility with Barclays Bank plc as facility agent and Barclays Bank plc, BNP Paribas, London Branch and JPMorgan Chase Bank, N.A., London Branch as lenders (the "**2021 Multicurrency Revolving Credit Facility Agreement**").

Purpose

Advances under the 2021 Multicurrency Revolving Credit Facility Agreement may be used for general corporate purposes including refinancing certain existing indebtedness.

Maturity

The maturity date of £50,000,000 of the commitments under the 2021 Multicurrency Revolving Credit Facility Agreement was 18 June 2024. The maturity date of £100,000,000 of the commitments under the 2021 Multicurrency Revolving Credit Facility Agreement is 18 June 2026.

Governing law

The 2021 Multicurrency Revolving Credit Facility Agreement is governed by English law.

1.7 2022 Multicurrency Revolving Credit Facility Agreement

On 29 April 2022, the Company as borrower entered into a £463,000,000 multicurrency syndicated revolving credit facility with Barclays Bank plc as facility agent and Industrial and Commercial Bank of China Limited, London Branch, Lloyds Bank PLC, Mizuho Bank, Ltd., Morgan Stanley Bank, N.A., First Commercial Bank Ltd, London Branch, Agricultural Bank of China Limited, London Branch, Crédit Industriel et Commercial, London Branch, Barclays Bank PLC, BNP Paribas, London Branch, and MUFG Bank, Ltd. as lenders (the "**2022 Multicurrency Revolving Credit Facility Agreement**", and, together with the 2021 JPY Revolving Credit Facility Agreement and the 2021 Multicurrency Revolving Credit Facility Agreement, the "**Revolving Credit Facilities**").

Purpose

Advances under the 2022 Multicurrency Revolving Credit Facility Agreement may be used for general corporate purposes including refinancing certain existing indebtedness.

Maturity

The maturity date of the 2022 Multicurrency Revolving Credit Facility Agreement is 29 April 2027.

Governing law

The 2022 Multicurrency Revolving Credit Facility Agreement is governed by English law.

1.8 Note Purchase Agreements

The following unsecured notes, which were issued by the Company on 21 November 2016 pursuant to a note purchase agreement, which was amended on 30 June 2020 (the "**Note Purchase Agreement**"), are outstanding:

(i) EUR 70,000,000 1.61% Series C Senior Notes due 11 January 2026;

(ii) EUR 12,714,240 1.79% Series D Senior Notes due 11 January 2028; and

(iii) EUR 5,800,000 2.05% Series E Senior Notes due 11 January 2031,

(the "**Private Placement Senior Notes**").

The proceeds from the Private Placement Senior Notes may be used for general corporate and working capital purposes and refinancing certain existing indebtedness.

The Note Purchase Agreement permits, and, if any subsidiary acts as a borrower, guarantor or other obligor under any Principal Credit Facility (as defined in the Note Purchase Agreement), require, the Company to obtain subsidiary guarantees of its obligations under and in respect of the Note Purchase Agreement and the Private Placement Senior Notes; however, as at the date of this announcement, no such guarantees have been granted.

The Note Purchase Agreement is governed by English law.

1.9 Series of Bonds

The Company has issued several series of bonds. The following bonds are outstanding:

(i) £200,000,000 7.25% bonds due 21 April 2028 constituted by a trust deed dated 21 April 1998 (the "**Principal Trust Deed**") between the Company and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**") (the "**Original 2028 Bonds**");

(ii) £100,000,000 7.25% bonds due 21 April 2028 constituted by a tenth supplemental trust deed dated 6 September 2023 between the Company and the Trustee, supplemental to the Principal Trust Deed and the eighth supplemental trust deed dated 4 December 2009 (the "**New 2028 Bonds**", and together with the Original 2028 Bonds, the "**2028 Bonds**");

(iii) £211,608,000 6.00% bonds due 23 February 2026 constituted by a fifth supplemental trust deed dated 23 February 2004 between the Company and the Trustee, supplemental to the Principal Trust Deed, the first supplemental trust deed dated 29 June 1999, the second supplemental trust deed dated 31 March 2000, the third supplemental trust deed dated 15 March 2001 and the fourth supplemental trust deed dated 20 June 2001 (the "**2026 Bonds**"); and

(iv) £338,300,000 3.50% bonds due 27 October 2025 constituted by a trust deed dated 27 October 2015 between the Company and the Trustee (the "**2025 Bonds**").

On 16 October 2023, the Original 2028 Bonds and the New 2028 Bonds were consolidated to form a single series. The 2028 Bonds trade interchangeably and have an aggregate principal amount of £300,000,000.

In addition, the Company has guaranteed the €700,000,000 1.75% bonds due 3 June 2027 issued by Hammerson Ireland Finance Designated Activity Company and constituted by a trust deed dated 3 June 2021 between Hammerson Ireland Finance Designated Activity Company, the Company and the Trustee (the "**2027 Bonds**", and together with the 2028 Bonds, the 2026 Bonds and the 2025 Bonds, the "**Bonds**").

The terms and conditions of the Bonds and the related documents are governed by English law.

2. MATERIAL CONTRACTS OF THE VALUE RETAIL GROUP INTERESTS

2.1 Value Retail Governance Documents

The Group has an interest in the Value Retail business. A summary of the Value Retail business is included this announcement.

The Group holds interests at three levels of the Value Retail group:

(i) Value Retail plc —Value Retail plc and its subsidiaries provide property development and property management services to the owners and operators of the nine Value Retail shopping Villages under management and service agreements.

(ii) Sponsor level entities—Hammerson owns interests in Bicester Investors Limited Partnership ("**BILP**") and Bicester Investors II Limited Partnership ("**BILP II**") in connection with its investment in Bicester Village and in VR European Holdings B.V. ("**VREH**") in connection with the Value Retail European shopping villages. The sponsor level entities own a proportion of the equity interests in each of the asset level companies which hold the property interests in the Value Retail shopping villages.

(iii) Asset level entities—In addition to its interests in the sponsor level entities, the Group holds interests directly and indirectly in many of the asset level entities which hold the property interests in the Value Retail shopping villages. These investments constitute a mixture of debt and equity interests.

The Group holds:

(i) a 24.4042% interest in Value Retail plc through the Value Retail Group Interests;

(ii) a 24.2814% beneficial interest in VREH through the Value Retail Group Interests;

(iii) a total economic interest of 50% in Bicester Village through a combination of its interests in BILP and BILP II and direct and indirect investments in the asset level entities, Value Retail Investors Limited Partnership ("**VRILP**") and Value Retail Investors II Limited Partnership ("**VRILP II**"). The Group also holds an interest in Value Retail Investors III Limited Partnership, which owns a piece of land adjacent to Bicester Village; and

(iv) direct and indirect investments in asset level entities which hold shopping villages within Value Retail's European portfolio.

A proportion of the Group's holding in Value Retail plc and the sponsor level entities is also held on bare trust pursuant to two declarations of trust.

Overarching agreements

In addition to the constitutional documents of sponsor level entities in which Hammerson holds an interest, the Group's investments in Value Retail plc and in the sponsor level entities of the Value Retail business are governed by: a nominee agreement dated 28 July 1998 and amended and restated by a supplemental agreement between certain investors in Value Retail, including HUK, dated 12 March 2007; a deed of adherence entered into by a Group company on 10 October 2001 when the Group initially invested in Value Retail under which Hammerson adheres to a memorandum of agreement between certain investors in Value Retail; an umbrella agreement dated 12 March 2007; a sponsors rights deed dated 19 July 2012 (as amended and restated from time to time); and a term loan agreement dated 19 July 2012 (as amended and restated from time to time) (together the "**Overarching Agreements**"). These agreements also govern the relationship between the investors in sponsor level entities and Value Retail plc.

The Group's investment in Value Retail plc is also subject to the articles of association of Value Retail plc.

Pursuant to the Overarching Agreements collectively, there are certain restrictions on transfers by the Group of its interests in Value Retail plc or any sponsor level entities to a person other than a member of the Group. The Overarching Agreements also contain certain provisions which apply in respect of a change of control of Hammerson or a relevant affiliate. In addition, certain of the Group's governance and information rights also terminate upon a change of control of Hammerson (subject to certain other conditions being satisfied) or where any member of the Group ceases to hold 20% or more of the interests in the sponsor level entities.

VREH

The Group's investment in VREH is also governed by the terms of a nominee agreement which relates to the holding by a nominee of the shares in VREH for the beneficial owners of the shares (the "**Nominee Agreement**").

Under the terms of the Nominee Agreement, the nominee is obliged to account to the beneficial owners of the VREH shares for all dividends and other distributions received in respect of the VREH shares. Hammerson is also subject to restrictions on the transfer of its interest in VREH under this agreement.

Bicester Village

The Group's investment in Bicester Village is also governed by the terms of four limited partnership agreements (the "**Bicester LPAs**") relating to BILP and BILP II at the sponsor level and VRILP and VRILP II (the "**Bicester Investor LPAs**") at the asset level.

Pursuant to the terms of the Bicester LPAs, the Group has rights to receive certain distributions in cash or in specie (provided in each case that all relevant conditions are met), including:

(i) distributions from the Bicester sponsor level entities;

(ii) a preferred return on its investments in the Bicester asset level entities; and

(iii) other distributions from the Bicester asset level entities.

In addition, BILP and BILP II are entitled, under the terms of the Bicester Investor LPAs, to receive distributions from the relevant Bicester asset level entity in which they interested, provided in each case that certain conditions are met.

The Bicester LPAs permit the transfer of the Group's interests to members of the Group but contain certain restrictions on transfers to third parties.

APPENDIX III:
SIGNIFICANT CHANGE STATEMENT

1. THE RETAINED GROUP

There has been no significant change in the financial performance or financial position of the Retained Group since 31 December 2023, the end of the last financial period for which financial information of the Group has been published.

2. VALUE RETAIL GROUP INTERESTS

There has been no significant change in the financial performance or financial position of the Value Retail Group Interests since 31 December 2023, the end of the last financial period for which financial information of the Group has been published.

APPENDIX IV:
LEGAL AND ARBITRATION PROCEEDINGS

1. SIGNIFICANT LITIGATION OF THE HAMMERSON GROUP

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of Hammerson.

2. SIGNIFICANT LITIGATION OF THE VALUE RETAIL GROUP INTERESTS

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Value Retail Group Interests.

APPENDIX V:
RELATED PARTY TRANSACTIONS

Details of the related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) that Hammerson has entered into:

- during the financial year ended 31 December 2021 are set out in note 28 on page 148 of the Company's 2021 Annual Report;
- during the financial year ended 31 December 2022 are set out in note 27 on page 180 of the Company's 2022 Annual Report; and
- during the financial year ended 31 December 2023 are set out in note 26 on page 170 of the Company's 2023 Annual Report,

in each case, as incorporated by reference into this announcement as follows:

Documents containing information incorporated by reference	Where the document can be accessed by Shareholders
2021 Annual Report	https://www.hammerson.com/sites/hammerson-corp/files/hammerson-corp/investors/results-reports/2022/annual-report-2021.pdf
2022 Annual Report	https://www.hammerson.com/sites/hammerson-corp/files/2023-04/hammerson-2022-annual-report.pdf
2023 Annual Report	https://www.hammerson.com/sites/hammerson-corp/files/2024-03/240318-hammerson-annual-report-2023-web.pdf

Information that is itself incorporated by reference into the above documents is not incorporated by reference into this document. It should be noted that, except as set forth above, no other portion of the above documents is incorporated by reference into this document and those portions which are not specifically incorporated by reference into this document are either not relevant for Shareholders or the relevant information is included elsewhere in this document.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The contents of Hammerson's website or any hyperlinks accessible from it do not form part of this document and investors should not rely on them.

There have been no additional related party transactions by the Company during the period between 31 December 2023, being the date to which the last audited financial results of the Company were prepared, and the date of this announcement which are relevant to the Disposal save for cash distributions received with respect to the Value Retail Group Interests of £13.6m.