

Interim statement from the Board of Directors for the first quarter of 2022

- Vastned Belgium realises a positive net result of € 4.1 million.
- Existing real estate portfolio stable in value¹ compared to the previous financial year.
- High occupancy rate of 98.9% underlines the quality of the existing real estate portfolio.
- High stable collection rate (99.2%) of rental income during the first quarter of 2022.
- € 45.8 million of unused credit facilities available.
- A further decrease in the debt ratio (-1.0%) compared to 31 December 2021, bringing the debt ratio currently to 25.5%.
- Sven Bosman appointed as Operational Managing Director ad interim.

¹) Excluding IFRS 16 right-of-use assets.

1. Operational activities in the first quarter of 2022

1.1. COVID-19 update

On 7 March 2022, almost two (2) years after the very first coronavirus measures, the coronavirus barometer in Belgium transitioned to code yellow, indicating that the epidemiological situation and the pressure on hospitals is under control. This also means the end of all coronavirus measures.

The COVID-19 pandemic had no effect on Vastned Belgium's rental income during the first three months of 2022, in contrast to the first quarter of 2021 when the hospitality industry was still closed and a partial lockdown (Easter break) was announced on 27 March 2021. The Company was able to collect 99.2% of the rental income for the first quarter of 2022².

1.2. Rental activities

Vastned Belgium concluded six (6) rental agreements in the first quarter of 2022, representing a total rental volume of € 0.3 million. This corresponds to approximately 1.5% of Vastned Belgium's total rental income.

In total, three (3) rental agreements were concluded, of which two (2) were commercial lease agreements and one (1) was an agreement with a residential tenant. In addition, three (3) rental agreements, with existing pop-up tenants, were renewed. The rental prices negotiated by Vastned Belgium are in line with the market rental prices determined by valuation experts.



Ghent Voldersstraat • G-Star RAW

²) Calculation as at 4 April 2022.

1.3. Evolution of the real estate portfolio

The majority of the real estate portfolio consists, as at 31 March 2022, of high-quality inner-city properties located in the cities of Antwerp, Brussels, Ghent and Bruges, as well as high-quality retail parks and retail warehouses.

As at 31 March 2022, the fair value of the investment properties of Vastned Belgium amounted to € 314.5 million, which is fully in line with the fair value at the end of the previous financial year (€ 314.5 million as at 31 December 2021). During the first quarter of 2022, there was a slight impairment in the value of the IFRS 16 right-of-use assets.

Real Estate Portfolio

	31.03.2022	31.12.2021
Fair value of investment properties (in thousands €)	314,528	314,543
Total leasable space (m ²)	76,086	76,086

1.4. Occupancy Rate³

Occupancy rate

	31.03.2022	31.12.2021
Occupancy rate of the real estate portfolio	98.9%	99.3%

The occupancy rate of the real estate portfolio amounted to 98.9% as at 31 March 2022 and decreased with -0.4% compared to 31 December 2021 (99.3%), but remains high. This minimal decrease is a result of a bankruptcy in the first quarter of 2022. The asset management department is maintaining close contact with retailers and real estate agents for the letting of vacant units.



Namen Galerie d'Harschamp • Kruidvat + The Kase + Lab9 + Club

³) The occupancy rate is calculated as the ratio between the rental income, and the sum of this income and the estimated rental income of unlet rental premises.

2. Financial results for the first quarter of 2022

(in thousands €)	31.03.2022	31.03.2021
Rental income	4,319	4,192
Rental-related expenses	22	223
Other rental-related income and expenses	9	31
PROPERTY RESULT	4,350	4,446
Property charges	-459	-437
General costs	-287	-275
Other operating income and costs	2	2
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3,606	3,736
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	-50	-5,314
Other result on portfolio ⁴	-8	33
OPERATING RESULT	3,548	-1,545
Financial result (excl. changes in financial instruments)	-384	-399
Changes in fair value of financial instruments	980	198
Taxes ⁴	-30	-28
NET RESULT	4,114	-1,774
Note:		
• EPRA earnings	3,224	3,323
• Result on portfolio	-58	-5,281
• Changes in fair value of financial instruments	980	198
• Taxes: deferred taxes ⁴	-24	-17
• Non-distributable result subsidiaries	-8	3

⁴) Since January 1, 2022, the 'Deferred taxes' - which relate to the revaluation of investment properties of subsidiaries - are no longer recognized under 'Other result on portfolio', but under 'Taxes'. For comparability, the figures for the first quarter of 2021 have been adjusted.

Analysis of the results⁵

The **rental income** of Vastned Belgium amounted to € 4.3 million for the first three months of 2022, a decrease of € 0.1 million compared to the same period in previous financial year (€ 4.2 million). The slight increase in rental income is the result of various effects that have neutralised one another throughout the first quarter. On the one hand, rental income increased due to a higher occupancy rate, COVID-19 rental waivers were no longer granted and the indexation of existing rental agreements. On the other hand, rental income decreased due to the sale of three (3) non-strategic retail properties in the course of 2021 and non-recurring rental income (termination fees) received in the first quarter of the previous financial year.

In the first quarter of 2022, Vastned Belgium had a higher occupancy rate compared to the same period in previous financial year, which resulted in an increase in rental income of € 0.1 million. Furthermore, in contrast to the same period in previous financial year, no COVID-19 rental waivers were granted in the first quarter of 2022, causing the rental income to further increase by € 0.1 million. The indexation of existing rental agreements resulted in an increase in rental income of € 0.1 million.

Due to the sale of three (3) non-strategic retail properties (Boechout, Grivegnée and Leopoldsburg) rental income in the first quarter of 2022 decreased by € -0.1 million compared to the same period last year. Finally, rental income fell by € -0.1 million as a result of non-recurring payments received in the previous financial year due to the early termination of rental agreements.

Rental-related expenses relate to the reversal of the provision for expected credit losses on outstanding trade receivables as at 31 December 2021. Compared to the same period last year, rental-related expenses decreased by € -0.2 million. This decrease is a result of the reversal, in the first quarter of 2021, of rental waivers that were definitively granted for the second lockdown (at that time recognised under rental income). In the first quarter of 2022, only a limited reversal of the expected credit losses was recognised in accordance with IFRS 9 '*Financial instruments*'.

Property charges amounted to € 0.5 million and are in line with the comparable period previous financial year. The slight increase in technical costs was offset by a decrease in charges and taxes on unlet properties. The decrease in charges and taxes on unlet properties is a result of the higher occupancy rate in the first quarter of 2022, compared to the same period previous financial year.

The **general expenses and other operating income and expenses** amounted to € 0.3 million and are analogous to the same period in previous financial year.

The fair value of Vastned Belgium's existing real estate portfolio remained stable in the first quarter of 2022 compared to the first quarter of 2021. The **changes in fair value of investment properties** are negative for an amount of € -0.1 million (€ -5.3 million) and consist primarily of an impairment of the IFRS 16 right-of-use assets. In the first quarter of 2021, there was a significant decrease in the fair value of the investment properties, a consequence of a decrease in estimated market rents and an increase in the capitalisation rate for a number of properties.

The **financial result** (excl. changes in the fair value of financial instruments) amounted to € -0.4 million (€ -0.4 million) for the first three months of 2022, thus putting it completely in line with the same period last year. The average interest rate for financing amounts to 1.88%, including bank margins for 2022 (1.76%).

The **changes in the fair value of financial instruments** include a further decrease in the negative market value of the interest rate swaps that cannot be classified as cash flow hedging instruments in accordance with IFRS 9 '*Financial Instruments*'. This decrease in the negative market value amounts to € 1.0 million (€ 0.2 million) and is a result of rising interest rates on the financial markets.

⁵) The comparable figures on 31 March 2021 are parenthesised.

The **net result** of Vastned Belgium for the first quarter of 2022 amounted to € 4.1 million (€ -1.8 million) and may be divided into:

- The EPRA earnings of € 3.2 million (€ 3.3 million) or a decrease of € -0.1 million, which is mainly due to:
 - A change in the provision for doubtful debts (€ -0.2 million as a result of compensations for the lockdown in November 2020);
 - An increase in net rental income of € 0.1 million as a result of a higher occupancy rate through the first quarter of 2022;
- An increase in net rental income of € 0.1 million, by limiting the extent to which rental waivers were granted;
- Indexation of rental contracts amounting to € 0.1 million;
- A decrease of € -0.1 million in net rental income due to the disposal of non-strategic retail properties;
- A decrease of € -0.1 million in non-recurring payments;
- The result on the portfolio of € -0.1 million (€ -5.3 million); and
- The changes in the fair value of financial instruments to an amount of € 1.0 million (€ 0.2 million).

Key figures per share

	31.03.2022	31.12.2021
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	45.85	45.04
Net value (investment value) (€)	47.39	46.58
EPRA NRV (€)	47.48	46.86
EPRA NTA (€)	45.91	45.28
EPRA NDV (€)	45.85	45.04
Share price on closing date (€)	33.40	28.80
Premium (+)/Discount (-) with regard to fair net value (%)	-27.1%	-36.1%

The net value (fair value) of the share amounts to € 45.85 (€ 45.04) as at 31 March 2022. Given that the share price of Vastned Belgium (VASTB) amounted to € 33.40 on 31 March 2022, the share was listed on 31 March 2022 at a discount of 27.1% compared to the net value (fair value). In the first quarter of 2021, the shares were still being quoted at a discount of 41.0% compared to the net value (fair value).

Financial structure

Vastned Belgium's debt ratio amounts to 25.5% on 31 March 2022, a decrease of 1.0% in the first quarter of 2022 (26.5% on 31 December 2021). The decrease is the result of a decrease in the drawdown of credit lines.

As of 31 March 2022, Vastned Belgium has a stable financial structure that allows it to continue its operations and realise its possible investments. No credit lines are due to mature within the year, which means that the Company does not need to refinance its credit lines.

The financial structure can be summarised as follows:

- Withdrawn financial debts: € 79.2 million.
- 92% of the available credit facilities with financial institutions pertain to long-term financing with a weighted average term of 2.2 years.
- Fixed interest rates are fixed for a remaining period of 2.1 years on average.
- Average interest rate for the first quarter of 2022: 1.88% including bank margins.
- Market value of the financial derivatives: € -0.2 million.

3. General Meeting and dividend distribution

The General Meeting of Shareholders of 27 April 2022 has approved the annual accounts of Vastned Belgium for the year ended 31 December 2021, including the profit appropriation. The gross dividend to be paid for the financial year 2021 has been set at € 2.20 per share. After deduction of 30% withholding tax, the net dividend for the financial year 2021 amounts to € 1.54 per share.

The dividend is payable as of 12 May 2022, based on the shareholding as at 11 May 2022.

For holders of dematerialised shares, the distribution of the dividends is done by the financial institutions with whom the shares are held in a securities account. The Company automatically pays the dividend for the registered shares by bank transfer to the shareholders.

The General Meeting of Shareholders has also decided to reappoint Mr. Lieven Cuvelier, Mrs. Anka Reijnen and Mr. Ludo Ruysen as Independent Directors of the Company. The mandate of these Independent Directors will end immediately after the Annual General Meeting to be held in 2026, at which it will be decided to approve the annual accounts ended on 31 December 2025. The mandate of these Independent Directors is remunerated.

Finally, the General Meeting of Shareholders has decided to reappoint EY Bedrijfsrevisoren BV, with registered office at 1831 Diegem, De Kleetlaan 2, and with company number 0446.334.711, represented by Mr. Joeri Klaykens, Registered Auditor, for a term of three (3) years which ends immediately after the Annual General Meeting to be held in the year 2025, at which it will be decided to approve the annual accounts closed on 31 December 2024. The annual remuneration of the statutory auditor amounts to € 71,462.

4. Corporate governance

Rudi Taelemans, operational CEO of Vastned Belgium, announced on 13 October 2021 that he would resign as operational CEO and member of the Executive Committee at the General Meeting of Shareholders held on 27 April 2022. The Board of Directors asked Rudi Taelemans to stay on as advisor to Vastned Belgium for an additional period of three (3) months. Rudi Taelemans will provide, if requested, advice as necessary to the Company during this period.

The Board of Directors decided to appoint Sven Bosman as Operational Managing Director ad interim. Together with Reinier Walta, Strategic Managing Director, Sven Bosman will be responsible for the daily management of Vastned Belgium.

5. Outlook for 2022

The COVID-19 pandemic was brought more and more under control in the first quarter of 2022, with all coronavirus measures having been lifted on 7 March 2022. The abolition of the measures gave cause for optimism among the population and led to a rising number of visitors in the shopping cities.

At the end of the first quarter, the war in Ukraine and rising inflation rates tempered the population's optimism. The war in Ukraine and the economic sanctions against Russia, which are expected to continue for some time, have enormously impacted supply chains and more specifically the commodity market. This reinforced the inflationary concerns and resulted in a new peak in inflation rates (8.31% in March 2022 – a figure not seen since the 1980s). This uncertainty was reflected in the financial markets, resulting in rising interest rates.

Currently, Vastned Belgium is affected to a limited extent by this economic uncertainty, in part due to rising inflation. The Company continues to operate on a solid basis due to a stable, low debt ratio and the availability of unused credit facilities. The existing credit facilities are also guaranteed for a weighted average term of 2.2 years.

In the months ahead, the Company will continue to seek new investment opportunities that fit within Vastned Belgium's strategy. Given the available unused credit facilities, the Company will be able to move quickly when a suitable investment object is presented. It is the case however that, in the current market conditions which are characterised by uncertainty, a changing retail environment and rising interest rates, finding suitable investments remains challenging.

About Vastned Belgium: Vastned Belgium is a public regulated real estate company (RREC), the shares of which are listed on Euronext Brussels (VASTB). Vastned Belgium invests exclusively in Belgian commercial real estate, more specifically in multi-functional retail properties located in the popular shopping cities of Antwerp, Brussels, Ghent and Bruges. The real estate portfolio also comprises high-end retail parks and retail warehouses. A smaller part of the portfolio is invested in hospitality and residential units.

For more information, please contact: Vastned Belgium nv, a public regulated real estate company under Belgian law, Sven Bosman – Operational Managing Director ad interim, tel. +32 3 361 05 90 // www.vastned.be

Disclaimer: This press release contains prospective information, forecasts, views and estimates prepared by Vastned Belgium on the expected future performance of Vastned Belgium and of the markets in which it operates. Readers are advised that such prospects are subject to risks and uncertainties which can cause the actual results to differ considerably from those expressed in such prospective statements. Prospective statements such as these can be impacted by significant factors such as changes in the economic situation as well as to factors pertaining to taxation, competition and environment. Vastned Belgium cannot guarantee that the assumptions underlying the prospective information are free of misstatements. Only the Dutch version is the official version. The English version is a translation of the original Dutch version.

Financial Statements:

1. Consolidated Profit and Loss statement

(in thousands €)	31.03.2022	31.03.2021
Rental income	4,319	4,192
Rental-related expenses	22	223
NET RENTAL INCOME	4,341	4,415
Recovery of rental charges and taxes normally payable by tenants on let properties	1,052	1,069
Rental charges and taxes normally payable by tenants on let properties	-1,052	-1,069
Other rental-related income and expenses	9	31
PROPERTY RESULT	4,350	4,446
Technical costs	-93	-36
Commercial costs	-41	-36
Charges and taxes on unlet properties	-50	-102
Property management costs	-244	-230
Other property charges	-31	-33
Property charges	-459	-437
OPERATING PROPERTY RESULT	3,891	4,009
General expenses	-287	-275
Other operating income and expenses	2	2
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3,606	3,736
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	-50	-5,314
Other result on portfolio ⁶	-8	33
OPERATING RESULT	3,548	-1,545
Financial income	0	0
Net interest charges	-383	-398
Other financial charges	-1	-1
Changes in fair value of financial instruments	980	198
Financial result	596	-201
RESULT BEFORE TAXES	4,144	-1,746
Taxes⁶	-30	-28
NET RESULT	4,114	-1,774

⁶) Since January 1, 2022, the 'Deferred taxes' - which relate to the revaluation of investment properties of subsidiaries - are no longer recognized under 'Other result on portfolio', but under 'Taxes'. For comparability, the figures for the first quarter of 2021 have been adjusted.

(in thousands €)	31.03.2022	31.03.2021
NET RESULT	4,114	-1,774
Note:		
• EPRA earnings	3,224	3,323
• Result on portfolio	-58	-5,281
• Changes in fair value of financial instruments	980	198
• Taxes: deferred taxes ⁶	-24	-17
• Non-distributable result subsidiaries	-8	3
Attributable to:		
• Shareholders of the parent company	4,114	-1,774
• Minority interests	0	0

2. Result per share

	31.03.2022	31.03.2021
Number of shares entitled to dividend	5,078,525	5,078,525
Net result (€)	0.81	-0.35
EPRA earnings (€)	0.63	0.65

3. Consolidated statement of comprehensive income

(in thousands €)	31.03.2022	31.03.2021
NET RESULT	4,114	-1,774
Other components of comprehensive income (recyclable through income statement)	0	0
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	4,114	-1,774
Attributable to:		
• Shareholders of the parent company	4,114	-1,774
• Minority interests	0	0

⁶) Since January 1, 2022, the 'Deferred taxes' - which relate to the revaluation of investment properties of subsidiaries - are no longer recognized under 'Other result on portfolio', but under 'Taxes'. For comparability, the figures for the first quarter of 2021 have been adjusted.

4. Consolidated balance sheet

Assets (in thousands €)	31.03.2022	31.12.2021
Non-current assets	315,186	315,228
Intangible assets	125	137
Investment properties	314,528	314,543
Other tangible assets	531	545
Trade receivables and other non-current assets	2	3
Current assets	3,630	2,518
Trade receivables	1,903	1,914
Tax receivables and other current assets	0	0
Cash and cash equivalents	195	214
Deferred charges and accrued income	1,532	390
TOTAL ASSETS	318,816	317,746

Shareholders' equity and liabilities (in thousands €)	31.03.2022	31.12.2021
SHAREHOLDERS' EQUITY	232,828	228,714
Shareholders' equity attributable to the shareholders of the parent company	232,828	228,714
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	127,318	127,318
Net result of the financial year	4,114	0
Minority interests	0	0
LIABILITIES	85,988	89,032
Non-current liabilities	80,491	84,516
Non-current financial debts	79,902	82,943
• Credit institutions	79,202	82,269
• Financial leasing	700	674
Other non-current financial liabilities	223	1,203
Other non-current liabilities	150	179
Deferred tax - liabilities	216	191
Current liabilities	5,497	4,516
Provisions	269	269
Current financial debts	131	169
• Credit institutions	0	0
• Financial leasing	131	169
Trade debts and other current debts	522	465
Other current liabilities	584	567
Deferred income and accrued charges	3,991	3,046
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	318,816	317,746