

Interim statement from the Board of Directors for the first quarter of 2023

- EPRA earnings of € 0.69 per share for the first quarter of 2023, compared to € 0.63 per share for the same period previous financial year.
- Real estate portfolio stable in value¹ compared to the previous financial year.
- High occupancy rate of 99.5% underlines the quality of the real estate portfolio.
- € 47.7 million of unused credit facilities available.
- A low debt ratio of 25% provides solid protection for 2023.

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

1. Operational activities in the first quarter of 2023

1.1. Economic developments

In the first quarter of 2023, Belgian inflation decreased further to end at 6.7% in March 2023. This decrease is largely explained by the lower energy prices (-40% compared to December 2022) as a result of a relatively mild winter and the increasing supply of liquid gas (LNG). During that same period, core inflation increased from 7.1% to 8.6%.

As the inflation targets of a maximum of 2% have still not been achieved, the European Central Bank introduced another interest rate hike of 50 basis points to 3% on 16 March 2023. With this interest rate hike, the European Central Bank sent out a clear signal that bringing down inflation remains the primary goal, despite the concerns about financial institutions following the bankruptcy of Silicon Valley Bank and the collapse of Credit Suisse followed by the takeover by UBS. More interest rate hikes are expected in the second quarter of 2023.

On the financial markets real estate shares, in contrast to the technology shares, remained more or less on the same level. The main reasons are concerns about higher financing costs and fear of tenants going bankrupt. For Vastned Belgium, the impact remained limited, as the Company continues to operate on a solid basis due to a stable and low debt ratio. In addition, rental income is indexed in accordance with the health index, which increases the operational distributable result. Finally, the occupancy rate remains high and the asset management team continues to monitor tenants closely.

In the first quarter of 2023, the necessary efforts were made to ensure the timely collection of rental income. This resulted in a collection rate of 97.5% on 31 March 2023.



Bruges Steenstraat • H&M

1.2. Rental activities

Vastned Belgium concluded two (2) rental agreements in the first quarter of 2023, representing a total rental volume of € 0.05 million. This corresponds to approximately 0.3% of Vastned Belgium's total rental income. The limited rental activity is explained by a stable and high occupation rate.

The first lease agreement was a commercial lease agreement, while the second agreement was concluded with a residential tenant. The rental prices negotiated by Vastned Belgium are in line with the market rental prices determined by the independent valuation experts.

1.3. Evolution of the real estate portfolio

The majority of the portfolio consists, as at 31 March 2023, 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.

The fair value of the investment properties amounted to € 312.9 million as at 31 March 2023, which is a slight increase compared to previous financial year (€ 312.6 million as at 31 December 2022).

Real estate portfolio

	31.03.2023	31.12.2022
Fair value of investment properties (in thousands €)	312,853	312,590
Total leasable space (m ²)	76,086	76,086

In the first quarter of 2023, Vastned Belgium applied a permit for the renovation and refurbishment of the building located at Nieuwstraat 98 in Brussels. Three (3) apartments will be created on the upper floors. These apartments will be leased out to a social rental agency in collaboration with the City of Brussels.

The Company continues to investigate opportunities for the redevelopment of other properties and will communicate additional redevelopments in due course.

1.4. Occupancy rate²

Occupancy rate

	31.03.2023	31.12.2022
Occupancy rate of the real estate portfolio	99.5%	99.5%

The occupancy rate of the real estate portfolio amounts to 99.5% as at 31 March 2023 and remained stable compared to 31 December 2022 (99.5%). This stable and high occupancy rate demonstrates the quality of the real estate portfolio.

The asset management department is maintaining close contact with retailers and real estate agents for the letting of vacant units. In addition, the Company is investigating redevelopment options for the vacant units.

²⁾ 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 2023

(in thousands €)	31.03.2023	31.03.2022
Rental income	4,587	4,319
Rental-related expenses	6	22
Other rental-related income and expenses	5	9
PROPERTY RESULT	4,598	4,350
Property charges	-464	-459
General costs	-277	-287
Other operating income and costs	2	2
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3,859	3,606
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	189	-50
Other result on portfolio	94	-8
OPERATING RESULT	4,142	3,548
Financial result (excl. changes in financial instruments)	-370	-384
Changes in fair value of financial instruments	-274	980
Taxes	-16	-30
NET RESULT	3,482	4,114
Note:		
• EPRA earnings	3,487	3,224
• Result on portfolio	283	-58
• Changes in fair value of financial instruments	-274	980
• Taxes: deferred taxes	-6	-24
• Non-distributable result subsidiaries	-8	-8

Analysis of the results³

Rental income of Vastned Belgium amounted to € 4.6 million for the first three months of 2023, an increase of € 0.3 million compared to the same period of previous financial year (€ 4.3 million). This increase is a result of an increased occupancy rate in comparison to the same period of previous financial year (99.5% vs 98.9%) and the indexation of the rent of existing rental agreements. This increase was partly offset by lease renewals (against lower terms) closed in previous financial year.

Property charges amounted to € 0.5 million and are in line with the same period of previous financial year. During the first three (3) months of 2023, additional studies were conducted for sustainability works (such as stability studies for the installation of solar panels).

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

The fair value of Vastned Belgium's real estate portfolio increased in 2023 compared to previous financial year. The **changes in fair value of investment properties** are positive for an amount of € 0.2 million (€ -0.1 million). The fair value of the investment properties increased as a result of an increase in market rents due to indexation and the non-exercise of the 3-yearly termination option by the tenant for a number of properties. This increase was offset by fair value write-downs due to increased market yields reflecting the current uncertain market conditions.

The **financial result (excl. changes in the fair value of financial instruments)** amount to € -0.4 million (€ -0.4 million) for the first three months of 2023, thus putting it completely in line with the same period last year. The average interest rate for financing amounts to 1.86%, including bank margins for 2023 (1.88%).

The **changes in the fair value of financial instruments** include a further decrease in the positive 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 amounted to € -0.3 million, while in the same period last financial year the interests on the financial markets started increasing and the, at that time, negative market value decreased (€ 1.0 million).

The **net result** of Vastned Belgium for the first quarter of 2023 amounts to € 3.5 million (€ 4.1 million) and may be divided into:

- the EPRA earnings of € 3.5 million, which increased by € 0.3 million compared to the same period of previous financial year (€ 3.2 million). This increase is entirely attributable to rising rental income due to an increased occupancy rate and indexation of the rent of existing rental contracts, partially offset by rent renewals against lower terms;
- the result on the portfolio of € 0.3 million (€ -0.1 million); and
- the changes in the fair value of financial instruments to an amount of € -0.3 million (€ 1.0 million).

³) The comparable figures on 31 March 2022 are parenthesised.

Key figures per share

Key figures per share

	31.03.2023	31.12.2022
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	46.37	45.69
Net value (investment value) (€)	47.91	47.23
EPRA NRV (€)	47.59	46.85
EPRA NTA (€)	46.03	45.29
EPRA NDV (€)	46.37	45.69
Share price on closing date (€)	30.50	29.70
Premium (+)/Discount (-) with regard to fair net value (%)	-34.2%	-35.0%

The net value (fair value) of the share amounts to € 46.37 (€ 45.69) as at 31 March 2023. Given that the share price of Vastned Belgium (VASTB) amounted to € 30.50 per share on 31 March 2023, the share was listed on 31 March 2023 at a discount of -34.2% compared to the net value (fair value).

Financial structure

Vastned Belgium's debt ratio amounts to 25.0% on 31 March 2023, a decrease of -1.1% in the first quarter of 2023 (26.1% on 31 December 2022). The decrease is the result of a decrease in the drawdown of credit lines.

As at 31 March 2023, Vastned Belgium has a stable financial structure that allows it to continue its operations in 2023. On 31 July 2023, one (1) line of credit, worth € 15.0 million, will come to maturity. This credit line is presented as short-term financing. In addition, an IRS contract with a notional amount of € 15.0 million will terminate on 31 July 2023. The market value of this IRS contract is included in the current financial assets.

As at 31 March 2023, the Company has unused credit facilities for an amount of € 47.7 million. As a result, the decision was made not to apply for refinancing for the credit line of € 15.0 million, which is to be repaid on 31 July 2023. The remaining credit lines are sufficient for paying out dividends and making sustainability investments.

The financial structure can be summarised as follows:

- Withdrawn financial debts: € 77.3 million.
- 80% of the available credit lines with financial institutions are long-term financing with a weighted average term of 1.3 years.
- Fixed interest rates are fixed for a remaining period of 1.1 years on average.
- Average interest rate for the first quarter of 2023: 1.86% including bank margins.
- Market value of the financial derivatives: € 1.9 million.

3. General Meeting and dividend distribution

The General Meeting of Shareholders of 26 April 2023 approved the annual accounts of Vastned Belgium for the year ended 31 December 2022, including the profit appropriation. The gross dividend to be paid for financial year 2022 has been set at € 2.25 per share. After deduction of 30% withholding tax, the net dividend for financial year 2022 amounts to € 1.575 per share.

The dividend is payable as of 11 May 2023 based on the shareholding as at 10 May 2023.

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 dividend for the registered shares will be paid by the Company to the shareholders by bank transfer.

The General Meeting of Shareholders has approved the increase of the annual fixed compensation of each of the independent directors with € 5,000 starting 1 January 2023. The new annual fixed compensation for the independent directors is € 30,000 for the chairman of the board of directors and € 25,000 for a regular member of the board of directors.

Finally, the General Meeting of Shareholders decided that as of 26 April 2023, EY Bedrijfsrevisoren BV, as statutory auditor of the Company, will be legally represented by Mr. Christophe Boschmans, Registered Auditor.

4. Sustainability

Vastned Belgium wishes to take-up its corporate social responsibility role, and therefore sustainability in all its aspects (environment, social aspects and good governance) is always taken into account when determining the strategy. Currently, the Company has no formal documented sustainability policy, but wishes to formally document this sustainability policy in 2023. The outlines of the sustainability policy were incorporated for the first time in the annual report of financial year 2022.

In the first months of 2023, Vastned Belgium took the following steps regarding sustainability:

- A partnership agreement was concluded with TotalEnergies for the installation of charging points on the parking lots of retail parks and retail warehouses. TotalEnergies is a stable and trustworthy partner for Vastned Belgium for the installation of traditional charging points and fast chargers.

- Contracts were concluded for the installation of solar panels with a total capacity of 77.67 kWp. The installation of solar panels will take place during the second and third quarter of 2023. As a result, the total installed capacity will increase to 267.55 kWp. These solar panels will not only be installed on retail warehouses, but also in the city centre (such as Elsensesteenweg in Brussels). Vastned Belgium believes that a number of properties in the city centre are also suitable for solar panels. Over the coming months, additional contracts will be concluded to further increase the installed capacity.

5. Outlook for 2023

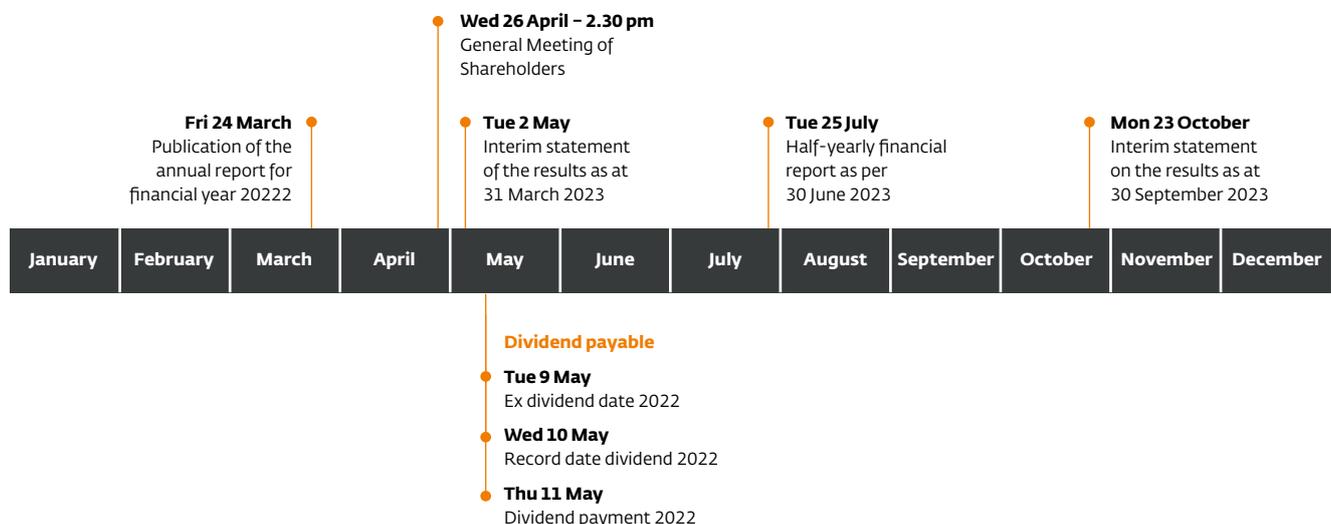
In the first quarter of 2023 the high streets in the city center remained popular. A day of shopping in the city centre was once again a guarantee for a fun day out due to the hospitality and leisure concepts that have established themselves in the high streets in recent years. Various retailers also found their way back to the city centres of popular shopping cities.

At the end of March 2023, we were confronted with a small drop in consumer confidence due to the rising fear of higher unemployment rates. This induces Vastned Belgium to approach the coming months with caution. After all, a fall in consumer confidence has a direct impact

on the profitability of retailers. Management therefore continues to pay due attention to potential failures of retailers. In addition, we are still confronted with changed macroeconomic factors, including inflation and rising interest rates.

In the coming months we will also continue to monitor the evolutions on the investment market to get a better view of the market yields. At this moment there is still a large discrepancy between the market yields that the buyers are prepared to pay, and the market yields that the sellers wish to receive.

6. Financial calendar 2023



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.

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Financial Statements

1. Consolidated Profit and Loss statement

(in thousands €)	31.03.2023	31.03.2022
Rental income	4,587	4,319
Rental-related expenses	6	22
NET RENTAL INCOME	4,593	4,341
Recovery of rental charges and taxes normally payable by tenants on let properties	1,123	1,052
Rental charges and taxes normally payable by tenants on let properties	-1,123	1,052
Other rental-related income and expenses	5	9
PROPERTY RESULT	4,598	4,350
Technical costs	-83	-93
Commercial costs	-57	-41
Charges and taxes on unlet properties	-40	-50
Property management costs	-244	-244
Other property charges	-40	-31
Property charges	-464	-459
OPERATING PROPERTY RESULT	4,134	3,891
General expenses	-277	-287
Other operating income and expenses	2	2
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3,859	3,606
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	189	-50
Other result on portfolio	94	-8
OPERATING RESULT	4,142	3,548
Financial income	0	0
Net interest charges	-369	-383
Other financial charges	-1	-1
Changes in fair value of financial instruments	-274	980
Financial result	-644	596
RESULT BEFORE TAXES	3,498	4,144
Taxes	-16	-30
NET RESULT	3,482	4,114

(in thousands €)	31.03.2023	31.03.2022
NET RESULT	3,482	4,114
Note:		
• EPRA earnings	3,487	3,224
• Result on portfolio	283	-58
• Changes in fair value of financial instruments	-274	980
• Taxes: deferred taxes	-6	-24
• Non-distributable result subsidiaries	-8	-8
Attributable to:		
• Shareholders of the parent company	3,482	4,114
• Minority interests	0	0

2. Result per share

	31.03.2023	31.03.2022
Number of shares entitled to dividend	5,078,525	5,078,525
Net result (€)	0.69	0.81
EPRA earnings (€)	0.69	0.63

3. Consolidated statement of comprehensive income

(in thousands €)	31.03.2023	31.03.2022
NET RESULT	3,482	4,114
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	3,482	4,114
Attributable to:		
• Shareholders of the parent company	3,482	4,114
• Minority interests	0	0

4. Consolidated balance sheet

Assets (in thousands €)	31.03.2023	31.12.2022
Non-current assets	315,231	315,199
Intangible assets	79	91
Investment properties	312,853	312,590
Other tangible assets	473	471
Non-current financial assets	1,824	2,045
Trade receivables and other non-current assets	2	2
Current assets	4,561	3,043
Current financial assets	102	154
Trade receivables	1,521	2,237
Cash and cash equivalents	1,213	163
Deferred charges and accrued income	1,725	399
TOTAL ASSETS	319,792	318,242

Shareholders' equity and liabilities (in thousands €)	31.03.2023	31.12.2022
SHAREHOLDERS' EQUITY	235,514	232,032
Shareholders' equity attributable to the shareholders of the parent company	235,514	232,032
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	130,636	130,636
Net result of the financial year	3,482	0
Minority interests	0	0
LIABILITIES	84,278	86,210
Non-current liabilities	63,271	66,426
Non-current financial debts	62,869	66,030
• Credit institutions	62,293	65,497
• Financial leasing	576	533
Other non-current financial liabilities	0	0
Other non-current liabilities	123	123
Deferred tax - liabilities	279	273
Current liabilities	21,007	19,784
Provisions	269	269
Current financial debts	15,145	15,184
• Credit institutions	15,000	15,000
• Financial leasing	145	184
Trade debts and other current debts	627	551
Other current liabilities	586	564
Deferred income and accrued charges	4,380	3,216
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	319,792	318,242