

Interim statement of the Board of Directors for the first quarter of 2021

- High stable collection rate (98.2%) of rental income during the first quarter of 2021.
- Occupancy rate during the first quarter (96.8%) increased by 0.6% compared to 31 December 2020.
- A further decrease in the debt ratio (-1.1%) compared to 31 December 2020, bringing the debt ratio to 27.4%.
- € 36.7 million of unused credit facilities available.
- Decrease in the fair value of the existing real estate portfolio¹ (-1.5%) compared to 31 December 2020.
- Management focus in 2021 mainly on the timely collection of rental income and maintaining a strong occupancy rate.
- Appointment of Reinier Walta as strategic CEO.
- Appointment of Sven Bosman as effective leader within the meaning of Article 14 section 3 of the RREC Act².

¹) Excluding IFRS 16 right-of-use assets and the reclassification from investment properties to assets held for sale.

²) The RREC Act refers to the Act of 12 May 2014 regarding regulated real estate companies.

1. Operational activities in the first quarter of 2021

COVID-19 update

The measures imposed by the government, including the mandatory closure of non-essential shops in the spring and autumn of 2020, have resulted in a clear improvement in the number of infections and hospital admissions as a result of COVID-19.

However, in the first months of 2021, this positive evolution stagnated and the pandemic gained in strength, which resulted in new, stricter government measures, whereby, among other things, visiting non-essential shops could only take place with a prior appointment. This 'partial lockdown' lasted from 27 March to 26 April 2021 (the so-called 'Easter break').

The hospitality industry, which was forced to close on 19 October 2020, will only be able to reopen partially from 8 May 2021³, only serving outside on terraces.

Rental activities

Vastned Belgium concluded ten (10) rental agreements in the first quarter of 2021, representing a total rental volume of € 1.0 million. This corresponds to approximately 5.6% of Vastned Belgium's total rental income. In the current economic environment, which is heavily impacted by the COVID-19 pandemic, the conclusion of these ten (10) rental agreements is the result of the good work of a committed asset management department.

In total, six (6) lease agreements were concluded with new tenants, of which two (2) pop-up agreements and one (1)

Working from home also remains mandatory and social contacts are kept to a minimum.

As this 'partial lockdown' took effect at the end of the first quarter, the impact on the financial results of the first quarter of 2021 has been limited. As with the two previous store closings, the Company entered into a dialogue with the affected tenants.

Similar to 2020, management's primary focus in the first quarter of 2021 was again on timely collection of rental income. The Company was able to collect 98.2% of the rental income from the first quarter⁴. The outstanding rental income primarily relates to hospitality units that remain closed as yet.

At the end of April 2021, the Company was able to already collect 84,8% of the April rental income.

agreement with a residential tenant. Concluding rental agreements with a retailer of garden furniture and with an Apple reseller resulted in a reduction of the share of 'fashion' in Vastned Belgium's real estate portfolio.

In addition, four (4) rental agreements were renewed with existing tenants.

The rental prices negotiated by Vastned Belgium are in line with the market rental prices determined by valuation experts.

³) Subject to the number of infection cases.

⁴) Calculation as at 27 April 2021.

Development of the real estate portfolio

As at 31 March 2021, the majority of the portfolio consisted of high-quality inner-city properties located in the cities of Antwerp, Brussels, Ghent and Bruges, as well as high-quality retail parks.

Over the course of the first quarter of 2021, the divestment of a retail warehouse in Grivegnée was initiated, following a spontaneous offer from a private investor. The property is situated in a retail park with five (5) shops, of which Vastned Belgium only owns one (1) property. The selling price to be received by Vastned Belgium for this property is significantly higher than its estimated value. The notarial deed will be executed in the course of Q2 2021.

In the course of the second quarter of 2021, a stand-alone retail warehouse located in Boechout will also be divested. Here the obtained selling price also exceeds the estimated value.

Both properties are presented at the end of the first quarter as 'assets held for sale', and no longer as investment property. As indicated above, Vastned Belgium will realise a capital gain on the sale of both properties.

Finally, a divestment file is still ongoing for a retail warehouse situated in Leopoldsburg. At the end of the first quarter, the condition precedent had not yet been met.

Real Estate Portfolio

Real Estate Portfolio

	31.03.2021	31.12.2020
Fair value of investment properties ⁵ (in thousands €)	321,569	330,427
Total leasable space ⁵ (sqm)	77,936	81,166

As at 31 March 2021, the fair value of the real estate portfolio of Vastned Belgium amounted to € 321.6 million, which is a € 8.8 million decrease in fair value compared to 31 December 2020 (€ 330.4 million as of 31 December 2020).

The decrease (€ -8.8 million) in fair value of the investment properties compared to 31 December 2020 is the combined effect of:

- Investments (€ 0.1 million) in the existing real estate portfolio.

- Reclassification (€ -3.6 million) of the properties in Boechout and Grivegnée from investment properties to assets held for sale.
- Decrease in the fair value of existing investment properties (€ -4.9 million). This decrease is the result of a decrease in the estimated market rents for all future periods, as well as of an adjustment in yields.
- Depreciation of the IFRS 16 right-of-use assets (€ -0.4 million).

Occupancy rate⁶

Occupancy rate (excluding buildings under renovation)

	31.03.2021	31.12.2020
Occupancy rate of the real estate portfolio	96.8%	96.2%

The occupancy rate of the real estate portfolio was 96.8% as at 31 March 2021, an increase of 0.6% compared to 31 December 2020 (96.2%).

⁵) Excluding assets held for sale.

⁶) 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 2021

(in thousands €)	31,03,2021	31,03,2020
Rental income	4,192	4,706
Rental-related expenses	223	-1,282
Property management costs and income	31	38
PROPERTY RESULT	4,446	3,462
Property charges	-437	-527
General costs and other operating income and costs	-273	-499
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3,736	2,436
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	-5,314	-4,096
Other result on portfolio	16	-96
OPERATING RESULT	-1,562	-1,756
Financial result (excl. changes in financial instruments)	-399	-412
Changes in fair value of financial instruments	198	66
Taxes	-11	4
NET RESULT	-1,774	-2,098
Note:		
• EPRA result	3,323	2,032
• Result on portfolio	-5,298	-4,192
• Changes in fair value of financial instruments and other non-distributable elements	201	62

Analysis of the results⁷

The **rental income** of Vastned Belgium amounted to € 4.2 million for the first three months of 2021, a decrease of € -0.5 million compared to the same period last year (€ 4.7 million). This decrease is for € -0,1 million attributable to the sale of a non-strategic retail park in Schaerbeek and a stand-alone retail warehouse in Balen at the end of December 2020 and for € -0.1 million to the renewal of commercial leases in 2020 affecting the first months of 2021. Furthermore, € -0,1 million can be explained by the conclusion of rental agreements with new tenants on lower terms and the granting of rental waivers, recorded in the first quarter of 2021, following lockdown 2 (November 2020) worth € -0.2 million.

Rental-related expenses amount to € -0.2 million (proceeds) and pertain to the reversal, in the first quarter of 2021, of the provision for potential losses on outstanding trade receivables as at 31 December 2020. These provisions are reversed when the final rental waivers are granted to the lessees (recognised under rental income). At the end of the first quarter of 2020, a provision of € 1.3 million was set aside for the first lockdown.

The **property charges** amounted to € 0.4 million (€ 0.5 million), and decreased by € -0.1 million. This decrease pertains primarily to a reduction in technical costs, as a larger part of maintenance was performed in the first quarter of 2020.

The **general costs and other operating income and costs** amounted to € 0.3 million (€ 0.5 million), which is a decrease of € -0.2 million compared to the same period last year. The main reason for this decrease is a reduction in the stock exchange tax.

The fair value of Vastned Belgium's existing real estate portfolio decreased by 1.5%⁸ in the first three months of 2021 compared to 31 December 2020. The **changes in fair value of investment properties** are negative for an amount of € -5.3 million (€ -4.1 million) and consist on the one hand of a write-down of the existing real estate portfolio of € -4.9 million and, on the other hand of a depreciation of the IFRS 16 right-of-use assets (€ -0.4 million). This decrease in the fair value of the existing real estate portfolio is the result of a decrease in estimated market rents and an increase in the capitalisation rate.

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 2021, which put it completely in line with the same period last year. The average interest rate for financing amounts to 1.7%, including bank margins for the first quarter of 2021 (1.7%).

The **changes in the fair value of financial instruments** include a further decrease, € 0.2 million (€ 0.1 million), 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*'.

The **net result** of Vastned Belgium for the first quarter of 2021 amounted to € -1.8 million (€ 2.1 million) and may be divided into:

- The EPRA result of € 3.3 million (€ 2.0 million) or an increase of € 1.3 million, which is mainly due to:
 - The provision for doubtful debts recognised in the first quarter of 2020 (€ 1.3 million), as a result of the first lockdown;
 - The reversal of € 0.2 million for estimated credit losses, in the first quarter of 2021, related to rental waivers that have been granted following the second lockdown;
 - a decrease of € -0.5 million in the net rental income, which can be explained by rental waivers as a result of COVID-19 and renewals/concluding (existing and new) rental agreements at lower terms and conditions;
 - a decrease of € -0.1 million in net rental income due to the sale of non-strategic retail properties;
 - A decrease of € 0.1 million in property charges; and
 - A decrease of € 0.2 million in general costs.
- results on the portfolio of € -5.3 million (€ -4.1 million);
- the changes in the fair value of financial instruments and other non-distributable items for an amount of € 0.2 million (€ 0.1 million)

The EPRA earnings per share amount to € 0.65 for the first quarter of 2021 compared to € 0.40 for the same period last year.

The significant increase in the EPRA earnings per share compared to the same period in the previous financial year is mainly due to the bad debt provision that was recognised last year as a result of the first lockdown.

⁷⁾ The comparable figures on 31 March 2020 are parenthesised.

⁸⁾ Excluding IFRS 16 right-of-use assets and the reclassification from investment properties to assets held for sale.

Key figures per share⁹

	31.03.2021	31.12.2020
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	45.93	46.28
Net value (investment value) (€)	47.77	48.12
EPRA NRV (€)	47.92	48.34
EPRA NTA (€)	46.30	46.68
EPRA NDV (€)	45.93	46.28
Share price on closing date (€)	27.10	24.00
Premium (+) / Discount (-) with regard to fair net value (%)	-41%	-48%

On 31 March 2021, the net value (fair value) of the share amounted to € 45.93 (€ 46.28 on 31 December 2020). Given that the share price of Vastned Belgium (VASTB) amounted to € 27.10 on 31 March 2021, the share was listed on 31 March 2021 at a discount of 41.0% compared to the net value (fair value).

Financial structure

Vastned Belgium's debt ratio amounts to 27.4% on 31 March 2021, a decrease of 1.1% in the first quarter of 2021 (28.5% on 31 December 2020). The decrease is the result of a decrease in the drawn down of the credit lines and the increase in the outstanding trade receivables, partly offset by the decrease in the fair value of the real estate portfolio.

The increase in the trade receivables is caused by a change in the process whereby the rental invoices are already accounted for at the end of the previous month (corrected in the accruals and deferred income of the liabilities).

As of 31 March 2021, Vastned Belgium has a stable financial structure that allows it to continue its operations in 2021. No credit facilities are due to mature within the year, which means that the Company does not need to refinance its credit facilities.

The financial structure can be summarised as follows:

- Withdrawn financial debts: € 88.3 million (excl. market value of financial derivatives)
- 92% of the credit facilities pertains to long-term financing with an average remaining term of 3.1 years.
- Unused credit facilities amount to € 36.7 million.

⁹⁾ The definition and calculation method of the alternative performance measures can be found on the website www.vastned.be.

3. General Meeting and dividend distribution

The General Meeting of Shareholders has approved the annual accounts of Vastned Belgium for the year ended on 31 December 2020, including the profit allocation. The gross dividend to be paid for the 2020 financial year has been set at € 2.05 per share. After deducting an amount of 30% for withholding tax, the net dividend for the 2020 financial year amounts to € 1.44 per share.

The dividend is payable from 13 May 2021 based on the shareholding on 12 May 2021.

With regard to dematerialised shares, the financial institutions with whom the shares are held in a securities account will pay out the dividend to the shareholders. The Company automatically pays the dividend for the registered shares to the shareholders by bank transfer.

The General Meeting has also decided to reappoint Reinier Walta and Peggy Deraedt as Directors of the Company. The mandate of these Directors will end immediately after the Annual General Meeting to be held in 2025, at which it will be decided to approve the annual accounts ended on 31 December 2024. The mandate of both Directors is unremunerated.

4. Corporate governance

The Board of Directors decided on 23 April 2021 to definitively appoint Reinier Walta as strategic CEO. Reinier Walta has already been fulfilling these tasks from 1 December 2020 on an interim basis. Effective 23 April 2021, Reinier Walta will execute the tasks of both the strategic CEO and the strategic CFO within the Executive Committee.

During the Extraordinary General Meeting of Shareholders, also held on 28 April 2021, the new Articles of Association of the Company were adopted, wherein:

- The name of the Company was changed to “Vastned Belgium”; and
- The one tier governance model was implemented. In the one tier governance model, the Board of Directors delegated a number of powers to an “Executive Committee”. The “Executive Committee” consists of Reinier Walta (strategic CEO and strategic CFO), Rudi Taelmans (operational CEO) and Sven Bosman (Financial Director).

Finally, the Board of Directors has decided to appoint Sven Bosman as effective leader of the Company, within the meaning of Article 14 section 3 of the RREC Act ¹⁰. This appointment was also approved by the Financial Services and Markets Authority (FSMA). As a result, the Company has three (3) effective leaders, being Reinier Walta, Rudi Taelmans and Sven Bosman.

As a result of all the above changes, the Company has updated its Corporate Governance Charter, which can be found on the Company’s website (www.vastned.be).

¹⁰⁾ The RREC Act refers to the Act of 12 May 2014 regarding regulated real estate companies.

5. Outlook for 2021

In 2021, our country is, despite the start of the vaccination campaign, still facing the COVID-19 pandemic. This resulted in the announcement of an 'Easter break' on 27 March 2021, for a period of 1 month. From 26 April 2021, this 'Easter break' was lifted, allowing customers to shop again without an appointment and with a maximum of one customer per 10 m². Back then, customers still had to go shopping on their own.

As with the two previous store closings, the Company entered into a dialogue with the affected tenants. The full impact of this 'partial closure' on the collected rental income will be recognised in the second quarter.

Vastned Belgium can continue to operate on a solid basis due to a stable, low debt ratio and the availability

of unused credit facilities. Over the coming months, the Company will continue to look for new investment and divestment opportunities and possible redevelopment of existing properties, in line with the strategy update.

In addition, over the coming months, management will remain in close contact with enterprising and expanding retailers, in order to further increase the occupancy rate of the portfolio and collect all rental income on time.

Finally, the Company continues to keep an eye on any new measures that the Belgian government may announce for combatting the COVID-19 pandemic. Should new measures be taken by the government, Vastned Belgium will assess the possible impact on the operating results.

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, Rudi Taelemans – CEO or Sven Bosman – Financial Director, ph. +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 held to observe 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.

Financial Statements:

1. Consolidated Profit and Loss statement (3 months)

(in thousands €)	31.03.2021	31.03.2020
Rental income	4,192	4,706
Rental-related expenses	223	-1,282
NET RENTAL INCOME	4,415	3,424
Recovery of rental charges and taxes normally payable by tenants on let properties	1,069	1,046
Rental charges and taxes normally payable by tenants on let properties	-1,069	-1,046
Other rental-related income and expenses	31	38
PROPERTY RESULT	4,446	3,462
Technical costs	-36	-173
Commercial costs	-36	-51
Charges and taxes on unlet properties	-102	-79
Property management costs	-230	-202
Other property charges	-33	-22
Property charges	-437	-527
OPERATING PROPERTY RESULT	4,009	2,935
General expenses	-275	-501
Other operating income and expenses	2	2
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	3,736	2,436
Result on disposal of investment properties	0	0
Changes in fair value of investment properties	-5,314	-4,096
Other result on portfolio	16	-96
OPERATING RESULT	-1,562	-1,756
Financial income	0	0
Net interest charges	-398	-411
Other financial charges	-1	-1
Changes in fair value of financial instruments	198	66
Financial result	-201	-346
RESULT BEFORE TAXES	-1,763	-2,102
Taxes	-11	4
NET RESULT	-1,774	-2,098

(in thousands €)	31.03.2021	31.03.2020
NET RESULT	-1,774	-2,098
Note:		
• EPRA result	3,323	2,032
• Result on portfolio	-5,298	-4,192
• Changes in fair value of financial instruments and other non-distributable elements	201	62
Attributable to:		
• Shareholders of the parent company	-1,774	-2,098
• Non-controlling interests	0	0

2. Result per share

	31.03.2021	31.03.2020
Number of shares entitled to dividend	5,078,525	5,078,525
Net result (€)	-0,35	-0,41
EPRA result (€)	0,65	0,40

3. Consolidated global result (3 months)

(in thousands €)	31.03.2021	31.03.2020
NET RESULT	-1,774	-2,098
Other components of comprehensive income (recyclable through income statement)		
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	-1,774	-2,098
Attributable to:		
• Shareholders of the parent company	-1,774	-2,098
• Non-controlling interests	0	0

4. Consolidated balance sheet

Assets (in thousands €)	31.03.2021	31.12.2020
Non-current assets	322,339	331,182
Intangible assets	172	183
Investment properties	321,569	330,427
Other tangible assets	595	569
Trade receivables and other non-current assets	3	3
Current assets	7,874	2,312
Assets held for sale	3,664	0
Trade receivables	2,079	566
Tax receivables and other current assets	0	785
Cash and cash equivalents	546	428
Deferred charges and accrued income	1,585	533
TOTAL ASSETS	330,213	333,494

Shareholders' equity and liabilities (in thousands €)	31.03.2021	31.12.2020
SHAREHOLDERS' EQUITY	233,259	235,033
Shareholders' equity attributable to the shareholders of the parent company	233,259	235,033
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	142,161	142,161
Net result of the financial year	-8,524	-8,524
Net result of the financial year - first quarter of 2021	-1,774	0
Non-controlling interests	0	0
LIABILITIES	96,954	98,461
Non-current liabilities	88,899	94,811
Non-current financial debts	86,671	92,405
• Credit institutions	85,865	91,601
• Financial leasing	806	804
Other non-current financial liabilities	1,833	2,031
Other non-current liabilities	178	175
Deferred tax - liabilities	217	200
Current liabilities	8,055	3,650
Provisions	269	269
Current financial debts	2,517	656
• Credit institutions	2,400	500
• Financial leasing	117	156
Trade debts and other current debts	633	1,205
Other current liabilities	588	570
Deferred income and accrued charges	4,048	950
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	330,213	333,494