

2023



Strong operational results in a volatile market environment with rising interest rates

- EPRA earnings of € 2.81 per share for financial year 2023, compared to € 2.59 per share for the previous financial year.
- Refinancing of the existing credit lines was completed in the fourth quarter of 2023.
- Almost fully let portfolio (occupancy rate of 99.9%) underlines the quality of the real estate portfolio.
- A low debt ratio of 25.3% provides solid protection.
- € 32.2 million of unused credit facilities available.
- Stable value of the real estate portfolio¹ (-0.4%) compared to the previous financial year.
- Proposed gross dividend of € 2.30 per share for financial year 2023 (previous financial year: € 2.25 per share). This corresponds to a gross dividend yield of 7.5% based on the 31 December 2023 closing price of € 30.80 per share.

¹) On a like-for-like basis and exclusive of IFRS 16 right-of-use assets.

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1. Operational activities in 2023

1.1. Economic developments

On a macroeconomic level, 2023 became a rollercoaster with several highs and lows. The year started with a sharp drop in Belgian inflation rates, a consequence of falling energy prices due to a relatively mild winter and a rising supply of liquefied gas (Lng). However, core inflation remained relatively high, meaning inflation was still not brought under control.

To keep inflation under control, the European Central Bank has implemented several interest rate hikes, with the first increase in July 2022. The last interest rate hike was in September 2023, bringing the interest rate to 4.0% currently. A total of ten (10) interest rate hikes were implemented, resulting in a 4.5% increase in the interest rate (from -0.5% to 4.0%), and all this in a period of fifteen (15) months. The interest rate is currently held steady at 4.0%.

In the last quarter of 2023, partly due to falling inflation rates, financial markets became optimistic about possible interest rate cuts in 2024. Investors speculated on a first rate cut in the first quarter of 2024. However, the European Central Bank remains very cautious, as inflation rates could again rise rapidly due to geopolitical tensions. The tensions in the Middle East, more specifically in the Red Sea region, may again cause supply problems resulting in rising inflation rates. Consequently, it remains to be seen when the European Central Bank will proceed with a first rate cut.

Macroeconomic developments, and more specifically the evolution of interest rates, also affected Vastned Belgium (the 'Company'). High inflation caused an increase in costs, which was absorbed by the indexation of rental income, accordance with the health index, which increases the operational distributable result.

Rising interest rates have an impact on the value of the real estate on the one hand and the Company's financing cost on the other. Sharply rising interest rates cause the yield or capitalisation rate to rise, which in turn decreases the value of the real estate. The decline in the fair value of the real estate portfolio was partly offset by concluding rental agreements above market rental prices determined by independent valuation experts.

The Company's average financing costs increased slightly in 2023 due to the expiration of a € 15.0 million credit facility, which was also hedged through an IRS contract. As a result, a larger part of the withdrawn credit facilities was subject to rising interest rates. In addition, all credit facilities would mature on 31 July 2024, requiring Vastned Belgium to refinance the credit facilities, which was completed in December 2023. As a result, as of 1 February 2024, the Company will have credit facilities worth € 125.0 million. The terms of these credit facilities vary between three (3) and five (5) years. The refinancing was concluded at market conditions. The average interest rate (including bank margins), as a result of this refinancing, remains below 4.0%.

1.2. General and strategic evolutions

Vastned Belgium remains convinced that popular shopping streets in the city centers of major cities guarantee the most authentic and unique shopping experience. Given the developments observable in the retail market today, Vastned Belgium focuses on multifunctional retail properties in Antwerp, Brussels, Ghent and Bruges. These cities are attractive retail cities with positive demographic growth, strong purchasing power, historic city centers, attractiveness to tourists and the presence of national and international institutions and universities.

The Board of Directors investigates on a regular basis whether the strategy can be refined. The aim is to guarantee the quality of the real estate portfolio through targeted investment and divestment.



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Potential investment objects must be multi-functional and correspond to the 'mixed-use' criterion. The Company also tries to create added value within the existing real estate portfolio by converting, where possible, vacant floors above retail units into residential units. In 2023, Vastned Belgium obtained the 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 tender file is currently being finalised, as a result of which the works will start in the course of 2024. In addition, a permit for the retail property located at Bondgenotenlaan 69 – 73 in Louvain has also been received. Vastned Belgium wishes to combine two (2) retail units into one (1) larger unit. After consultation with the current tenant, these works will commence in the course of 2024.

The strategic focus on retail properties in popular high streets is reflected in the letting of properties to strong international and national tenants. This results in almost fully let real estate portfolio with an occupancy rate of 99.9% at year end.

In 2023, a total of 27 rental transactions were concluded, accounting for a total rental income of € 3.1 million, which represents approximately 15.6% of the Company's total annual rental income. The rental prices negotiated by Vastned Belgium are 10.3% higher than the market rental prices determined by independent valuation experts.

EPRA earnings over financial year 2023 amounted to € 14.3 million compared to € 13.1 million over financial year 2022. Taking into account 5,078,525 shares, this means EPRA earnings of € 2.81 per share for financial year 2023, compared to € 2.59 per share for financial year 2022.

Vastned Belgium proposes a gross dividend of € 2.30 per share for financial year 2023. This takes into account the minimum required payment under the RREC regulations. The payout ratio is in line with that of other RRECs. Based on the closing price of € 30.80 on 31 December 2023, the proposal corresponds to a gross dividend yield of 7.5%.

1.3. Composition and evolution of real estate portfolio²

As at 31 December 2023, the majority of the real estate portfolio consist 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 investment properties (including the value of the IFRS 16 right-of-use assets worth 0.2 million and excluding assets held for sale) amounted to € 309.6 million at 31 December 2023, which is a decrease in fair value compared to the previous financial year (€ 312.6 million at 31 December 2022).

Real estate portfolio

	31.12.2023	31.12.2022
Fair value of investment properties (in thousands €)	309,581	312,590
Total leasable space (m ²)	75,165	76,086

The decrease (€ -3.0 million) in the fair value of investment properties compared to 31 December 2022 is the combined effect of:

- Reclassification of investment properties to assets held for sale (€ -1.7 million). These assets relate to a solitary retail property located at Brusselsesteenweg 41 in Aalst and parkings located in Namur.
- Decrease in fair value of investment properties (€ -1.1 million). As a result of interest rate hikes by the European Central Bank, independent valuation experts increased the capitalisation rates of various retail properties. Vastned Belgium can partly offset the decrease in the fair value of the investment properties by

concluding rental agreements above the market rental prices determined by independent valuation experts.

- Divestment (€ -0.4 million) of a non-strategic retail property located in Mons.
- Investments (€ 0.2 million) in the existing real estate portfolio.

The average yield in the real estate company's portfolio amounts to 6.20% (excluding assets held for sale) at 31 December 2023, and has increased compared to the average yield at the end of the previous financial year (6.05% at 31 December 2022).

Sensitivity analysis

In the case of a hypothetical negative adjustment of the yield used by the independent valuation experts in valuing the Company's real estate portfolio (yield or capitalisation rate) by 1.0% (from 6.20% to 7.20% on average), the fair value of the real estate would decrease by € -43.0 million or -13.9%. This would increase the Company's debt ratio by 4.0% to 29.3%.

In the reverse case of a hypothetical positive adjustment of this yield by 1.0% (from 6.20% to 5.20% on average), the fair value of the real estate would increase by € 59.5 million or 19.2%. This would reduce the Company's debt ratio by -4.0% to 21.3%.

In the case of a hypothetical decrease in the current passing rents of the Company (with equal market yield) of € -1.0 million (from € 19.2 million to € 18.2 million), the fair value of the real estate would decrease by € -16.1 million or -5.2%. This would increase the Company's debt ratio by 1.4% to 26.7%.

In the reverse case of a hypothetical increase in the current passings rents of the Company (with equal market yield) of € 1.0 million (from € 19.2 million to € 20.2 million), the fair value of the real estate portfolio would increase by € 16.1 million or 5.2%. This would reduce the Company's debt ratio by -1.2% to 24.1%.

There is a correlation between the evolutions of current passing rents and the yields used in the estimates of the investment properties. This correlation is disregarded in above sensitivity analysis.

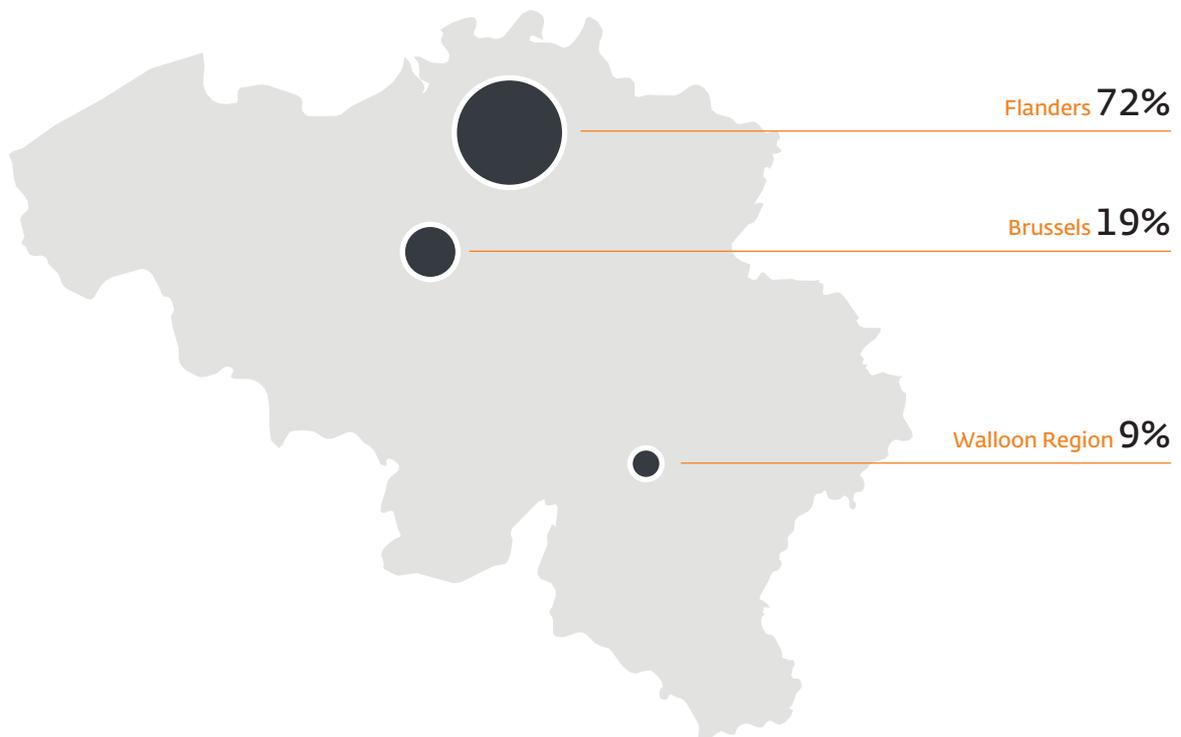
²) Excluding the assets held for sale.

Investment policy and risk spread of the real estate portfolio³

Vastned Belgium's investment policy concentrates on multi-functional retail properties located in Belgium, more specifically in the popular shopping cities of Antwerp, Brussels, Ghent and Bruges. The real estate portfolio also comprises high-end retail parks and retail warehouses.

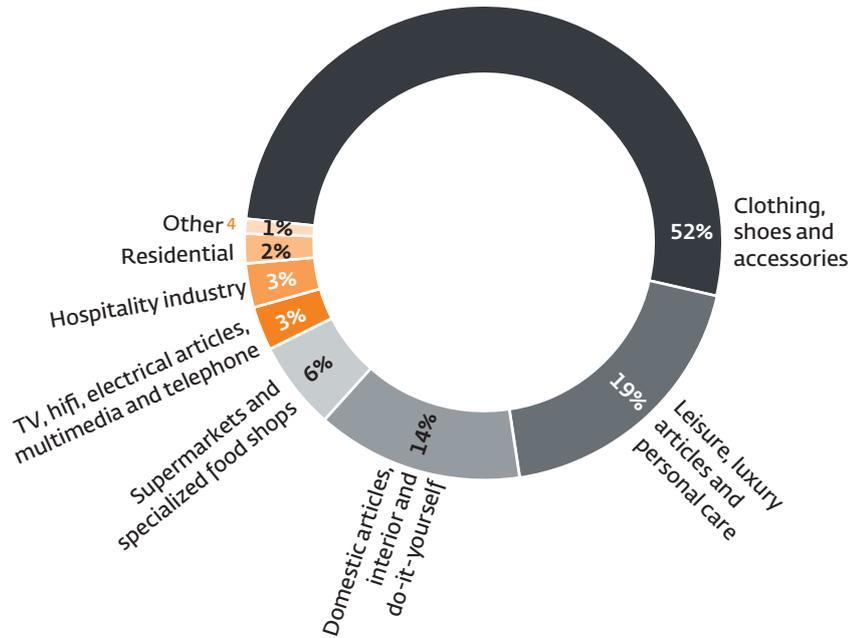
The following criteria are important for spreading the risk of the real estate portfolio: the geographical location, the sector of the tenants and the tenant size. The risk spread is summarised as follows at 31 December 2023:

Geographic spread

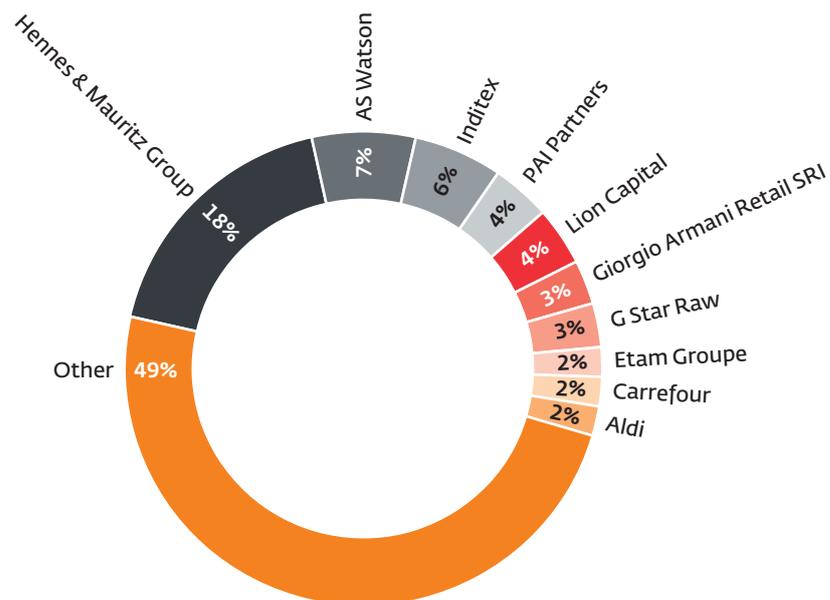


³) Expressed as a percentage of the fair value of the investment properties.

Spread according to sector of the tenants



Spread according to tenant size



⁴) The share 'other' consists of vacant units and a carwash.

1.4. Rental activities

Vastned Belgium concluded 27 lease agreements in 2023. These leases represent a total rental volume of € 3.1 million, which corresponds to approximately 15.6% of Vastned Belgium's total rental income.

In total, eighteen (18) new leases were concluded, of which six (6) were commercial leases, four (4) were agreements with residential tenants and eight (8) were pop-up

agreements. In addition, nine (9) rental agreements, with existing tenants, were renewed.

The rental prices negotiated by Vastned Belgium (excluding pop-up agreements) are 10.3% higher than the market rental prices determined by independent valuation experts due to the quality of the real estate portfolio and the result of the good work of a committed asset management department.

1.5. Occupancy rate⁵

	31.12.2023	31.12.2022
Occupancy rate of the real estate portfolio	99.9%	99.5%

The occupancy rate of the real estate portfolio amounted to 99.9% as at 31 December 2023 and has increased by 0.4% compared to 31 December 2022 (99.5%). This stable, high occupancy rate shows the quality of the real estate portfolio.

At the end of the financial year, the Company concluded a number of pop-up agreements for Galerie Jardin d'Harscamp to promote the attractiveness of the gallery. In addition, redevelopment options for the vacant units in Galerie Jardin d'Harscamp are being further explored. The asset management department remains in close contact with retailers and real estate agents for the letting of vacant units or units with pop-up agreements.

1.6. Investments

In 2023, Vastned Belgium obtained 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 tender process will be finalised in the coming months, after which the works can commence.

In addition, a permit for the retail property located at Bondgenotenlaan 69 – 73 in Louvain has also been received. Vastned Belgium wishes to merge two (2) retail units into one (1) larger unit. For this property, an application for a permit was also submitted for the redevelopment of the upper floors into student accommodation. The permit process for this redevelopment is still ongoing.

The Company continues to investigate opportunities for the redevelopment of other properties.

In financial year 2023, Vastned Belgium invested € 0.2 million in existing properties. In addition, additional investments in solar panels worth € 0.05 million were made. In the coming months, the Company will continue to invest further in making retail properties more sustainable.

⁵) 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.

1.7. Divestments

In the fourth quarter of 2023, one (1) non-strategic retail property of 151 m² was divested. It concerns a retail property located at Grand Rue 19 in Mons. This sale took place for an amount of € 0.4 million, on which Vastned Belgium realised a limited capital gain.

In addition, during the fourth quarter of 2023, Vastned Belgium received a spontaneous bid for a retail property located at Brusselsesteenweg 41 in Aalst and for 23 parkings

located in Namur. The bids were accepted by Vastned Belgium, as a result of which these investment properties will be presented as assets held for sale on 31 December 2023. The sale will be finalised in the course of 2024.

These divestments are fully in line with the real estate company's strategy to focus on the top shopping cities in Belgium, in particular Antwerp, Brussels, Ghent and Bruges.

1.8. State of the Belgian retail real estate market in 2023⁶

The leasing activities for retail properties experienced a decrease in 2023 compared to the previous year, with a total leased area amounting to 440,000 m² compared to 520,000 m² in 2022. Despite the decrease, the total leased area is still 5% higher than the average over the last ten (10) years.

The number of rental transactions fell by 7% and the average area per transaction dropped with -10% to 491 m². This shows that smaller surfaces were again let in 2023. Vastned Belgium concluded rental transactions for smaller properties located in Schuttershofstraat and Groendalstraat in Antwerp.

A significant difference was visible within the different segments. In the high streets, for instance, a record of almost 132,000 m² spread over 480 transactions was achieved. As a result, the take-up is nearly a third higher than the average over the last ten (10) years. For out-of-

town retail properties, there was a significant decrease of -25% in leased area to 253,000 m², partly due to a lack of new projects. In total, 896 letting transactions were achieved in 2023: 480 in high streets, 173 in shopping centers and 243 in out-of-town retail.

The most important leasing transactions in the high streets were realised with Naumy, Pull & Bear, Nike and Versace.

The investment market stagnated in 2023 due to sharply changing market conditions. The European Central Bank continued to raise interest rates in 2023 thus increasing financing costs for investors. In turn, these interest rate hikes caused an increase in the yield or capitalisation rate, leading to a discrepancy between the price buyers want to pay and the price sellers wish to receive. As a result, several investment opportunities were withdrawn from sale. Consequently, it currently remains to be seen whether this balance will be restored again.

⁶) The market information is partly based on the following sources: Retail Focus - various issues January - December 2023.

2. Financial results 2023

2.1. Consolidated profit and loss statement⁷

(in thousands €)

	2023	2022
Rental income	18,570	17,442
Rental-related expenses	-63	25
Other rental-related income and expenses	408	67
PROPERTY RESULT	18,915	17,534
Property charges	-1,727	-1,724
General costs	-1,066	-1,139
Other operating income and costs	19	21
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	16,140	14,692
Result on disposal of investment properties	5	0
Changes in fair value of investment properties	-1,118	-2,035
Other result on portfolio	87	93
OPERATING RESULT	15,114	12,750
Financial result (excl. changes in financial instruments)	-1,841	-1,576
Changes in fair value of financial instruments	-1,890	3,403
Taxes	-94	-86
NET RESULT	11,289	14,491
Note:		
EPRAs earnings	14,282	13,135
Result on portfolio	-1,026	-1,942
Changes in fair value of financial instruments	-1,890	3,403
Taxes: deferred taxes	-52	-82
Non-distributable result subsidiaries	-25	-22
Result per share	2023	2022
Number of shares entitled to dividend	5,078,525	5,078,525
Weighted average number of shares	5,078,525	5,078,525
Net result (€)	2.22	2.85
Gross dividend (€)	2.30	2.25
Net dividend (€)	1.610	1.575

⁷) The comparable figures as at 31 December 2022 are parenthesised.

The **rental income** of Vastned Belgium amounted to € 18.6 million for financial year 2023 and increased by € 1.2 million compared to the previous financial year (€ 17.4 million). This increase is a result of the indexation of the rent of existing rental agreements and the increased occupancy rate throughout the financial year. This increase was partly compensated by lease renewals (against lower terms) closed in the previous financial year.

Rental-related expenses related to the provision for potential losses on outstanding receivables. Compared to the previous financial year, rental-related expenses increased by € 0.1 million. This increase is mainly attributable to outstanding receivables for a tenant currently on the verge of failure. In previous financial year, a part of the provision for potential losses on outstanding receivables was reversed.

Other rental-related income and expenses amounted to € 0.4 million and mainly relate to the loss of rent which has been compensated in connection with the damage incurred due to stability issues for the retail property located in Mechelen, Bruul 42-44. In 2023, the Company received the judgment in the appeal procedure and, analogous to the first instance, the Company was deemed not liable for the stability problems. Vastned Belgium had to be compensated for repairing the damage sustained to the buildings and the associated loss of rent.

Property charges amounted to € 1.7 million and are in line with previous financial year. In 2023, additional studies were conducted for sustainability works (such as stability studies for installation of solar panels). The decrease in technical costs was largely offset by an increase in property management costs. Last financial year, studies were carried out for the redevelopment of existing buildings, resulting in higher technical costs. The share in the property management costs increased compared to the previous financial year due to additional consultancy work on sustainability.

The **general costs and other operating income and costs** amounted to € 1.1 million and decreased by € -0.1 million compared to the previous financial year. An exceptional cost was registered in 2022 in connection with the potential delisting of Vastned Belgium. This decrease was partly offset by the inflation of the fixed costs and additional consultancy work in the context of sustainability.

In 2023, Vastned Belgium sold the retail property located at 19 Grand Rue in Mons for a value of € 0.4 million. On this sale, the Company realised a limited capital gain.

The fair value of Vastned Belgium's real estate portfolio decreased in 2023 compared to the previous financial year. The **changes in the fair value of investment properties** are negative for an amount of € -1.1 million (€ -2.0 million). According to independent valuation experts, the market yields increased in 2023 due to the current uncertain market conditions. This resulted in a decrease in the fair value of the real estate portfolio which was partly offset by the indexation of rental agreements and the conclusion of rental agreements above the market rents determined by independent valuation experts.

The **financial result (excl. changes in fair value of financial instruments)** amounts to € -1.8 million (€ -1.6 million) for 2023 and decreased by € -0.2 million compared to the previous financial year. The decrease in the financial result is due to a credit line worth € 15.0 million that came to an end on 31 July 2023. This credit facility was hedged through an IRS contract, which also came to an end on 31 July 2023. As a result, a larger portion of the withdrawn credit facilities was subjected to rising interest rates. In addition, the Company settled IRS contracts worth € 30.0 million and wrapped them in new IRS contracts with an average term between three (3) and five (5) years. These IRS contracts have a higher average interest rate than the existing IRS contracts and have an impact in the current financial year for a period of two (2) months. The average interest rate for financing for 2023 is 2.22%, including bank margins (1.85%).

The **changes in the fair value of financial instruments** include a 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 € -1.9 million, while last financial year the interest rates on the financial markets started increasing and the, at that moment, negative market value even reverted from a negative to a positive market value of the interest rate swaps. In addition, the Company settled and packed IRS contracts worth € 30.0 million into new IRS contracts (hereinafter 'blend & extend') with an average term between three (3) and five (5) years. The positive market value of these IRS contracts as a result of this blend & extend was recycled into the changes in the fair value of financial instruments.

The **net result** of Vastned Belgium for 2023 amounts to € 11.3 million (€ 14.5 million) and can be divided into:

- the EPRA earnings of € 14.3 million, which increased by € 1.2 million compared to the previous financial year (€ 13.1 million). This increase is attributable to rising rental income on the one hand and decreasing general expenses on the other. Rental income increases due to the indexation of the rent of existing rental agreements, an increased occupancy, partly offset by rent renewals against lower terms.
- the result on the portfolio of € -1.0 million (€ -1.9 million); and
- the changes in the fair value of financial instruments to an amount of € -1.9 million (€ 3.4 million)

2.2. Consolidated balance sheets⁸

(in thousands €)

	31.12.2023	31.12.2022
Assets		
Non-current assets	310,143	315,199
Current assets	5,758	3,043
TOTAL ASSETS	315,901	318,242
Shareholders' equity and liabilities		
SHAREHOLDERS' EQUITY	231,894	232,032
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	119,209	116,145
Net result of the financial year	11,289	14,491
Minority interests	0	0
LIABILITIES	84,007	86,210
Non-current liabilities	78,849	66,426
Current liabilities	5,158	19,784
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	315,901	318,242

⁸) The comparable figures as at 31 December 2022 are parenthesised.

Assets

The fair value of the **investment properties** of Vastned Belgium amounts to € 309.6 million (€ 312.6 million). This decrease of € -3.0 million is mainly due to a reclassification of a number of investment properties to assets held for sale (€ -1.7 million) and the revaluation of a number of investment properties (€ -1.1 million) due to the increase in the yield. In addition, one retail property was sold (€ -0.4 million) during 2023, partly offset by investments in the existing real estate portfolio (€ 0.2 million).

As at 31 december 2023, the investment properties were valued by the independent valuation experts at € 317.2 million (investment value, excluding assets held for sale and excluding IFRS 16 right-of-use assets). The fair value of the investment properties corresponds to the investment value less the hypothetical transfer rights that must be paid in the event of a possible future divestment.

The **financial fixed assets** decrease by € -2.0 million and contain in previous financial year the positive market value of financial hedging instruments. As a number of these instruments expire in July 2024, they were transferred to the financial current assets.

The **current assets** amount to € 5.8 million (€ 3.0 million) and consist mainly of assets held for sale, trade receivables, cash and cash equivalents, deferred charges and the positive market value of financial hedging instruments expiring in July 2024. The increase compared to the previous financial year is mainly due to the reclassification of some investment properties to assets held for sale (€ 1.7 million).

Shareholders' equity and liabilities

The Company's **shareholders' equity** amounts to € 231.9 million (€ 232.0 million). The **share capital** (€ 97.2 million) and **share premiums** (€ 4.2 million) remain unchanged compared to previous year. The total number of shares entitled to dividend amounts to 5,078,525 at 31 December 2023. The Company's reserves amount to € 119.2 million (€ 116.1 million) at 31 December 2023.

The **non-current liabilities** amount to € 78.8 million and increased by € 12.4 million compared to the previous financial year. These non-current liabilities include non-current financial liabilities of € 78.2 million, other non-current liabilities of € 0.3 million and deferred taxes of € 0.3 million. Due to the completion of the refinancing, all loans on 31 December 2023 are presented as non-current liabilities.

Current liabilities amount to € 5.2 million and decreased by € 14.6 million compared to the previous financial year. A loan worth € 15.0 million was repaid in July 2023, as a result of which it was presented as a current financial liability at 31 December 2022.

Key figures per share

	31.12.2023	31.12.2022
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	45.66	45.69
Net value (investment value) (€)	47.19	47.23
EPRA NRV (€)	47.31	46.85
EPRA NTA (€)	45.78	45.29
EPRA NDV (€)	45.66	45.69
Share price on closing date (€)	30.80	29.70
Premium (+) / Discount (-) with regard to fair net value (%)	-32.5%	-35.0%
Debt ratio (max. 65%) (%)	25.3%	26.1%

The net value (fair value) of the share amounts to € 45.66 (€ 45.69) at 31 December 2023. Given that the share price of Vastned Belgium (VASTB) amounts to € 30.80 on 31 December 2023, the share was listed at a discount of -32.5% compared to the net value (fair value) at 31 December 2023. At the end of the previous financial year, the share recorded a discount of -35.0% compared to the net value (fair value).

Vastned Belgium's debt ratio amounts to 25.3% on 31 December 2023 and has decreased compared to 31 December 2022 (26.1%). The decrease is a result of a decrease in the drawdown of credit lines, partly offset by the decrease in the fair value of the real estate portfolio. Due to this stable and low debt ratio, the Company continues to operate on a solid basis.

2.3. Financial structure

In 2023, Vastned Belgium held discussions with financial institutions regarding the refinancing of the credit lines. The existing lenders were willing to provide the same credit amount (including the € 15.0 million credit facility repaid on 31 July 2023). As a result, as of 1 February 2024, the Company again has credit facilities worth € 125.0 million. The terms of these credit facilities vary between three (3) and five (5) years. The refinancing was concluded at market conditions.

Besides refinancing the existing credit lines, the Company has also entered into Interest Rate Swaps (IRS) contracts to hedge the interest rate risk. To date, € 65.0 million has already been hedged through IRS contracts. The Company is seeking to conclude a final agreement worth € 15.0 million. In concluding these IRS contracts, the Company was able to take advantage of the interest rate decreases at year-end.

As a result of this refinancing, the average interest rate (including bank margins) remains below 4.0%. Finally, the Company wishes to highlight that due to the refinancing and the rising interest rates, the financing costs will further increase in 2024.

The financial structure can be summarized as follows at 31 December 2023:

- Withdrawn financial debts: € 77.8 million.
- 100% of available credit lines with financial institutions are long-term financing with a weighted average term of 4.0 years.
- Unused credit facilities of € 32.2 million.
- For 55% of the available credit lines, the interest rate is fixed by interest rate swaps or fixed interest rates, 45% has a variable interest rate; of the credit lines drawn, this amounts to 77% and 23% respectively.
- Fixed interest rates are fixed for a remaining period of 3.9 years on average.
- Average interest rate for 2023: 2.22% including bank margins.
- Market value of the financial derivatives: € 0.3 million.
- Limited debt ratio of 25.3% (legal maximum of 65.0%).
- There are been no contractual changes to the existing covenants of the Company in 2023. Vastned Belgium complies with all covenants on 31 December 2023. As a result of the refinancing, one covenant (with one financial institution) will be adjusted in 2024, more specifically that the maximum debt ratio may not exceed 50.0% (currently this value is set at 60.0%).

3. Sustainability

Vastned Belgium wants to take-up its role as a corporate socially responsible company and therefore sustainability in all its facets (environment, social aspects and good governance) is always taken into account when determining its strategy. The Company has taken the following actions in recent months:

- **Charging points and solar panels:** In 2023, Vastned Belgium entered into a partnership with TotalEnergies for the installation of charging points on the parking lots of retail parks and retail warehouses. In addition, contracts were concluded for the installation of solar panels with a total capacity of 77.67 kWp. These solar panels will not only be installed at retail warehouses but also in the city center (e.g. Elsensesteenweg in Brussels).
 - **Drawing up a dual materiality matrix:** Vastned Belgium held discussions with various stakeholders (shareholders, financial institutions, analysts, policymakers, tenants and its own staff) to draw up this dual materiality matrix. This survey is based on socially relevant themes defined in various ESG frameworks. The Company is currently finalising the results and will publish these results in the annual financial report of financial year 2023.
 - **Sustainability policy:** Vastned Belgium has recently finalised the sustainability policy and will publish this along with the annual financial report of financial year 2023.
- **Short-, medium- and long-term target:** Following the sustainability policy, the Company will set short-, medium- and long-term targets. The targets are based on the three (3) ESG components, namely:
 - **Environment:** Existing retail units will be made energy efficient, with the Company insulating both the roof and building structure (where possible). The Company will initially focus on retail warehouses and retail parks, as inner-city shops are often classified as cultural heritage assets so standard renovation techniques are not always applicable. However, we will continue to look for other sustainable solutions.
 - **Social:** The Company continues to pay attention to the well-being of employees, tenants and suppliers. The existing practices were also clarified in guidelines and policies related to diversity, equal opportunities, working conditions and health & safety. In addition, the real estate portfolio also contains an important social aspect as inner-city shops are classified as cultural heritage. Existing buildings are reused and adapted to the contemporary context and use.
 - **Governance:** Vastned Belgium has published a clear Corporate Governance Charter on its website specifying the guidelines regarding the management of the Company.



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4. Outlook for 2024

2024 is expected to become the year of normalisation in which inflation comes under control and the European Central Bank will not raise interest rates further. Still, 2024 will remain very challenging on the macroeconomic level due to various geopolitical tensions and upcoming elections in several countries. A small change in any of the macroeconomic factors can significantly change the existing environment. After all, the past few years have taught us that our economy has to cope more and more with economic shocks.

Retailers will continue to focus on omnichannel in 2024. Omnichannel involves aligning physical shops and e-commerce, giving consumers the same experience in the physical shop, online shop and app. Consumers will have the option to pick up the product ordered online in the shop or order the item in the physical shop and have it delivered to their home. As a result, physical shops and e-commerce should be seamlessly aligned. Retailers understand that omnichannel is no longer the exception, but became the new norm. As a result, pure online players are opening more and more physical shops with location becoming increasingly important. High

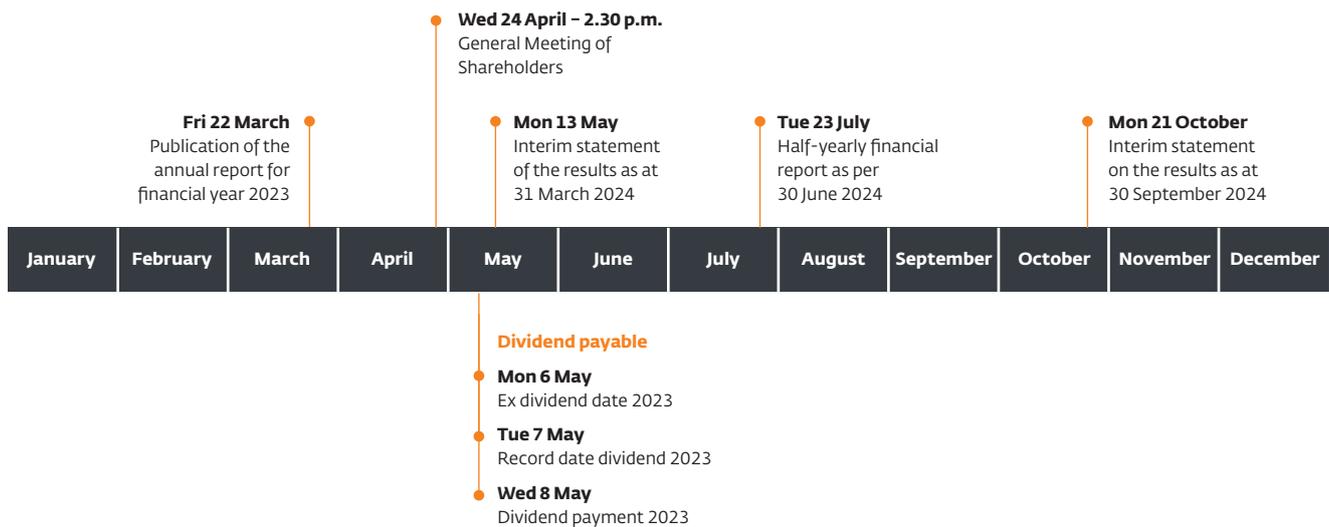
streets are benefiting from this, which manifests itself in a record of lettable space and rental transactions. As several hospitality and leisure concepts have also established themselves in the city center, a day shopping in the city center once again guarantees an enjoyable day out.

Consumer confidence fell slightly in January 2024, as consumers are more concerned about their personal financial situation. This consumer confidence is closely linked to the purchasing power and hence profitability of retailers. As a result, Vastned Belgium will also pay attention to possible bankruptcies of retailers in 2024. In recent weeks, several retailers have requested protection from their creditors.

Finally, the Company will monitor the evolutions in the investment market to get a better view of market yields, as there is still a large discrepancy between the market yields buyers want to pay and those sellers want to receive. After all, these will have an impact on the valuation of the real estate portfolio and could potentially lead to interesting investment opportunities.



5. Financial calendar 2024



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, 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 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 by factors pertaining to taxation, competition and environment. Vastned Belgium cannot guarantee that the assumptions underlying the prospective information are free from 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 €)

	2023	2022
Rental income	18,570	17,442
Rental-related expenses	-63	25
NET RENTAL INCOME	18,507	17,467
Recovery of rental charges and taxes normally payable by tenants on let properties	1,300	1,140
Rental charges and taxes normally payable by tenants on let properties	-1,300	-1,140
Other rental-related income and expenses	408	67
PROPERTY RESULT	18,915	17,534
Technical costs	-381	-506
Commercial costs	-226	-213
Charges and taxes on unlet properties	-40	-51
Property management costs	-998	-885
Other property charges	-82	-69
Property charges	-1,727	-1,724
OPERATING PROPERTY RESULT	17,188	15,810
General expenses	-1,066	-1,139
Other operating income and expenses	18	21
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	16,140	14,692
Result on disposal of investment properties	5	0
Changes in fair value of investment properties	-1,118	-2,035
Other result on portfolio	87	93
OPERATING RESULT	15,114	12,750
Financial income	1	2
Net interest charges	-1,838	-1,575
Other financial charges	-4	-3
Changes in fair value of financial instruments	-1,890	3,403
Financial result	-3,731	1,827
RESULT BEFORE TAXES	11,383	14,577
Corporate tax	-94	-86
Taxes	-94	-86
NET RESULT	11,289	14,491

	2023	2022
NET RESULT	11,289	14,491
Note:		
EPRA earnings	14,282	13,134
Result on portfolio	-1,026	-1,942
Changes in fair value of financial instruments	-1,890	3,403
Taxes: deferred taxes	-52	-82
Non-distributable result subsidiaries	-25	-22
Attributable to:		
Shareholders of the parent company	11,289	14,491
Minority interests	0	0
Result per share	2023	2022
Number of shares entitled to dividend	5,078,525	5,078,525
Weighted average number of shares	5,078,525	5,078,525
Net result (€)	2.22	2.85
Diluted net result (€)	2.22	2.85
EPRA earnings (€)	2.81	2.59

2. Consolidated statement of comprehensive income

(in thousands €)

	2023	2022
NET RESULT	11,289	14,491
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	11,289	14,491
Attributable to:		
Shareholders of the parent company	11,289	14,491
Minority interests	0	0

3. Consolidated balance sheet

Assets (in thousands €)	31.12.2023	31.12.2022
Non-current assets	310,143	315,199
Intangible assets	44	91
Investment properties	309,581	312,590
Other tangible assets	488	471
Non-current financial assets	28	2,045
Trade receivables and other non-current assets	2	2
Current assets	5,758	3,043
Assets held for sale	1,774	0
Current financial assets	470	154
Trade receivables	2,215	2,327
Tax receivables and other current assets	472	0
Cash and cash equivalents	429	163
Deferred charges and accrued income	398	399
TOTAL ASSETS	315,901	318,242
Shareholders' equity and liabilities (in thousands €)	31.12.2023	31.12.2022
SHAREHOLDERS' EQUITY	231,894	232,032
Shareholders' equity attributable to the shareholders of the parent company	231,894	232,032
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	119,209	116,145
Net result of the financial year	11,289	14,491
Minority interests	0	0
LIABILITIES	84,007	86,210
Non-current liabilities	78,849	66,426
Non-current financial debts	78,190	66,030
– Credit institutions	77,800	65,497
– Financial leasing	390	533
Other non-current financial liabilities	188	0
Other non-current liabilities	146	123
Deferred tax - liabilities	325	273
Current liabilities	5,158	19,784
Provisions	269	269
Current financial debts	191	15,184
– Credit institutions	0	15,000
– Financial leasing	191	184
Trade debts and other current debts	796	551
Other current liabilities	580	564
Deferred income and accrued charges	3,322	3,216
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	315,901	318,242

4. Statement of changes in consolidated shareholders' equity

(in thousands €)	Share capital	Share premium	Reserves	Net result of financial year	Total shareholders' equity
BALANCE AT 31 DECEMBER 2021	97,213	4,183	123,226	4,092	228,714
Comprehensive income of 2022				14,491	14,491
Transfer through result allocation 2021:					
• Transfer from result on portfolio to reserves			-10,064	10,064	-
• Transfer from changes in fair value of financial assets and liabilities			828	-828	-
• Disposals 2021: impact result			362	-362	-
• Revaluation subsidiaries			-30	30	-
• Allocation profit carried forward			1,823	-1,823	-
Dividends financial year 2021				-11,173	-11,173
BALANCE AT 31 DECEMBER 2022	97,213	4,183	116,145	14,491	232,032
Comprehensive income of 2023				11,289	11,289
Transfer through result allocation 2022:					
• Transfer from result on portfolio to reserves			-2,303	2,303	-
• Transfer from changes in fair value of financial assets and liabilities			3,403	-3,403	-
• Revaluation subsidiaries			257	-257	-
• Allocation profit carried forward			1,707	-1,707	-
Dividends financial year 2022				-11,427	-11,427
BALANCE AT 31 DECEMBER 2023	97,213	4,183	119,209	11,289	231,894

5. Statement of the statutory auditor

The statutory auditor, EY Bedrijfsrevisoren bv, represented by Mr. Christophe Boschmans, has confirmed that its audit of the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, has been substantially completed and that it has not revealed any material adjustments which would have to be made to the accounting data extracted from the consolidated financial statements and included in this press release.