Vastned Retail Nederland B.V.

Annual report 2024

Prepared by the Board of Directors as per 27 March 2025

To be approved by the general meeting of Shareholders of Vastned NV, held on 30 April 2025

Directors' report

Dear,

Vastned Retail Nederland B.V. was until 31 December 2024 a subsidiary of Vastned Retail N.V. .On the date of the preparation of this annual report, Vastned Retail N.V. was merged with and into Vastned NV (formerly known as Vastned Belgium NV). This merger became effective as of the 1st January 2025. Vastned Retail Nederland B.V. merged into Vastned NV on March 4, 2025.

The year 2024 has been one to prepare Vastned Retail N.V. (including its subsidiaries.) for the future with the delisting of Vastned Retail N.V. (hereafter; 'Vastned Retail ') and reverse cross-border merger with Vastned NV (hereafter; 'Vastned') leading to a reduction in organizational activities that Vastned Retail had with the dual listing of two entities in its group. With that Vastned aims to seize cost efficiencies by significantly decreasing its management staff and related overhead expenses.

Operationally 2024 was strong as ever with low vacancy rates, high collection rates and good relationships with our tenants.

Property portfolio and result Vastned Retail Nederland B.V.

Our property portfolio once again proved its quality in 2024. The occupancy rate remained high at around 99%. In the course of 2024 Vastned Retail Nederland B.V. has divested assets for an amount of € 34,2 million, as part of our strategic reorientation process. The value of the total portfolio (including Assets held for sale) decreased by € 40,0 million from € 465,7 million to € 425,7 million, including negative revaluations for an amount of € 7.7 million. Net rental income decreased from € 23,3 million to € 22,1 million mainly due to divestments. The result for the year 2024 of Vastned Retail Nederland B.V increased from € 7,0 million to € 11,3 million. This result was impacted by negative value movements in property of € 7,7 million; the negative value movements in property amounted € 13,0 million in 2023.

Changes to the regulatory environment

The abolishment of the FII (Dutch: "FBI") regime as per January 2025 was passed into law by the Dutch House of Representatives and Senate. Vastned expects a negative impact on the current portfolio.

Antwerpen, 27 March 2025

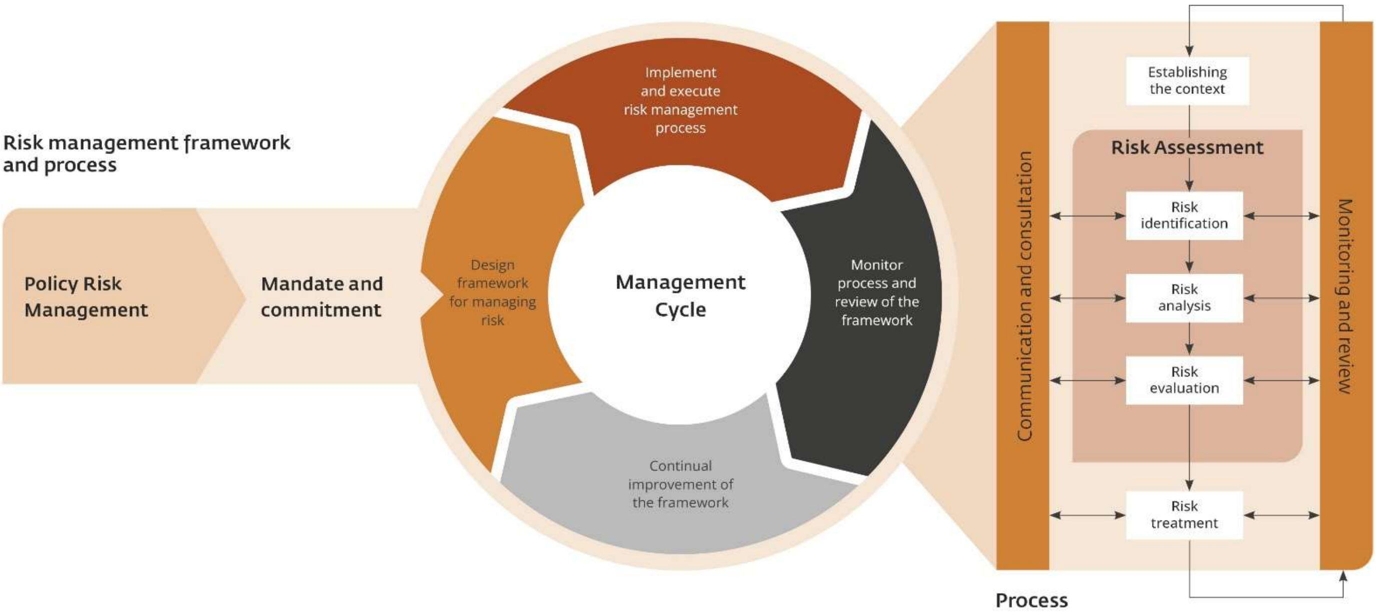
Sven Bosman

Chief Executive Officer

Vastned NV

Risk management and internal control

This section provides an overview of Vastned Retail N.V. risk management and control system throughout the year 2024. This risk management and control system also applies to Vastned Retail Nederland B.V.; which was a 100% subsidiary of Vastned Retail N.V. as at 31 December 2024. The risk management and control system formed an integral part of Vastned Retail ’s business operations and reporting. It aims to ensure, with a reasonable degree of certainty, that the risks to which the company was exposed were adequately identified and controlled within the context of a conservative risk profile.



Policy

Vastned Retail ’s risk management framework consisted of policy setting at the start, which mandated and required the right level of commitment. This was followed by a Management Cycle, which entailed implementing the designed framework and executing the risk management process, monitoring and reviewing it, and ensuring continuous improvement. This process aimed to ensure that risks were adequately identified, analysed and evaluated, and treated with sufficient mitigating measures."

Strategy and risk appetite

Since 2011, Vastned Retail’s objective has been to invest in retail property in the most popular high streets of major European cities with historic city centres. In this way, the company aimed to realise stable and predictable long-term results and contribute to the liveability and safety of these historic centres. In 2021 Vastned Retail put in place a strategy based on three pillars: (i) an optimised and concentrated portfolio, (ii) an efficient organisation and (iii) a conservative financing strategy.

The execution of this strategy inevitably involved risks. The company’s risk appetite was conservative, which was borne out by the focus on high-quality properties in selected cities. Furthermore, long-term value creation was preferred over the growth of the property portfolio, and improving the sustainability of the company and portfolio was an integral part of Vastned Retail’s strategy. In operational terms, risks had to be minimised. Vastned Retail’s operational processes were therefore based on best practices.Vastned Retail’s financial policy may have been characterised as conservative. With respect to compliance, the risk appetite was nil: all applicable laws and regulations had to be fully complied with. Vastned Retail had formulated clear principles in this area, which had been outlined in various codes and regulations and were in line with the Dutch Corporate Governance Code ('the Code').

In conclusion, Vastned Retail's overall risk appetite may have been described as conservative, which was both in line with and based on the company's objective to generate stable and predictable long-term results. Vastned Retail had specified the risk appetite, including the qualification of the risk appetite per risk category. These qualifications were as follows: nil, zero tolerance; nil to low tolerance; conservative; measured; and expedient. The risk appetite per risk category added an additional standard to the risk and control framework against which risks were assessed. This standard provided the framework within which the organisation operated.

Tone at the top

The Executive Board and the Executive Committee attach great value to ethical and honest business conduct. Transparent and honest communication is considered a critical success factor for Vastned Retail. In this context, close management of risks is naturally essential, and this approach was clearly communicated within the company. In addition, management organised periodic awareness training sessions with its employees that cover preferred behaviours, the Code of Conduct and transparency. The sessions also provide an opportunity to discuss potential dilemmas.

Policy & procedures

Vastned Retail had translated the main risk areas and processes into policies and procedures that serve as a framework for acting in accordance with internal and external requirements.

Corporate governance

Corporate governance related to how companies were managed and how the management was supervised. Vastned Retail considered proper corporate governance to be one of the key enabling factors in the successful execution of the strategy. Vastned Retail had translated the corporate governance requirements into internal rules and standards.

Code of Conduct and related regulations

The Code of Conduct was a foundational document for Vastned Retail, as it contained the principles that Vastned Retail considered to be fundamental to the company, its employees, tenants, financiers, business relations, shareholders, and society, and the interaction between these stakeholders. The Code of Conduct served to make employees aware of the need to act honestly and transparently by recording what was deemed to be acceptable behavior and what was not. In addition to the Code of Conduct, a Regulation on Incidents and a Speak Up Policy were in force. These regulations were an extension of the Code of Conduct and facilitated the reporting of (alleged) incidents, either anonymously (via the Speak Up Policy) or otherwise. These regulations described the procedure for reporting (alleged) incidents.

The regulations contributed to ethical awareness within Vastned Retail's company culture.

Risk areas

An overview and detailed description of the main risks to which Vastned Retail N.V. was exposed in 2024 in the execution of its strategy is provided below. In addition to these strategic risks, the main operational risks, financial risks and compliance risks are also described.

Risk category	Risk	Risk appetite	Likelihood	Impact	Link with six highly material topics	Reference
Strategic	Established strategic principles and choices do not lead to stable and predictable results.	Conservative	High	High	1	1.1
	Impact of external factors due to strategic, investment and financial policy choices.	Conservative	Medium	High	1	1.2
Operational	Unattractiveness as an employer, preventing the retention and attraction of the right employees. Insufficient alignment of the required quality of employees with the strategy, desired culture of the organisation, or organisational developments.	Zero - low tolerance	Medium	High	3, 4, 5, 6	2.1
	Continuity problems due to the small size of the organisation and/or the reliance on third parties.	Zero - low tolerance	High	High	1, 4, 5	2.2
	Transaction error: financial risks arising from daily transactions and (external) events and/or incorrect conduct of investment or divestment analysis.	Low tolerance - conservative	Low	High	1, 5	2.3
	Quality of property valuations: inherent risk that the properties in Vastned Retail's portfolio are incorrectly valued.	Low tolerance - conservative	Low	Medium	1	2.4
	Unexpected increase in operating costs or investments regarding properties.	Low tolerance - conservative	Low	Medium	1, 3, 4, 6	2.5
	Cyber security: incorrect functioning or security of the internal ICT infrastructure, leading to data protection or business continuity issues. In addition, the risk that external cloud-based software (SAAS) is not secured and/or managed in line with Vastned policy.	Zero - low tolerance	Medium	High	1, 4, 5	2.6
	Unforeseen significant damage to one or more properties or the company's own organisation due to a catastrophe.	Zero - low tolerance	Low	Medium	1, 6	2.7

Risk category	Risk	Risk appetite	Likelihood	Impact	Link with six highly material topics	Reference
Financial	Liquidity risk: insufficient funds available to meet payment obligations.	Nil	Low	High	1	3.1
	Finance market risks: insufficient possibilities to attract equity and/or (long-term) loans or breach of agreed bank covenants. Failure to anticipate unexpected interest rate fluctuations ahead of time.	Nil	High	High	1	3.2
	Debtor risk: tenants fail to meet their financial obligations.	Conservative	Medium	Medium	1	3.3
	Making (incorrect) decisions, internally or externally, by the board, employees or stakeholders on the basis of incorrect and/or incomplete information.	Low tolerance	Low	Medium	1	3.4
Compliance	Failure to comply with tax laws by not implementing changes in tax laws within the organisation correctly, completely and/or in a timely manner.	Nil	Medium	High	1, 4, 5	4.1
	Insufficient knowledge of third parties during the acquisition, sale or leasing process.	Low tolerance – conservative	Low	Low	1, 4, 5	4.3
	Conflicts of interest of employees and between employees and third parties.	Low tolerance – conservative	Low	High	4, 5, 6	4.3

Strategic risks

Strategic risks relate to the realisation of stable and predictable long-term results, timely anticipation of externalities and Vastned Retail's approach to environmental, social and governance matters.

1.1 Stable and predictable results

The objective of Vastned Retail's strategy was to generate stable and predictable long-term results. There was a general strategic risk that the choice of investee country, the type of investment, or the relative size and timing of investments (and divestments) did not lead to stable and predictable results. The risk appetite in this area was conservative. To mitigate this risk, Vastned Retail invested in high-quality assets with attractive and stable returns and was diversifying its rental income by adding more non-fashion tenants. Additionally, Vastned Retail followed a diligent acquisition procedure that clearly identified how each property fits into the portfolio and how it contributed to the company's long-term results. The current portfolio was under constant scrutiny.

1.2 External factors

Another strategic risk was that Vastned Retail was unable to respond adequately to external factors. There was an inherent risk that the choice of investee country, investment type and the relative size and timings of the investments (and divestments) may be influenced by external factors such as changes in inflation, currency fluctuations, consumer confidence, consumer spending, energy prices, tenancy legislation, permit policies or a pandemic. This may impacted the expected rent developments, as well as demand for retail locations and, consequently how the value of the investments develop going forward. The risk appetite in this area was conservative. Potential external changes were followed closely during annual strategy sessions and by monitoring developments as they happen, which enabled Vastned Retail to respond quickly and effectively.

Operational risks

Operational risks are risks that arise from potentially inadequate processes, people, systems and/or (external) events. The main operational risks for Vastned related to the quality of its staff and advisers, the execution of transactions, the quality of property valuations, cost control, the control of the IT environment and catastrophes.

2.1 Quality of employees and advisers

Having the right organisation is defined as one of the three pillars of the company's strategy. Vastned strives for an open and inclusive culture. Recruiting and retaining the right employees was therefore of the greatest importance. However, the size of the organisation and the scarcity of qualified staff may impede efforts to recruit the right employees. Working with inadequately qualified employees may hamper realising the strategic objectives. The same applies to selecting the right advisors. The risk appetite in this area is low tolerance to nil.

Vastned mitigated this risk through a proactive HR policy that contained standards for the appointment, training, evaluation and remuneration of employees. The Executive Board and Executive Committee annually evaluate the HR policy and its implementation within Vastned for suitability and attractiveness in relation to the strategy. The HR policy forms part of the risk and control framework and is discussed with the Supervisory Board annually. The Executive Committee consisted of two women and three men in 2024. No objectives apply, as this Executive Committee no longer exists due to the merger of Vastned Retail with and in Vastned NV.

Furthermore, Vastned worked exclusively with internationally and nationally reputed external advisers that have proven experience their area of expertise. Advisers were selected after careful consideration based on, among other things, price, quality and relevant expertise.

2.2 Size of the organisation

Before the merger, Vastned Retail Nederland was a 100% subsidiary of Vastned Retail N.V.

Due to its small size, the organisation was vulnerable to potential employee departures and absences (for example, due to illness), as well as the potential absence of the firm's sole statutory director. Such occurrences may lead to continuity problems and/or excessive pressure on other employees. Further, management has decided to outsource a number of activities as this was deemed more efficient and cost effective compared with having certain specific expertise and experience in-house. An inherent risk was that Vastned Retail was dependent on certain external parties including their measures to ensure the quality of staff and certain knowledge. To execute an ethical and transparent business practice and responsible asset and lease management, the Executive Committee constantly monitors whether the workload leads to continuity problems and, if necessary, deploys additional people or parties to alleviate the workload. In addition, a staff list was maintained with job descriptions and potential backup (internal and external), with both short-term (emergency scenario) and long-term (structural solution) options considered. If the sole statutory director was absent for a longer period of time, the Finance Director would take over on an interim basis for three months during which the Supervisory Board decided on a solution. Furthermore, Vastned Retail agrees detailed service levels agreements (SLAs) with external service providers. These parties were monitored on an ongoing basis, whereby certain reports indicating the quality of the internal organisation, including processes on which Vastned Retail was dependent, were requested and acted upon on a yearly basis (e.g. ISAE 3402).

2.3 Execution of transactions

Transactions involve various risks, such as those arising from the transaction execution process itself and from externalities. Incorrectly performed investment or divestment analyses can also lead to increased transaction risk. Furthermore, there was the risk that a property cannot be leased on the projected rent due to its nature and location and/or tenant quality (resulting in vacancy), or that the rent cannot be collected.

Possible consequences of the incomplete control of these risks include incorrect assessment of the risk-return profile; late investment or divestment; a negative impact on (future) net rental income, for example as a result of vacancies and associated service charges that cannot be passed on to tenants, and unexpected negative value movements resulting in lower (than expected) direct and indirect results. The risk appetite in this area was low to conservative.

Vastned Retail followed careful acquisition and divestment procedures to mitigate the related risks listed above, which consisted of:

- Performance of an extensive due diligence investigation to assess commercial, financial, legal, construction and tax aspects using a standard checklist;
- Involvement of various disciplines in acquisitions and divestments;
- Standard format for investment or divestment proposals; and
- Internal authorisation procedures that stated that investments and divestments above a specific amount, as determined annually by the Supervisory Board (in 2024: € 15 million), required the approval of the Supervisory Board.

2.4 Quality of the property valuations

There was an inherent risk that the properties in Vastned Retail's portfolio were incorrectly valued, among other factors i.e. by not adequately taking interest rates, ERV's, climate-related matters and/or references into consideration. This may result in an incorrect indirect result, reputational damage and/or potential claims for making misleading statements to stakeholders. The risk appetite in this area was low to conservative. This risk was mitigated by preparing all property valuations in accordance with an internal appraisal policy and was executed by internationally reputed external appraisers, which were rotated every three years. In these appraisals, the bigger properties with an expected value of at least € 2.5 million were appraised every six months by internationally reputed appraisers. Smaller properties (valued at less than € 2.5 million) were appraised externally once a year.

Vastned Retail's appraisers, CBRE and Cushman & Wakefield, have the largest database in Europe in the area of retail property. They are well placed in the present appraisal market to minimise the estimation uncertainty and assign the correct value to Vastned Retail's property.

2.5 Cost control

An unexpected rise in operating expenses, general expenses or having to make unexpected additional investments can potentially lead to an incorrect assessment of the risk-return profile, and therefore to a lower direct and/or indirect result. The risk appetite in this area is low to conservative. For this reason, Vastned Retail has extensive procedures for budgeting and (maintenance) forecasts. In addition, there are authorisation procedures for entering into various obligations, including maintenance and capital expenditure. Furthermore, reports (realisation – budget analysis) are periodically drawn up and discussed within the Executive Committee and Supervisory Board.

2.6 Control of the IT environment

Effective control of the risks associated with the functioning and security of the internal IT infrastructure is of vital importance for Vastned Retail. The impact of the incomplete control of IT risks may include not being able to report promptly or correctly, either internally or externally, loss of relevant information (including personal data), unauthorised access to information (including personal data) by third parties, and reputational damage. The risk appetite in this area is low to nil.

Vastned Retail mitigates this risk through internal procedures aimed at ensuring proper access security, backup and recovery procedures, periodic checks by external experts, digitalisation of key documents, as well as hiring external knowledge and experience for continuous updates on developments in IT and cyber security. These updates include (mandatory) phishing campaigns, e-learnings, classroom-based training sessions and crisis simulations.

No major IT-related incidents that impacted business operations took place in 2024.

2.7 Catastrophe risk

Catastrophe risk is the risk that a catastrophe causes extensive damage to one or more properties and, as such, with the potential consequent loss of rent, a lower direct and indirect result, and tenants bringing claims and legal proceedings. Vastned Retail was insured based on conditions that were customary in the industry regarding damage to property, liability and loss of rent during the period until the property is re-built and re-let.

In 2024, no catastrophes resulting in physical damage to properties occurred.

Financial risks

The main financial risks were related to the company's liquidity, the financing market (both the (re)financing risk and the interest rate risk), debtors and financial reporting.

3.1 Liquidity risk

Liquidity risk is the risk that insufficient resources are available for daily payment obligations. The potential impact of this is that reputational damage is sustained or that additional financing costs are incurred, which may result in a lower direct result. The risk appetite in this area was nil. The treasurer of Vastned Retail monitored the cash flow policy and prepares daily cash flow forecasts. The principles of the cash flow policy were outlined in the Treasury Charter, which was periodically reviewed by the Executive Committee and approved by the Supervisory Board.

In 2020, due to the COVID-19 pandemic, Vastned implemented additional control measures to monitor the liquidity position (including increased frequency of reports to the Executive Board and Supervisory Board and the preparation and analysis of detailed liquidity forecasts). These measures remained in place since then.

Vastned Retail has a total of 19,469,032 shares of which 1,884,670 are treasury shares that are not entitled to dividend.

3.2 Financing market risks

Financing market risks include (re-)financing risk and interest rate risk. (Re-)financing risk relates to the risk that not enough equity or (long-term) loan capital can be attracted or only with unfavourable conditions. The financing market risks also relate to the possibility that loan covenants are breached. This can create a situation whereby there is not enough financing room for investments. It could also force the company to divest assets. When (re-)financing risk increases, financing costs increase, potentially leading to a lower direct and indirect result and to reputational damage, in the financial markets, in particular. The risk appetite in this area was nil.

Interest rate risks were caused by interest rate fluctuations, which may result in rising financing costs, in turn leading to a lower direct result. Although a limited part of Vastned Retail's loan portfolio was subject to variable rates in 2024, the impact of the higher interest rates has been considerable. Vastned Retail anticipated the interest rates to remain stable at a higher level and therefore further impact on its results.

Given the capital-intensive nature of Vastned Retail, maintaining a good financial credit profile was critical to supporting the continued availability of funds at competitive interest rates.

To mitigate the above risks, Vastned Retail has put in place a conservative financial policy and control measures:

- Financing with loan capital was limited to a maximum of 40% of the market value of the property;
- The share of short-term loans was limited to a maximum of 25% of the loan portfolio;
- Where possible, financing was spread between different banks and other sources of financing, such as private placement bonds;
- The share of non-bank financing must be over 25%;
- No more than a third of the loan portfolio had a floating interest rate;
- Internal monitoring took place via periodic internal financial reports, including sensitivity analyses, financing ratios, development of bank covenants and funding scope and internal procedures, as outlined, including in the Treasury Charter; and

- The outcomes of these reports were periodically discussed with the Audit and Compliance Committee and the Supervisory Board.

In 2024, Vastned Retail complied with all bank covenants. Given the execution of strategic reorientation and or reverse merger Vastned Retail currently deviates from the above mentioned financial policy and control measures.

3.3 Debtor risk

Debtor risk relates to loss of rental income due to payment defaults and bankruptcies, leading to a lower-than-expected direct and indirect result. The risk appetite in this area was conservative. To mitigate debtor risk, Vastned Retail screened tenants before concluding leases. In addition, the financial status and payment behaviour of tenants were monitored through regular talks with tenants and by examining external sources. Prospective tenants must provide a bank guarantee and/or deposit prior to the start date of the agreement.

The Executive Board reviews the company's debtor lists frequently, including the transaction register. Vastned Retail took a tailor-made approach to examining its individual arrangements with tenants. Payment arrangements and behaviour by tenants were monitored systematically. Additional control measures were also in place, including increasing the frequency of consultation with debtors by the property management teams.

3.4 Reporting risk

Reporting risk relates to the impact of the incorrect, incomplete or late provision of information for internal decision-making or the provision of information to external parties, such as shareholders, banks and regulators, which may lead to reputational damage and potential claims based on misleading statements to stakeholders. The risk appetite in this area is low to nil.

Vastned Retail maintains a robust system of internal control measures and administrative organisational measures. These provide key checks and balances with respect to financial reports, such as:

- Involvement of different disciplines in the preparation of reports and proposals for investments and divestments;
- Budgeting, quarterly updated forecasts and analyses of figures;
- Appraisal procedures (independent external appraisers, which are frequently rotated, internal IRR analyses and the use of internationally accepted appraisal guidelines);
- Periodic business report meetings in which, on the basis of reports, operational activities are discussed in detail with the country managers;
- Groupwide Instruction and Accounting Manual on accounting principles and reporting data, as well as internal training in the area of the International Financial Reporting Standard (IFRS) and other standards;
- Periodic management consultation on external audit results; and
- Discussion of external audit results with the Audit and Compliance Committee and the Supervisory Board.

In 2024, no material events occurred regarding reporting. The use and further development of the company's property management system, Yardi, at the various Vastned Retail offices allowed for accurate and timely reporting.

Compliance risks

Compliance risks are risks related to failing to comply, either fully or partially, with tax and other laws and regulations or unethical conduct. Potential consequences of this may be reputational damage, tax and legal claims and proceedings or loss of tax status. This can potentially lead to a lower direct and indirect result. The risk appetite in this area was nil. Effective control of compliance risks, led by Vastned Retail's compliance officer is of crucial importance for a property company such as Vastned Retail, given the property sector's traditional approach to conduct risk.

In 2024, no material events occurred regarding compliance.

4.1 Tax laws and regulations risk

As a result of its FII status (Dutch: "FBI"), Vastned Retail had to abide by specific rules with regard to tax. As such, the company followed a conservative approach to tax risks and has implemented measures to secure compliance and minimise the risk of adverse tax-related matters. Vastned Retail had adequate fiscal policies in place and strives to minimise the potential negative impact of any tax risk.

Tax risks relate to failing to comply or inadequately complying with tax laws and regulations, incorrect assessment of tax exposure or unethical conduct with the potential consequences of reputational damage, tax claims and proceedings and loss of FII tax status, leading to a lower direct and indirect result. The risk appetite in this area was nil.

Vastned Retail has an internal tax policy outlining the risk appetite and the general principles with regard to tax. Control measures and administrative and organisational measures have been established regarding various areas of taxation. Internal procedures comprise:

- Evaluation of contractual commitments by internal and, where necessary, external tax lawyers;
- Employees taking relevant professional training;
- Continuous monitoring of the conditions for the application of the tax regime, including financing ratios, mandatory dividend distributions and the composition of the shareholder base, by internal and external tax experts; ;
- Careful analysis of tax risks involved in acquisitions and divestments, including turnover tax, transfer tax, deferred tax liabilities, etc.

In 2022, the Dutch government explored the potential (targeted) adjustment of the FII regime and subsequently announced that it will abolish the current fiscal regime for Dutch FIIs in the Netherlands. In first instance, this proposal included the abolishment as per January 2024 after which this was postponed to January 2025. In 2023, the abolishment of the FII regime as per January 2025 was passed into legislation by the house of representatives and the senate in the Netherlands. Specific amendments were made to the proposal, in order to allow time for the impacted companies to re-structure their business. Unfortunately, this will not materially impact the effect of the abolishment of the FII regime for Vastned Retail.

4.2 Laws and regulations / Codes and regulations

As previously described, Vastned Retail had various regulations in place. Deviations from the Code of Conduct and unethical behaviour may result in reputational damage as well as claims and legal proceedings, leading to higher costs and a lower direct result. The risk appetite in this area was nil.

Vastned Retail has internal procedures and training programmes in place aimed at keeping knowledge of laws and regulations up to date. Compliance with the Code of Conduct is discussed with staff members at least once a year, and employees were explicitly asked to confirm they have complied with the Code of Conduct.

In 2024, no material events occurred regarding the Code of Conduct.

4.3 Third parties and conflicting interests

Insufficient knowledge of tenants, sellers, buyers or parties acting on Vastned Retail's instructions creates a potential risk of doing business with parties that are harmful to Vastned Retail's reputation. In addition, conflicts of interest between employees and third parties may cause reputational damage, claims and legal proceedings, resulting in higher costs and a lower direct result. For the rules on conflicts of interest, please refer to the text of the Code of Conduct. The risk appetite in this area was conservative.

As part of the due diligence process, third parties are screened in accordance with an internal Customer Due Dilligence Policy. The results of this screening were set out in the due diligence report submitted to the Executive Board as part of the decision-making process.

Monitoring and audits

Monitoring

In 2024, the control measures implemented within Vastned Retail were updated when deemed necessary and audited again. This audit did not highlight any material findings. A number of adjustments were made to the control system due to further streamlining of internal processes.

As indicated, Vastned Retail has procedures in place to report incidents, either anonymously or otherwise. No notable incidents were reported in 2024.

Outlook

Due to the merger effective March 4, 2025, the outlook for Vastned Retail Nederland B.V. has been discontinued.

PROFIT AND LOSS ACCOUNT

(€ thousand)	**Note**	**2024**	**2023***
Gross rental income	3	26.716	27.495
Other income	3	-	11
Net service charge expenses	3	(191)	(122)
Operating expenses	3	(4.379)	(4.120)
Net rental income	3	22.146	23.264
Value movements in property	2,4	(7.682)	(12.985)
Net result on divestment of property	5	240	305
Total net income from property		14.704	10.583
Net financing costs	6	(8)	(6)
General expenses	7	(3.378)	(3.531)
Total financing costs and general expenses		(3.386)	(3.538)
Result before taxes		**11.319**	**7.046**
Current income tax expense	8	-	-
Movement deferred tax assets and liabilities	8,19	-	-
Restructuring expenses	9	-	-
Total Income tax and restructuring expenses		-	-
Result after taxes		**11.319**	**7.046**

* unaudited

BALANCE SHEET AS AT 31 DECEMBER

(€ thousand)	Note	2024	2023
ASSETS			
Property in operation	13	421.960	442.599
Accrued assets in respect of lease incentives	13	1.235	1.341
Property in operation		423.195	443.940
Intangible fixed assets		-	-
Tangible fixed assets		-	-
Rights-of-use assets		-	-
Financial derivatives	23	-	-
Total fixed assets		**423.195**	**443.940**
Assets held for sale	14	2.460	21.725
Financial derivatives	23	-	-
Debtors and other receivabels	15,23	1.183	1.273
Receivable from group companies	16	138.827	89.227
Income tax		-	-
Cash & cash equivalents	17	776	1.527
Total Current Assets		**143.246**	**113.752**
Total Assets		**566.441**	**557.693**
EQUITY AND LIABILITIES			
Paid-up and called-up capital	18	18	18
Share premium reserve		518.429	518.429
Revaluation reserve		130.535	147.482
Other reserves		(99.425)	(123.418)
Result of the bookyear	10	11.319	7.046
Total Equity		**560.876**	**549.557**
Long-term liabilities			
Long-term lease liability		47	45
Gurantee deposits and other long-term liabilities		2.152	1.997
Total Long-term liabilites		**2.198**	**2.042**
Short-term liabilities			
Other liabilities and accruals	22	3.366	6.094
Total Short-term liabilites		**3.366**	**6.094**
Total Equity and liabilities		**566.441**	**557.693**

STATEMENT OF MOVEMENTS IN EQUITY

(€ thousand)

	Capital paid up an called	Share premium reserve	Revaluation reserve	Other reserves	Result to Vastned Retail Nederland B.V. shareholders	Equity to Vastned Retail Nederland B.V. shareholders
Balance as of 1 January 2023	**18**	**518.429**	**154.955**	**(141.291)**	**10.400**	**542.511**
Contribution from profit approcation	-	-	-	10.400	(10.400)	-
Allocation to the revaluation reserve	-	-	(7.473)	7.473	-	-
Result of the bookyear	-	-	-	-	7.046	7.046
Balance as of 31 December 2023	**18**	**518.429**	**147.482**	**(123.418)**	**7.046**	**549.557**
Contribution from profit approcation	-	-	-	7.046	(7.046)	-
Allocation to the revaluation reserve	-	-	(16.947)	16.947	-	-
Result of the bookyear	-	-	-	-	11.319	11.319
Balance as of 31 December 2024	**18**	**518.429**	**130.535**	**(99.425)**	**11.319**	**560.876**

CASH FLOW STATEMENT

(€ thousand)	**2024**	**2023**
Cash flow from operating activities		
Result after taxes	11.319	7.046
Adjustments for:		
Value movements in property	7.682	12.985
Cash flow from operating activities before changes in working capital and provisions	19.001	20.031
Movement in current assets	90	1.875
Movement in short-term liabilities	(2.727)	997
Cash flow from operating activities	**16.363**	**22.903**
Cash flow from investing activities		
Property acquisition	(87)	-
Capital expenditure on property	(1.846)	(4.035)
Divestments of property	34.155	2.570
Cash flow from property	32.222	(1.465)
Additions to other fixed assets	107	30
Cash flow from investing activities	**32.328**	**(1.436)**
Cash flow from financing activities		
Movement Receivable from group companies	(49.600)	(20.700)
Movement in guarantee deposits and other long-term liabilities	157	289
Cash flow from financing activities	**(49.443)**	**(20.411)**
Net increase/(decrease) in cash and cash equivalents	**(751)**	**1.057**
Cash and cash equivalents as at 1 January	1.527	470
Cash and cash equivalents as at end of period	**776**	**1.527**

Notes on the financial statements

1 General information

Vastned Retail Nederland B.V. was filed at the trade register of the Chamber of Commerce under number 24447520. Vastned Retail Nederland B.V. was until 31 December 2024 a subsidiary of Vastned Retail N.V. .

The following applies as until 31 December 2024. As of 1st January 2025, Vastned Retail N.V. was merged with and into Vastned NV, a stock listed company on Euronext Brussels (VASTB) and Euronext Amsterdam (VASTB).

Vastned Retail N.V., with its registered office in Amsterdam and principal place of business in Hoofddorp, the Netherlands, was a European listed property company (Euronext Amsterdam: VASTN) focusing on the best property on the popular high streets of selected European cities with a historic city centre, where shopping, living, working and leisure converge. Vastned Retail Nederland's property clusters have a strong tenant mix of international and national retailers, hospitality businesses, are located in the Netherlands, France, Belgium and Spain.

Vastned Retail N.V. was listed on the Euronext stock exchange in Amsterdam till 31 December 2024 and was delisted with the completion of the reverse merger on 1 January 2025. Vastned Retail Nederland B.V. merged into Vastned NV on March 4, 2025.

2 Significant principles for financial reporting

Statement of compliance

The financial statements of the company are presented in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union (IFRS-EU) and also comply with statutory provisions with respect to the financial statements as set out in Title 9 of Book 2 of the Dutch Civil Code. These standards also comprise of all new and revised Standards and Interpretations as published by the International Accounting Standards Board (IASB) and the International Financial Reporting Standards Interpretations Committee (IFRIC), as far as they apply to the activities during the financial year beginning 1 January 2024.

The notes in this chapter also applies to Vastned Retail Nederland B.V.; which was a 100% subsidiary of Vastned Retail N.V. as at 31 December 2024.

New or amended standards and interpretations that became effective on 1 January 2024

The amended standards and interpretations that came into effect in 2024 are listed below.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024)

New or amended standards and interpretations that became effective on 1 January 2025

The below mentioned standards have been adopted, but are not yet effective and therefore not yet being applied by the Group.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

New or amended standards and interpretations not yet adopted by the European Union

The following standards, amended standards and interpretations that have not yet been adopted by the European Union are therefore not yet being applied by the Group:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments

The Executive Board does not expect that the application in future periods of the standards mentioned above will have a material impact on the financial statements of the Group.

Principles applied in the presentation of the financial reporting

The financial statements are presented in thousand euros; amounts are rounded to the nearest thousand euros unless stated differently.

Property and financial derivatives are valued at fair value; the other items in the financial statements are valued at historical cost unless stated otherwise. Historical cost is generally based on the fair value of the compensation provided in exchange for goods and services.

The fair value is the amount for which an asset can be traded, or a liability settled, between well-informed, independent parties who are prepared to enter into a transaction, irrespective of whether its prices are directly observable or estimated using a different valuation method. When estimating the fair value of an asset or liability, the Group takes account of the characteristics of the asset or liability if a market actor would take account of these characteristics in valuing the asset or liability on the valuation date. Fair values for valuation or explanation purposes in these consolidated financial statements are determined on such a basis, except for lease transactions that fall under the scope of IFRS 16.

The main principles used in Vastned Retail's financial reporting are presented below.

Amortised cost

The amortised cost is the amount for which a financial asset or financial liability is recognised on the balance sheet at initial recognition less repayments on the principal, increased or decreased by the cumulative amortisation of the difference between that initial amount and the final maturity amount – determined via the effective interest method – less any write-downs (directly or by forming a provision) due to expected credit losses. For more details, reference is made to note Debtors and other receivables.

Netting

An asset and an item in loan capital are reported net in the financial statements exclusively if and to the extent that:

- a proper legal instrument is available for simultaneous, net settlement of the assets and the item of the loan capital; and
- there is a firm intention to settle the netted item as such or the two items simultaneously.

Judgements, estimates, assumptions and going concern

In the preparation of the consolidated financial statements in compliance with IFRS-EU, the Executive Board has made judgements concerning estimates and assumptions that impact the figures included in the financial statements. The estimates and underlying assumptions concerning the future are based on historical experience and other relevant factors, given the circumstances on the balance sheet date. The actual results may deviate from these estimates.

The estimates and underlying assumptions are evaluated regularly. Any adjustments are recognised in the period in which the estimate was reviewed or, if the estimate also impacts future periods, also in these future periods. The principal estimates and assumptions concerning the future and other important sources of estimate uncertainties on the balance sheet date that have a material impact on the financial statements and which present a significant risk of material adjustment of book values in the subsequent financial year are presented below.

In the application of the principles for financial reporting, the Executive Board, in consultation with the Audit and Compliance Committee, made the following judgements that have the most significant impact on the figures in the consolidated financial statements. For (more) specific explanations per balance sheet item and for items in the profit and loss account, reference is made to the general principles and respective notes to these items.

Vastned Retail Nederland B.V. ceases to exist as from March 4, 2025 due to the merger with and in Vastned NV. The valuation principles have not changed. For the financial statement items that were valued at fair value, they have also been valued at fair value within Vastned NV.

Accounting implications of geo-political conflicts, current economic circumstances and developments in FII-regulation

2024 was marked by the ongoing military conflicts between Russia and Ukraine and between Israel and Palestine. Economic conditions and further tightened plans to abolish the FII regime as of January 1, 2025 will affect overall performance for the foreseeable future, although the impact of these issues on Vastned Retail Nederland performance (and its accounting) during 2024 was limited.

- Abolishment of the FII regime 2023, the Dutch government enacted legislation in January 2025 to abolish the FII (Dutch: "FBI") regime. This will lead to regular taxation of the Dutch real estate activities leading to a significant increase of income taxes to be paid as of fiscal year 2025. The abolishment of the FII regime had no impact on Vastned Retail Nederland’s financial results in 2024, except for the costs overseeing the restructuring due to the abolishment.
- Accounting implications of geo-political conflicts.
  Vastned Retail Nederland has carefully considered its direct and indirect exposures to the military conflicts and concluded that these have been, and most likely will continue to be limited, as are the effects on the financial statements.

Leases

- Lease income- The accounting of lease income in the case of an operating lease, the Group considers what can be reasonably expected concerning the performance and the effect of the lease, including the most probable lease term, partly based on specifically agreed issues and economic circumstances and incentives.
- Classification – the Group as lessor
  The Group has concluded leases for its property. Based on an evaluation of the provisions and conditions of the agreements, such as whether or not the lease period covers a significant portion of the useful life of the property and whether or not the present value of the minimum lease payments principally concerns all amounts of the fair value of the property, the Group has determined that it retains all the principal risks and benefits of ownership of the property and therefore presents the contracts as operating leases.

Income from contracts with clients

- Obligations to perform and principal-agent considerations in the event of services to customers. The Group provides certain services to lessees of property, as outlined in the contract that the Group enters into as a lessor. These services are provided by third parties. The Group charges service charges for this. Service charges are expenses for power, doormen, garden maintenance, etc., which can be charged to the tenant under the terms of the lease, whereby the Group can be regarded as an agent. For this reason, the expenses and amounts charged are not specified in the profit and loss account.

- Determining the time of sale of a property. Contracts relating to the sale of property are recognised in principle at the time when control is transferred to the buyer, being the time when the property is delivered to the buyer and this party can therefore actually make use of the property. For an unconditional exchange of contracts, it is generally expected that control is transferred to the buyer along with the legal title.

Estimates and assumptions

Presented below are the main assumptions regarding future and other significant sources of estimate uncertainty on the reporting date that constitute a significant risk that the book value of assets and liabilities may cause a material adjustment in the following financial year. The Group has based its assumptions and estimates on available parameters in the preparation of the consolidated financial statements. Existing circumstances and assumptions for future developments may change, however, as a result of market changes or circumstances beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Valuation of property

All property in operation is appraised at least once per year by independently certified appraisers. These appraisals are based on assumptions including the estimated rental value of the property in operation, net rental income, future capital expenditure and the net market yield of the property. As a result, the value of the property in operation is subject to a degree of uncertainty. The actual outcomes may therefore differ from the assumptions, and this may have a positive or negative effect on the value of the property in operation and, as a consequence, on the result. For further explanation, reference is made to Property in operation.

Income tax

Deferred tax assets are included for unused tax losses to the extent that tax profits against which the losses can be offset are likely to be available. Significant estimates and assumptions are required to determine the value of deferred tax assets that can be recognised, based on the probable time and the level of future taxable profits, along with future tax planning strategies.

Legal proceedings

As at 31 December 2024, there were no legal proceedings for which the final outcome is expected by the Executive Board to result in a significant outflow of cash and cash equivalents and, as such, a negative impact on the result. If the outcome of any legal proceedings should differ from the Executive Board's estimates, this might have a negative impact on the result.

The accounting principles for financial reporting under IFRS as endorsed by the European Union, set out below, have been applied consistently within the Group and for all periods presented in these consolidated financial statements.

Property in operation

Property is immovable property held in order to realise rental income, value increases or both. Property is classified as property in operation if the property is available for letting.

Acquisitions and disposals of immovable property available for letting are included in the balance sheet as property or designated as divested at the time when the property is transferred by the seller or to the buyer and the buyer or the seller therefore has the property at their disposal. Upon initial recognition, the property is recognised at acquisition price plus costs attributable to the acquisition, including property transfer tax, property agency fees, due diligence costs, legal costs and civil-law notary costs, and is recognised at fair value on subsequent balance sheet dates.

Property in operation is stated at fair value, with an adjustment for any balance sheet items in respect of lease incentives (see section Leases in this note). Fair value is based on market value (less the costs borne by the buyer, including property transfer tax and civil-law notary costs), i.e., the estimated value at which a property could be traded on the balance sheet date between well-informed and independent parties who are prepared to enter into a transaction, both parties acting prudently and without duress. The independent, certified appraisers are instructed to appraise the property in accordance with the ‘Appraisal and Valuation Standards’ as published by the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards as published by the International Valuation Standards Council (IVSC). These guidelines contain mandatory rules and best practice guidelines for all RICS members and appraisers.

Appraisers use the discounted cash flow method and/or the capitalisation method for determining the market value. In the event that both methods are applied, the respective outcomes are compared. The market value according to the discounted cash flow method is determined as the present value of the cash flow forecast for the following ten years and the end value which is calculated by capitalising the market rental value at the beginning of the eleventh year at a certain yield (capitalisation factor). The market value established according to the capitalisation method is determined by capitalising the net market rents on the basis of a yield. The capitalisation factor is based on the yields of recent market transactions for comparable properties at comparable locations. Both methods take into account recent market transactions and differences between market rental value and contractual rental value, incentives provided to tenants, vacancy, operating expenses paid, the state of repair and future developments.

The valuation of Vastned Retail Nederland property is based on the highest and best use.

To present fair value on the balance sheet date in (interim) financial statements as accurately as possible, the following system is used:

- Properties in operation with an expected individual value exceeding € 2.5 million are appraised externally every six months.
- External appraisals of properties with an expected individual value of € 2.5 million or less are carried out at least once per year, evenly spread across six-month periods. For periods during which these properties are not appraised externally, the fair value of these properties is determined internally.
- The external appraisers must be demonstrably properly certified and must have a good reputation and relevant experience pertaining to the location and the type of property. Furthermore, they must act independently, objectively and ethically.
- In principle, the external appraiser for a property is changed every three years.

Based on this method, approximately 85% of the total value of Vastned Retail Nederland property is effectively appraised externally every six months.

The remuneration of the external appraisers is based on a fixed fee per property and on the number of tenants per property.

Profits or losses resulting from a change in the fair value of the property in operation are recorded in the profit and loss account for the period in which they occur and recognised under ‘Value movements in property in operation’.

Profits and losses resulting from divestments of property are determined as the difference between net income from divestment and the latest published book value of the property and are recognised in the period in which the divestment takes place and recorded under ‘Net result on divestments of property’.

Vastned Retail Nederland took the impact of climate-related matters, such as energy labels, into consideration when undertaking valuations of properties. This did not result in a material impact on the valuation of the properties as at 31 December 2024.

Leases

(a) The Group as a lessor

The Group concludes leases for its property as a lessor. Lease contracts in which the Group is a lessor are classified as financial or operational leases. When the conditions of the lease indicate that virtually all risks and benefits of ownership are transferred to the lessee, the contract is classified as a financial lease. All other lease contracts are classified as operational leases. The Group lets its property in the form of operational leases. Rental income from operational leases is recognised straight-lined over the duration of the relevant lease. Initial direct costs incurred in the acquisition of the operational lease are added to the book value of the leased assets and recognised straight-lined over the lease term as a charge. Rent-free periods, lease discounts and other lease incentives are recognised as an integral part of total gross rental income. If a contract contains both lease and non-lease components, the Group applies IFRS 15 to allocate the fee based on the contract to each component.

(b) The Group as a lessee

At the start of a contract, the Group determines whether the contract is or comprises a lease contract. The Group recognises a right of use and a corresponding lease liability regarding all lease contracts in which the Group is a lessee, except for lease contracts with a lease term of 12 months or less and lease contracts for assets of minimal value, such as tablets and personal computers, small office furniture and telephones. For these lease contracts, the Group recognises the lease payments straight-lined as operating expenses for the duration of the lease, unless a different systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are enjoyed. The lease liability is initially valued at the present value of the lease payments that were not paid on the effective date.

Lease payments included in the valuation of the lease liability in principle only comprise fixed lease payments (including essentially fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated balance sheet and is determined by raising the book value by interest and by reducing the book value by the lease payments. The Group adjusts the lease liability and makes a corresponding adjustment to the related right-of-use asset when the following situations occur:

- The lease period is changed
- The lease payments change due to changes in an index
- A lease contract is changed and the lease change in this case is not recognised as a separate lease

In a limited number of cases, the Group can be qualified as a lessee. This concerns a number of ground rent agreements and a number of lease contracts for offices that the Group leases for its organisation. The right-of-use assets related to these contracts comprise the initial valuation of the corresponding lease liability, less the lease payments made on or prior to the effective date, any incentives received and increased by any initial direct costs. The right-of-use assets related to the ground rent agreements are included under ‘Property in operation’ and are valued at fair value. These right-of-use assets are therefore not depreciated. The right-of-use assets concerning leases for the offices that the Group leases for its organisation are presented as a separate line in the balance sheet and are valued at cost less cumulative amortisation and value decreases.

Right-of-use assets are depreciated over the lease period or, if shorter, the useful life of the underlying assets. For more details, reference is made to note Leases.

Assets held for sale

Assets and groups of assets are recognised under ‘Assets held for sale’ if it is expected that the book value will principally be realised by the sale of the assets within one year after recognition under ‘Assets held for sale’ and not as the result of the continued use thereof. This condition is only satisfied if the sale is very likely, the assets are available for immediate sale in their present condition and the Executive Board has prepared a plan for this.

Assets held for sale, i.e. former investment properties valued as per earlier mentioned principles, are recognised at fair value.

Profits or losses resulting from a change in the fair value of assets held for sale are recorded in the profit and loss account under ‘Value movements in assets held for sale’ in the period in which they occur.

Debtors and other receivables

Debtors and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less expected credit losses. The expected credit losses on financial assets are determined on the basis of the expected credit loss method (ECL). For Debtors and other receivables, the Group applies the simplified approach of the calculation method for the ECL on the basis of expected credit losses over the economic life. The Group employs a provisions matrix for the calculation of expected credit losses on receivables. The provision rates are based on the historical credit loss experience of the Group, corrected for forward-looking factors that are specific to the debtors and the economic environment.

Shareholders’ equity

External costs directly attributable to the issuing of new shares, such as issuing costs, are deducted from the proceeds and consequently recognised in the share premium reserve. In the issue price of shares, account is taken of the estimated result for the current financial year attributable to the shareholders of the company up to the issuing date. The result included in the issue price is added to the share premium reserve.

When repurchasing the company’s own shares, the balance of the amounts paid, including directly attributable costs, is charged to the Other reserves.

No result is recognised in the profit and loss account upon the buyback, sale, issue or cancellation of the company’s own shares.

Dividends in cash are charged to the other reserves in the period in which the dividends are declared by the company.

Income tax

Income tax comprises taxes currently payable and recoverable that are attributable to the reporting period and movements in deferred tax assets and deferred tax liabilities. Income tax is recognised in the profit and loss account, except to the extent that it concerns items that are included directly in equity, in which case the taxes are recognised under equity. The taxes payable and offsettable for the reporting period are the taxes that are expected to be payable on taxable profit in the financial year, calculated on the basis of tax rates and tax legislation enacted or substantially enacted on the balance sheet date, and corrections to taxes payable for previous years. Additional income tax on dividend payments by subsidiaries is recognised as a liability when it is probable that the dividend in question will be distributed.

Deferred tax assets are recognised as income tax to be reclaimed in future periods relating to offsettable temporary differences between the book value and the tax-based book value of assets and liabilities. They also relate to the carry forward of unused tax credits to the extent that it is probable that future taxable profits will be available against which unused tax losses and tax credits can be utilised. Deferred tax assets are only recognised if it is likely that the temporary differences will be settled in the near future and sufficient taxable profit will be available for settlement.

Deferred tax liabilities are recognised for income tax payable in future periods on taxable temporary differences between the book value of assets and liabilities and their tax-based book value.

For the valuation of deferred tax assets and liabilities, the Group takes into account the tax rates that are expected to apply in the period in which the receivable and/or liability will be settled, based on tax rates (substantially) enacted on the balance sheet date. For deferred tax assets and liabilities, the average tax rate is applied for the following three years in view of the uncertainty of the realisation of the book value of the property.

Deferred tax assets and liabilities are not discounted.

No deferred tax asset or liability is recognised for taxable temporary differences upon the initial recognition of an asset or a liability in a transaction that is not a business combination and which has no impact on the result at the time of the transaction. Nor are any deferred tax liabilities recognised for taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are netted if there is a legally enforceable right to offset the tax assets and liabilities and when the deferred assets and liabilities concern the same tax regime.

Other provisions

In the event that the Group has a legal or constructive obligation resulting from a past event and it is probable that the settlement of that liability requires an outflow of funds and the amount can be reliably measured, provisions are recognised in the balance sheet to cover such an eventuality. If the effect is material, provisions are recognised at the present value of the expenditure that is expected to be required for the settlement of the liability.

Interest-bearing debts

Upon initial recognition, interest-bearing debts are stated at fair value less the costs associated with the contracting of the interest-bearing debt. After their initial recognition, interest-bearing debts are stated at amortised cost, with any difference between the cost price and the debt to be repaid recognised in the profit and loss account for the term of the debt based on the effective interest rate method. Interest-bearing debts with a term of more than one year are recognised under long-term liabilities. Any repayments on interest-bearing debts within one year are recognised under short-term liabilities.

Derecognition from the balance sheet

An interest-bearing debt is derecognised from the balance sheet when the interest-bearing debt is discharged, cancelled or expired. If an existing interest-bearing debt is replaced by another from the same lender but with substantially different conditions, or the conditions of an existing interest-bearing debt are substantially changed, such a replacement or change is managed by derecognising the debt and recognising a new interest-bearing debt. The difference between the respective book values is reported in the profit and loss account.

In the event that the conditions of the interest-bearing debts are adjusted, but this does not result in the annulment of the interest-bearing debt, the difference between the respective book values is reported in the profit and loss account. This difference is calculated as the difference between the original contractual cash flows and the amended cash flows discounted at the original effective interest rate.

Other liabilities and accruals

Other liabilities and accruals are initially recognised at fair value and subsequently valued at amortised cost.

Net service charge expenses

Service charges are the expenses for power, doormen, garden maintenance, etc., which can be charged to the tenant under the terms of the lease. The part of the service costs that cannot be charged relates largely to vacant units in properties.

Operating expenses

Operating expenses are the costs directly related to the operation of the property, such as maintenance, management costs, insurance, allocation to the provision for uncollectible receivables (rent), and local taxes. These costs are attributed to the period to which they relate. Expenses incurred when concluding operating leases, such as commissions, are recognised in the period in which they are incurred.

Net financing costs

Net financing costs consist of interest expenses on interest-bearing debts attributable to the period, calculated on the basis of the effective interest rate method less capitalised financing costs on property and interest income on outstanding loans and receivables. Net financing costs also include gains and losses resulting from changes in the fair value of the financial derivatives. These gains and losses are recognised immediately in the profit and loss account.

General expenses

General expenses include personnel costs, housing costs, IT costs, publicity costs and the costs of external consultants, and are recognised in the period in which they are incurred. Costs relating to the internal commercial, technical and administrative management of the property are attributed to operating costs paid.

Cash flow statement

The cash flow statement is prepared based on the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Income and expenditure in respect of interest are recognised under cash flow from operating activities.

3. Net rental income (€ thousand)	2024	2023
Gross rental income	26.716	27.495
Other income	-	11
Net service charge expenses	(191)	(122)
Operating expenses	(4.379)	(4.120)
Net rental income	**22.146**	**23.264**
Net service charge expenses		
Attributable to leased properties	182	117
Attributable to vacant properties	9	5
Total net service charge expenses	**191**	**122**
Operating expenses		
Attributable to leased properties	4.164	3.956
Attributable to vacant properties	215	165
Total operating expenses	**4.379**	**4.120**
Operating expenses		
Maintenance	1.273	1.253
Administrative and commercial management	1.063	1.099
Insurance	271	312
Local taxes	1.271	1.034
Letting costs	252	236
Allocation to the provision for expected credit losses	125	41
Other operating expenses	123	144
Total operating expenses	**4.379**	**4.120**

4. Value movements in property (€ thousand)	2024	2023
Positive value movements	5.222	16.065
Negative value movements	(12.903)	(29.050)
Total Value movements in property	**(7.682)**	**(12.985)**

5. Net result on divestments of property (€ thousand)

	2024	2023
Sale price	34.540	2.875
Bookvalue at timeof divestment	(34.155)	(2.570)
	385	305
Sales costs	(145)	(0)
Total Value movements in property	**240**	**305**

6. Net financing costs (€ thousand)

	2024	2023
Lease liabilities	2	1
Other interest expenses	6	6
Total Net financing costs	**8**	**6**

7. General expenses (€ thousand)

	2024	2023
Consultancy and audit costs	133	85
Appraisal costs	239	199
Accomodation and office costs	53	69
Other expenses	11	(0)
Attributed to operating expenses	(863)	(894)
	(428)	(540)
Allocated management fees	3.806	4.071
Total General expenses	**3.378**	**3.531**

Vastned Retail Nederland B.V. has no employees. The employees are part of Vastned Management B.V.

The consultancy and audit costs include the cost presented below, which were charged by Deloitte Accountants B.V.

(€ thousand)	**2024**	**2023**
Audit fees	25	-
Other non-audit-related fees	-	-
Total	25	-

8. Income tax	**2024**	**2023**
(€ thousand)		
Total Income taks	**0**	**0**

Dutch FII regime
In the Netherlands, Vastned Retail and several subsidiaries like Vastned Retail Nederland B.V. constitute a tax entity that qualifies as a fiscal investment institution ('FII') for corporate income tax. As long as this tax entity continues to satisfy the conditions for qualifying as an FII, the tax entity's tax result is taxed at a corporate income tax rate of 0%. The majority of the Dutch property portfolio is held by this tax entity. The conditions of the FII regime mainly concern the investment character of the activities, the tax-based financing ratios, the composition of the shareholder base and the cash dividend distribution of the tax result within eight months after the close of the financial year.

9. Restructuring expenses	**2024**	**2023**
(€ thousand)		
Total Restructuring expenses	**0**	**0**

During 2024 Vastned Retail Nederland B.V. had no restructuring expenses.

10. Earnings per share	**2024** Basic	**2024** Diluted	**2023** Basic	**2023** Diluted
(€ thousand)				
Result after taxes	**11.319**	**11.319**	**7.046**	**7.046**

Average number of ordinary shares in issue	**2024** Basic	**2024** Diluted	**2023** Basic	**2023** Diluted
Balance as at 1 January	18.000	18.000	18.000	18.000
Movements	-	-	-	-
Average number of ordinary shares in issue	**18.000**	**18.000**	**18.000**	**18.000**

Per share	**2024** Basic	**2024** Diluted	**2023** Basic	**2023** Diluted
(€)				
Result after taxes	**628,83**	**628,83**	**391,43**	**391,43**

11. Dividend

No dividend was paid out relating to both the financial year 2024 and 2023.

12. Fair value

e fair value is the amount the Group would expect to receive on the balance sheet date if an asset is sold or to pay if a liability is transferred in an orderly transaction between market parties.

The assets and liabilities valued at fair value on the balance sheet are divided into a hierarchy of three levels:

- Level 1:
  The fair value is determined based on published listings in an active market
- Level 2:
  Valuation methods based on information observable in the market.
- Level 3:
  Valuation methods based on information that is not observable in the market, which has a more than significant impact on the fair value of the asset or liability.

The table below indicates the level to which the assets and liabilities of the Group valued at fair value are valued:

Assets valued at fair value	Level	**2024** Book value	**2024** Fair value	**2023** Book value	**2023** Fair value
(€ thousand)					
Assets					
Property in operation					
(including accrued assets in respect of lease incentives)	3	423.195	423.195	443.940	443.940
Financial derivatives	2	-	-	-	-
Assets held for sale	3	2.460	2.460	21.725	21.725
Liabilities valued at fair value					
Long-term liabilities					
Long-term interest-bearing loans	2	-	-	-	-
Lease liabilites	2	47	47	45	45
Financial derivatives	2	-	-	-	-
Short-term liabilities					
Redemption of long-term interest-bearing loans	2	-	-	-	-

l assets and liabilities valued at fair value were valued as at 31 December 2024.

No assets or liabilities were reclassified with respect to levels in 2024 and 2023.

The value of the 'Assets held for sale' is determined on the basis of expected sales prices, which are based on draft contracts of sale or letters of intent.

The fair value of the ‘Long-term interest-bearing loans’ and the ‘Lease liabilities’ is calculated as the present value of the cash flows based on the swap yield curve and credit spreads in effect as at 31 December 2024.

The fair value of the 'Debtors and other receivables', 'Cash and cash equivalents', 'Guarantee deposits and other long-term liabilities', 'Payable to banks', 'Short-term lease liabilities' and 'Other liabilities and accruals' is considered to be equal to the carrying amount, given the short-term nature of these assets and liabilities and the fact that they are subject to a floating interest rate. For this reason, these items are not included in the table.

For an explanation of the valuation principles for the property in operation and the financial derivatives, reference is made to note 2 Significant principles for financial reporting, starting on page 7 sections 'Property in operation', 'Financial derivatives' and 'Assets held for sale'.

13. Property in operation

All the property in operation is appraised at least once per year by independent certified appraisers. These appraisals are based on assumptions that include the estimated rental value of the property in operation, net rental income, future capital expenditure and the net market yield of the property. As a result, the value of the property in operation is subject to a degree of uncertainty. The actual outcomes may therefore differ from the assumptions. This may have a positive or negative effect on the value of the property in operation, and consequently on the result.

Vastned Retail Nederland BV's appraisers, CBRE and Cushman & Wakefield, have the largest database in Europe in the area of retail property. They are best placed in the present appraisal market to minimize estimation uncertainty and assign a correct value to Vastned Retail Nederland's property, taking into account the current economic circumstances and its impact on the parameters that are relevant for the market value determination as at 31 December 2024.

The property in operation valued at fair value falls under 'level 3' in terms of valuation method.

Valuation of property
Key principles and assumptions used in determining the appraisal values of the Property in operation and Assets held for sale are as follows:

	2024	**2023**
Appraisal value as at 31 December	425,6	465,6
Lease incentives still to be granted as at the balance sheet date (x thousand)	599,8	800,0
Market rent per sqm (€)	253,6	243,9
Theoretical annual rent per sqm (€)	280,9	271,6
Vacancy rate at end of reporting year (%)	1,9%	2,3%
Weighted average lease term in years (until first break)	2,9	3,1

The market rental value is the estimated amount for which a particular space can be let at a certain point in time by well-informed and independent parties that are prepared to enter into a transaction, with both parties acting prudently and without duress.

The theoretical annual rental value is the gross annual rent exclusive of the effects of straight-lining of lease incentives, increased by the annual market rental value of any vacant spaces.

The vacancy rate is calculated by dividing the estimated market rental value of the vacant spaces by the estimated market rental value of the total property portfolio.

The net yield is calculated by dividing the contractual gross rental income less the non-recoverable operating expenses by the market value of the property on an all-in basis.

As at 31 December 2024, 85.9% of the property in operation was appraised by independently certified appraisers (31 December 2023: 85.0%). The independently certified appraisers who appraised the property in 2023 and 2024 were CBRE and Cushman & Wakefield in Amsterdam.

Impact of climate-related matters
Climate-related matters in the broadest sense (including governmental action plans, policies and accompanying regulations) are increasingly affecting Vastned Retail Nederland B.V as an organization. Management assessed the impact of these matters on the valuation of the property portfolio and concluded, in line with prior years, this impact to be limited. No judgment is linked to this in the valuation based on the following reasons:

- Retail units are mainly let as shells, which means that the tenant is often responsible for measures regarding energy and consumption; sustainability measures by the owner are generally taken when the store is empty, whereby large-scale maintenance can be carried out at a logical moment. No specific large-scale (re)sustainability measures are currently planned that impacted the valuation as such;

- In the event of unfavorable market conditions, investors are (more) hesitant and unwilling to pay more for a more sustainable retail property. We do see that environmental, social and governance (ESG) considerations and the Paris Proof commitments are increasingly on the agenda of institutional parties but, currently, most high street properties are purchased by private investors where sustainability often has less impact on their investment behavior;

- The risk on flooding and/or fires is covered by insurance;

- There is (currently) no ‘obligation’ to ensure at least a ‘C’ label, as is the case with offices, which means that no corrections are included in retail in order to make a label jump.

Sensitivity
A 25 basis point increase in the net yields used in the appraisal values would result in a decrease in the value of property in operation by € 19.9 million; At 50 basis points this would be € 38.1 million.

Property in operation

Property in operation **(€ thousand)**	**2024**	**2023**
Balance as at 1 Januari	442.559	475.804
Acquisitions	87	-
Investments	1.846	4.035
Transferred to Assets held for sale	(16.036)	(21.725)
Transferred from Assets held for sale	-	-
Divestments	-	(2.570)
Manual adjustment	-	-
	428.457	455.544
Value movements	(6.537)	(12.985)
Total property in operation (excluding ground lease)	421.920	442.559
Accrued assets in respect of lease incentives	1.235	1.341
Appraisal value as at 31 December	423.155	443.900
Ground lease	40	40
Balance as at 31 December	**423.195**	**443.940**

The acquisitions during 2024 concerned one property in Maastricht on the Muntstraat 16-18.

The capital expenditure in 2024 involved improvements to a number of properties.

The divestments in 2024 concerned 17 properties mostly located in secondary cities in the Netherlands.

In the Netherlands, the value movements in 2024 were € 6.5 million negative (2023: € 13.0 million negative).

Accrued assets in respect of lease incentives **(€ thousand)**	**2024**	**2023**
Balance as at 1 Januari	1.341	1.371
Lease incentives granted	-	-
Charged to the profit and loss account	(106)	(30)
Transferred to Assets held for sale	-	-
Balance as at 31 December	**1.235**	**1.341**

The property does not serve as security for any loans obtained.

For further details on the property in operation, reference is made to the note 13 Property in operation, starting on page 23 overview included in this annual report.

14. Assets held for sale

Assets held for sale (€ thousand)	2024	2023
Balance as at 1 Januari	21.725	-
Allocation Assets held for sale	16.036	21.725
Divestments of property	(34.155)	-
Value movements	(1.145)	-
Other	(1)	-
Balance as at 31 December	**2.460**	**21.725**

15. Debtors and other receivables

(€ thousand)	31-dec-24	31-dec-23
Debtors and pre-invoiced amounts	1.069	1.489
Provision for expected credit losses	(593)	(797)
	477	692
Indirect taxes	256	205
Prepayments	444	356
Other receivables	6	20
Balance as at 31 December	1.183	1.273

The total accounts receivable, after deduction of the provision for expected credit losses, can be broken down as follows by the nature of the receivable:

(€ thousand)			31-dec-24
	Gross amounts	Provision for expected credit losses	Net amounts
Overdue accounts receivable	1.038	(593)	445
Other receivables	32	-	32
Balance as at 31 December	1.070	(593)	477

(€ thousand)			31-dec-23
	Gross amounts	Provision for expected credit losses	Net amounts
Overdue accounts receivable	1.297	(797)	500
Accounts receivable for which deferment has been granted	192	-	192
Other receivables	-	-	-
Balance as at 31 December	1.489	(797)	692

The contracts state that rents due must be paid by tenants before or on the first day of the rental period. Vastned Retail Nederland B.V. determines the provision for expected credit losses by applying the simplified approach in accordance with IRFS 9. Expected credit losses on rent receivables are estimated by means of a provisions matrix based on the debtors' past payment behaviour, and based on an analysis by country, in conjunction with an analysis of the debtors' current financial position. The dotation of provision for expected credit losses in 2024 was € 0.1 million.

16. Receivable from group companies

(€ thousand)	2024	2023
Balance as at 1 January	89.227	68.527
Provided to group companies	49.600	20.700
Balance as at 31 December	**138.827**	**89.227**

The receivable from group companies consist of € 138.0 million (31 December 2023: € 89.2 million) in current account loans provided without a fixed repayment date. Due to the largely short-term character of these receivable and the conditions that apply, these are presented as short-term receivables.

17. Cash and cash equivalents

Cash and cash equivalents concern bank account credit balances with a term of less than three months. The cash and cash equivalents are freely available to the company.

18. Shareholders equity

The Paid-up and called-up capital is € 18 thousand, divided into 18,000 ordinary shares of € 1.00 par value.

Vastned Retail Nederland BV shareholders' equity was € 31.159,79 per share as at 31 December 2024 (31 December 2023: € 30.530,96 per share). The amount per share has changed throughout the year due to the results. It is calculating by dividing the equity by the number of shares in issue.

19. Deferred tax assets and liabilities

Vastned Retail Nederland B.V. has no deferred tax assets and liabilities.

20. Provisions in respect of employee benefits

Vastned Retail Nederland B.V. has no provisions in respect of employee benefits. The employees are part of Vastned Management B.V.

21. Interest bearing debts

Vastned Retail Nederland B.V. has only a small amount of lease liabilities in place. Funding was realized at group level within Vastned Retail N.V.

22. Other liabilities and accruals

(€ thousand)	2024	2023
Accounts payable	19	2.399
Indirect taxes	1.243	1.369
Prepaid rent	1.625	1.421
Operating expenses	390	824
General expense	52	52
Other liabiliees and accruals	37	28
Balance as at 31 December	3.366	6.094

23. Financial instruments

Financial risk management
For the realisation of its targets and the exercise of its day-to-day activities, Vastned Retail N.V. has defined a number of financial conditions to mitigate credit risk, financing and refinancing risk, liquidity risk, interest rate risk and currency risk. These conditions have been laid down inter alia in the Financing and Interest Rate Policy Memorandum, which is updated annually, and in the Treasury Charter. Quarterly reports on these risks are submitted to the Audit and Compliance Committee and the Supervisory Board. Vastned Retail N.V. has a risk management and control system which also applies to Vastned Retail Nederland B.V.; Vastned Retail Nederland B.V. was a 100% subsidiary of Vastned Retail N.V. as at 31 December 2024.

24. Rights and obligations not recorded in the balance sheet

No rights and obligations not recorded in the balance sheet noted.

25. Leases

Vastned Retail Nederland B.V. lets its property in the form of operational leases.

Based on the current contract rent, the future minimum income from non-cancellable operating leases is as follows:

(€ thousand)	31-dec-24
Within one year	23.266
One to two years	19.475
Two to three years	13.601
Three to four years	8.747
Four to five years	5.357
More than five years	6.479
Total	**76.924**

(€ thousand)	31-dec-23
Within one year	26.534
One to two years	21.186
Two to three years	15.497
Three to four years	10.810
Four to five years	6.580
More than five years	6.737
Total	**87.344**

Leases are usually set for a period of five years, with the tenant having one or more options to extend the lease for a further ive years. Annual rent increases are based on the cost-of-living index.

26. Events after balance sheet date

Per January 1, 2025 Vastned Retail N.V. has been merged into Vastned NV in a reversed cross-border merger. Vastned Retail Nederland B.V. merged into Vastned NV on March 4, 2025.

With the reversed merger as of January 1, 2025 Mr Walta has resigned as CEO and has been replaced by Mr Bosman.

The abolishment of the FII (Dutch: "FBI") regime as per January 2025 was passed into law by the Dutch House of Representatives and Senate.

27. Related party transactions

The following parties are designated as related parties: controlling shareholders, subsidiaries, Supervisory Board members and the sole member of the Executive Board.

To the best of the company's knowledge, no property-related transactions were carried out during the year under review involving persons or institutions that could be regarded as related parties. All the other related party transactions are linked to the recharging of costs within the group. These costs are recharged within the normal course of business and at arms length.

Vastned Retail Nederland B.V. has paid a management fee of € 3,306,690 to Vastned Management B.V., which also includes the remuneration of the board; however, this cannot be quantified.

Executive Board
Mr Walta has been the sole member of the Executive Board (CEO) in 2024 (since 15 April 2021).

28. Subsidiaries

Vastned Retail Nederland B.V has no subsidiaries.

29. Approval of the financial statements

The financial statements were drawn up by the Executive Board and authorised for publication by the Board of Directors on 27 March 2025.

Other information

Profit distribution
In accordance with the company's Articles of Association, the profit is placed at the disposal of the Annual General Meeting of Shareholders. The company may only make distributions to shareholders insofar as Vastned Retail Nederland B.V. shareholders equity exceeds the sum of the paid-up and called-up capital plus the reserves required to be maintained by law.
In order to retain its tax status as a fiscal investment institution, the company must distribute the taxable profit, after making permitted reservations, within eight months following the end of the year under review.