

# Interim statement from the Board of Directors for the first quarter of 2024

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- EPRA earnings of € 0.61 per share for the first quarter of 2024.
- Real estate portfolio<sup>1</sup> stable in value compared to the previous financial year.
- High occupancy rate of 99.2% underlines the quality of the real estate portfolio.
- € 50.5 million of unused credit facilities available.
- A low debt ratio of 24.1% provides solid protection for 2024.

<sup>1</sup>) Excluding IFRS 16 right-of-use assets and assets held for sale.

# 1. Operational activities in the first quarter of 2024

## 1.1. Evolution of the real estate portfolio<sup>2</sup>

As at 31 March 2024, the majority of the real portfolio consists 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 IFRS 16 right-of-use assets worth € 0.1 million and excluding assets held for sale) amounted to € 310.1 million at 31 March 2024, which is a slight increase in fair value compared to the previous financial year (€ 309.6 million at 31 December 2023).

### Real estate portfolio

	31.03.2024	31.12.2023
Fair value of investment properties (in thousands €)	310,134	309,581
Total leasable space (m <sup>2</sup> )	75,165	75,165

## 1.2. Redevelopment within the real estate portfolio

### Brussels – Nieuwstraat

In 2023, Vastned Belgium completed the permit procedure 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. In the first quarter of 2024 the tendering procedure was started and the Company is currently selecting the contractor who will carry out the works. The works themselves will start during the third quarter of 2024 and be completed within a time period of one year.

### Namur – Galerie Jardin d'Harscamp

In the first quarter of 2024, the Company submitted an application for a permit for the redevelopment of Galerie Jardin d'Harscamp, with the aim of creating one (1) large retail unit from the vacant retail units and the unlettable corridor. The works will start as soon as the permit is obtained and expected to be completed in the first half of 2025. Vastned Belgium is currently in conversation with potential tenants for this unit, which will allow to eliminated the vacancy in the gallery.

### Louvain – Bondgenotenlaan

Two (2) applications for permits were submitted for the retail property located at Bondgenotenlaan 69 - 73 in Louvain. The first permit relates to the merger of two (2) retail units into one (1) larger unit. This permit was obtained in 2023 and the Company is currently in conversation with the tenant to carry out these works. The second permit relates to the redevelopment of the upper floors into student accommodation. The permit process of this second permit is still ongoing.

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

<sup>2</sup>) Excluding the assets held for sale.

### 1.3. Leasing activities

Vastned Belgium concluded five (5) rental agreements in the first quarter of 2024 representing a total rental volume of € 0.5 million. This corresponds to approximately 3.3% of Vastned Belgium's total rental income.

In total, three (3) new leases were concluded, of which one (1) commercial lease, one (1) agreement with a residential tenant and one (1) pop-up agreement. In addition, two (2) rental agreements, with existing tenants, were renewed.

The rental prices negotiated by Vastned Belgium (excluding pop-up agreements) are 3.7% 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.

### 1.4. Occupancy rate<sup>3</sup>

#### Occupancy rate

	31.03.2024	31.12.2023
Occupancy rate of the real estate portfolio	99.2%	99.9%

The occupancy rate of the real portfolio was 99.2% as at 31 March 2024 and decreased slightly compared to 31 December 2023 (99.9%). At the end of previous financial year, the Company concluded a number of pop-up agreements for Galerie Jardin d'Harscamp to promote the attractiveness of the gallery. These agreements came to an end in the first quarter of 2024.



Antwerp Graanmarkt • Graanmarkt 13

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

## 2. Financial results for the first quarter of 2024

(in thousands €)	31.03.2024	31.03.2023
Rental income	4,613	4,587
Rental-related expenses	-56	6
Other rental-related income and expenses	87	5
<b>PROPERTY RESULT</b>	<b>4,644</b>	<b>4,598</b>
Property charges	-530	-464
General costs	-284	-277
Other operating income and costs	2	2
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>3,832</b>	<b>3,859</b>
Result on disposal of investment properties	409	0
Changes in fair value of investment properties	407	189
Other result on portfolio	-147	94
<b>OPERATING RESULT</b>	<b>4,501</b>	<b>4,142</b>
Financial result (excl. changes in financial instruments)	-708	-370
Changes in fair value of financial instruments	493	-274
Taxes	-22	-16
<b>NET RESULT</b>	<b>4,264</b>	<b>3,482</b>
<b>Note:</b>		
• EPRA earnings	3,122	3,487
• Result on portfolio	669	283
• Changes in fair value of financial instruments	493	-274
• Taxes: deferred taxes	-13	-6
• Non-distributable result subsidiaries	-7	-8

## Analysis of results<sup>4</sup>

The **rental income** of Vastned Belgium amounted to € 4.6 million for the first three months of 2024 and is in line with the same period of previous financial year (€ 4.6 million). The increase due to indexation of the rent of existing rental agreements was partly compensated by lease renewals (against lower terms) closed in the previous financial year and the sale of a retail property located at Brusselsesteenweg 41 in Aalst.

**Rental-related expenses** related to the provision for potential losses on outstanding receivables. Compared to the same period of 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 the same period of previous financial year, a part of the provision for potential losses on outstanding receivables was reversed.

**Other rental-related income and expenses** amounted to € 0.1 million and mainly relate to money received by Vastned Belgium from the conclusion of bankruptcies. The bankruptcies themselves date from before 2021.

**Property charges** amounted to € 0.5 million and increased slightly compared to the same period of previous financial year. This increase is mainly visible in the commercial costs due to the reletting of one larger retail unit.

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

In the first quarter of 2024, Vastned Belgium sold the retail property located at Brusselsesteenweg 41 in Aalst for a value of € 1.6 million. On this sale, the Company realised a capital gain of € 0.4 million.

The fair value of Vastned Belgium's real estate portfolio increased in the first quarter of 2024 compared to the previous financial year. The **changes in the fair value of investment properties** are positive for an amount of € 0.4 million (€ 0.1 million). The fair value of investment properties increased due to an increase in market rents due to indexation and the further refinement of the capitalisation rate (yield) of a number of properties.

The **financial result (excl. changes in fair value of financial instruments)** amounted to € -0.7 million (€ -0.4 million) for the first three months of 2024 and decreased by € -0.3 million compared to the same period of previous financial year. The decrease in the financial result is due to the increase in interest expenses as a result of the refinancing of the credit lines. The average interest rate for financing for the first quarter of 2024 is 3.58% including bank margins (1.86%).

The **changes in the fair value of financial instruments** include an increase in the positive market value of interest rate swaps that cannot be classified as cash flow hedging instruments in accordance with IFRS 9 '*Financial Instruments*'. The increase of € 0.5 million in the value of the interest rate swaps is due to rising interest rates compared to the moment when these contracts were concluded.

The **net result** of Vastned Belgium for the first quarter of 2024 amounts to € 4.3 million (€ 3.5 million) and can be divided into:

- the EPRA earnings of € 3.1 million, which decreases by € 0.4 million compared to the same period of previous financial year (€ 3.5 million). This decrease is largely attributable to the increase in interest expenses due to the refinancing of the credit lines;
- the result on the portfolio (incl. result on disposal of investment properties) of € 0.7 million (€ 0.3 million); and
- the changes in the fair value of financial instruments to an amount of € 0.5 million (€ - 0.3 million).

<sup>4</sup>) The comparable figures as at 31 March 2023 are parenthesised.

## Key figures per share

### Key figures per share

	31.03.2024	31.12.2023
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	46.50	45.66
Net value (investment value) (€)	48.03	47.19
EPRA NRV (€)	47.94	47.19
EPRA NTA (€)	46.40	45.66
EPRA NDV (€)	46.50	45.66
Share price on closing date (€)	29.40	30.80
Premium (+)/Discount (-) with regard to fair net value (%)	-36.8%	-32.5%

The net value (fair value) of the share amounts to is € 46.50 (€ 45.66) as at 31 March 2024. Given that the share price of Vastned Belgium (VASTB) amounted to € 29.40 per share on 31 March 2024, the share was listed at a discount of -36.8% compared to the net value (fair value) at 31 March 2024.

## Financial structure

Vastned Belgium's debt ratio amounts to 24.1% on 31 March 2024, a decrease of -1.2% in the first quarter of 2024 (25.3% at 31 December 2023).

As at 31 March 2024, the Company has unused credit lines for an amount of € 50.5 million.

The financial structure can be summarised as follows:

- Withdrawn financial debts: € 74.5 million.
- 100% of the available credit lines with financial institutions are long-term financing with a weighted average term of 3.8 years.
- Fixed interest rates are fixed for a remaining period of 3.9 years on average.
- Average interest rate for the first quarter of 2024: 3.58% including bank margins.
- Market value of the financial derivatives: € 0.8 million.



## 3. General Meeting and dividend distribution

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The General Meeting of Shareholders of 24 April 2024 approved the annual accounts of Vastned Belgium for the year ended on 31 December 2023, including the profit appropriation. The gross dividend to be paid for financial year 2023 has been set at € 2.30 per share. After deduction of 30% withholding tax, the net dividend for financial year 2023 amounts to € 1.610 per share.

The dividend was payable on 8 May 2024 based on the shareholding as at 7 May 2024.

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

## 4. Sustainability

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In the first quarter of 2024, Vastned Belgium communicated its sustainability framework & policy upon publication of the annual report of financial year 2023. In preparation for the 'Corporate Sustainability Reporting Directive' (CSRD), Vastned Belgium has already prepared a dual materiality matrix. When drawing up a dual materiality matrix, two perspectives were taken into account: (i) impact materiality, which assesses the impact Vastned Belgium has on the environment and society in relation to a subject; and (ii) financial materiality, which assesses the potential impact a subject could have on Vastned Belgium's financial results in the future. The union of these two perspectives results in a double materiality.

In the coming period, the Company will continue to conduct a CSRD gap analysis based on the ESRS standards. From this analysis, additional reporting requirements will be identified. The following is an overview of the various components:

- *Identification of reporting requirements*: this will identify all material topics with regard to the reporting requirements of the 10 delineated ESRS themes (5 in environmental, 4 in social and 1 in governance).
- *Assessing of the current situation*: analysing the existing sustainability initiatives, targets and monitoring systems. This includes examining policies, procedures and training programmes related to sustainability. This analysis is followed by a review of additional reporting requirements.
- *Implementing improvements*: This step consists of implementing new monitoring systems, updating policies and procedures, improving employee training or investing in new technologies. Implementation will be based on predetermined priorities.

Finally, solar panels with a total capacity of 35.2 kWp were installed in the first quarter of 2024. This brings the total installed capacity to 112.87 kWp. The Company will make additional investments in the coming months, increasing the installed capacity to over 200 kWp at year-end.

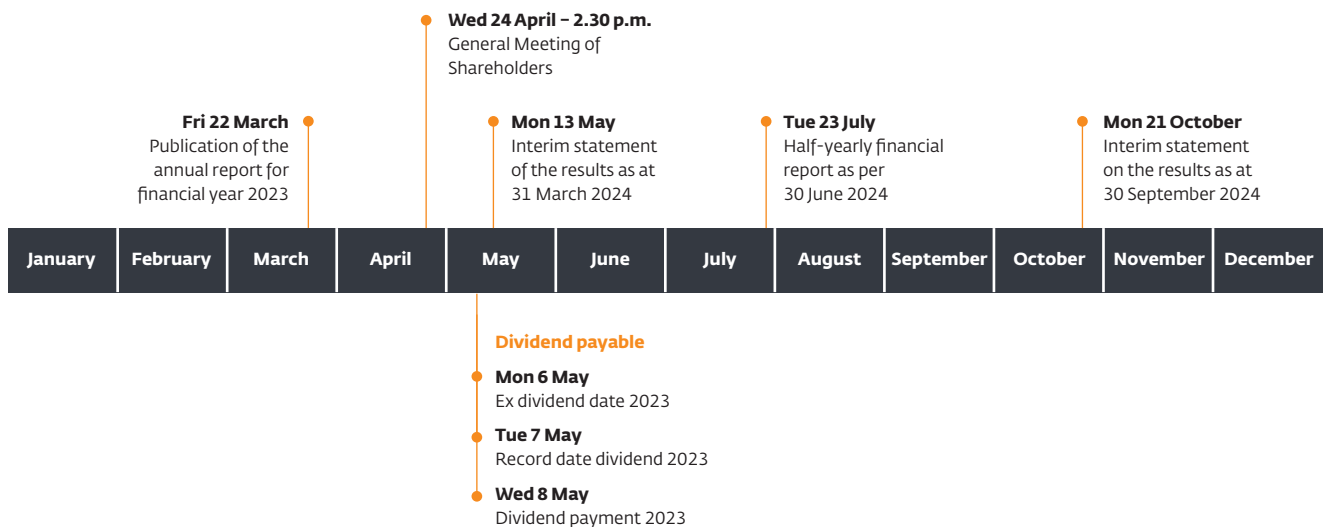
## 5. Outlook for 2024

The first quarter of 2024 was marked by decreasing consumer confidence, making consumers more prudent in their spending. This resulted in a number of bankruptcies of well-known retailers (e.g. Fun, Esprit & Grand Optical). Due to the strong resilience of the rental market, retail units were acquired fairly quickly, a result of the good location of these retail units. Vastned Belgium was not affected by these bankruptcies, however, management continues to pay due attention to potential tenant failures.

Sustainability will also become more important in the coming year and the Company will always take this into account in its daily operations. Accordingly, in the current year, a number of retail properties will be renovated energetically.

Finally, it continues to look forward to a first interest rate decrease by the European Central Bank in 2024. A decrease in this interest rate is likely to revive the investment market.

## 6. 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](http://www.vastned.be)

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# Financial statements

## 1. Consolidated profit and loss statement

(in thousands €)	31.03.2024	31.03.2023
Rental income	4,613	4,587
Rental-related expenses	-56	6
<b>NET RENTAL INCOME</b>	<b>4,557</b>	<b>4,593</b>
Recovery of rental charges and taxes normally payable by tenants on let properties	1,251	1,123
Rental charges and taxes normally payable by tenants on let properties	-1,251	-1,123
Other rental-related income and expenses	87	5
<b>PROPERTY RESULT</b>	<b>4,644</b>	<b>4,598</b>
Technical costs	-56	-83
Commercial costs	-118	-57
Charges and taxes on unlet properties	-74	-39
Property management costs	-248	-244
Other property charges	-34	-40
<b>Property charges</b>	<b>-530</b>	<b>-464</b>
<b>OPERATING PROPERTY RESULT</b>	<b>4,114</b>	<b>4,134</b>
General expenses	-284	-277
Other operating income and expenses	2	2
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>3,832</b>	<b>3,859</b>
Result on disposal of investment properties	409	0
Changes in fair value of investment properties	407	189
Other result on portfolio	-147	94
<b>OPERATING RESULT</b>	<b>4,501</b>	<b>4,412</b>
Financial income	1	0
Net interest charges	-707	-368
Other financial charges	-2	-1
Changes in fair value of financial instruments	493	-274
<b>Financial result</b>	<b>-215</b>	<b>-644</b>
<b>RESULT BEFORE TAXES</b>	<b>4,286</b>	<b>3,498</b>
<b>Taxes</b>	<b>-22</b>	<b>-16</b>
<b>NET RESULT</b>	<b>4,264</b>	<b>3,482</b>

(in thousands €)	31.03.2024	31.03.2023
<b>NET RESULT</b>	<b>4,264</b>	<b>3,482</b>
<b>Note:</b>		
• EPRA earnings	3,121	3,487
• Result on portfolio	669	283
• Changes in fair value of financial instruments	494	-274
• Taxes: deferred taxes	-13	-6
• Non-distributable result subsidiaries	-7	-8
<b>Attributable to:</b>		
• Shareholders of the parent company	4,264	3,482
• Minority interests	0	0

## 2. Result per share

	31.03.2024	31.03.2023
Number of shares entitled to dividend	5,078,525	5,078,525
Net result (€)	0.84	0.69
EPRA earnings (€)	0.61	0.69

## 3. Consolidated statement of comprehensive income

(in thousands €)	31.03.2024	31.03.2023
<b>NET RESULT</b>	<b>4,264</b>	<b>3,482</b>
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
<b>COMPREHENSIVE INCOME</b>	<b>4,264</b>	<b>3,482</b>
<b>Attributable to:</b>		
• Shareholders of the parent company	4,264	3,482
• Minority interests	0	0

## 4. Consolidated balance sheet

### Assets (in thousands €)

	31.03.2024	31.12.2023
<b>Non-current assets</b>	<b>311,234</b>	<b>310,143</b>
Intangible assets	34	44
Investment properties	310,134	309,581
Other tangible assets	408	488
Non-current financial assets	655	28
Trade receivables and other non-current assets	3	2
<b>Current assets</b>	<b>6,751</b>	<b>5,758</b>
Assets held for sale	584	1,774
Current financial assets	148	470
Trade receivables	2,212	2,215
Tax receivables and other current assets	1,604	472
Cash and cash equivalents	307	429
Deferred charges and accrued income	1,896	398
<b>TOTAL ASSETS</b>	<b>317,985</b>	<b>315,901</b>

### Shareholders' equity and liabilities (in thousands €)

	31.03.2024	31.12.2023
<b>SHAREHOLDERS' EQUITY</b>	<b>236,158</b>	<b>231,894</b>
<b>Shareholders' equity attributable to the shareholders of the parent company</b>	<b>236,158</b>	<b>231,894</b>
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	130,498	130,498
Net result of the financial year	4,264	0
<b>Minority interests</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>	<b>81,827</b>	<b>84,007</b>
<b>Non-current liabilities</b>	<b>75,318</b>	<b>78,849</b>
Non-current financial debts	74,805	78,190
• Credit institutions	74,451	77,800
• Financial leasing	354	390
Other non-current financial liabilities	0	188
Other non-current liabilities	176	146
Deferred tax - liabilities	337	325
<b>Current liabilities</b>	<b>6,509</b>	<b>5,158</b>
Provisions	269	269
Current financial debts	122	191
• Credit institutions	0	0
• Financial leasing	122	191
Trade debts and other current debts	858	796
Other current liabilities	601	580
Deferred income and accrued charges	4,659	3,322
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>317,985</b>	<b>315,901</b>