

2022



Strong operational results in a year marked by uncertainty

- Vastned Belgium achieves a positive net result of € 14.5 million.
- EPRA earnings of € 2.59 per share for financial year 2022.
- Proposed gross dividend of € 2.25 per share for financial year 2022 (previous financial year: € 2.20 per share). This corresponds to an attractive gross dividend yield of 7.6% based on the 31 December 2022 closing price of € 29.70 per share.
- Low debt ratio of 26.1% provides solid protection for 2023.
- € 44.5 million of unused credit facilities available.
- High occupancy rate of 99.5% underlines the quality of the real estate portfolio.
- Slight decrease in the fair value of the existing real estate portfolio¹ (-0.6%) compared to the previous financial year.
- High stable collection rate (98.6%) of rental income during financial year 2022.

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

Table of Contents

1.	Operational activities in 2022	4
1.1.	Economic developments	4
1.2.	General and strategic evolutions	5
1.3.	Composition and evolution of the real estate portfolio	6
1.4.	Rental activities	9
1.5.	Occupancy rate	9
1.6.	Investments	9
1.7.	State of the Belgian retail real estate market in 2022	10
2.	Financial results 2022	11
2.1.	Consolidated profit and loss statement	11
2.2.	Consolidated balance sheet	13
2.3.	Financial structure	15
3.	Sustainability	16
4.	Outlook for 2023	17
5.	Financial calendar 2023	18
	Appendices: financial statements	19
1.	Consolidated profit and loss statement	19
2.	Consolidated statement of comprehensive income	20
3.	Consolidated balance sheet	21
4.	Statement of changes in the consolidated shareholders' equity	22

1. Operational activities in 2022

1.1. Economic developments

The year 2022 was a challenging year in which companies had to deal with changed macroeconomic factors, including rising inflation. The inflationary pressure was already visible in 2021, after the COVID-19 pandemic, due to problems with the supply of raw materials during the restart of the global economy. On top of this inflationary pressure came the Russian invasion of Ukraine on 24 February 2022. As a result of this invasion, sanctions were imposed on Russia worldwide and several companies announced the cessation of their activities in Russia. This intensified inflationary pressures and ushered in the start of the energy crisis. The combination of these factors brought the Belgian inflation to a record high of 12.27% in October 2022, the highest level since August 1975.

The European Central Bank is trying to slow down this high inflation by raising interest rates. On 21 July 2022, for the first time in eleven (11) years, the interest rate was raised by 50 basis points. This interest rate hike was insufficient to combat inflation, resulting in three (3) new interest rate hikes. In total, the interest rate was raised by 250 basis points in 2022. The first signs of falling inflation have been visible since November 2022, but the European Central Bank is expected to continue raising interest rates in the first half of 2023. It is the only way to achieve the inflation targets of maximum 2%.

These interest rate hikes have had a significant impact on the shares of Belgian real estate companies, as there is a strong correlation between the market price of real estate shares and long-term interest rates. As a result, the average discount on the net value of these real estate shares rose to 22% in September 2022. For Vastned Belgium, the impact remained limited, as the Company continues to operate on a solid basis due to a stable and low debt ratio. In addition, rental income is indexed in accordance with the health index, which increases the operational distributable result.

The sharp rise in inflation meant that the indexation of rents became an important point of attention for tenants. The government has intervened to protect tenants and has drawn up a number of measures. Initially, the government linked the index mechanism for residential rent contracts

to the EPC value, starting on the 1st of October 2022, and this for a period of one year. For an EPC value A, B and C, the landlord may index in full, for an EPC value D the landlord may only charge 50% of the indexation and for an EPC value E or F no indexation may be applied. Vastned Belgium is not affected by this measure as the residential units have EPC values of A or B.

Subsequently, at the meeting of 15 December 2022, the Brussels Region approved an ordinance temporarily limiting the indexation of commercial leases. As a result, the landlord of commercial properties has to index the rent for one year according to a special consumer price index in which the energy component is not included. For Flanders and the Walloon Region, no arrangement for commercial lease has yet been approved, which means that the landlord may apply the full index.

The rental income in the Brussels Region represents 15% of the total rental income of Vastned Belgium. On the basis of the ordinance approved on 15 December 2022, Vastned Belgium would be allowed to apply limited indexation for these retail properties. Since energy prices have fallen significantly since January 2023, there is a chance that the two indices will be close to each other. As a result, it is currently impossible for the Company to calculate the impact for financial year 2023.

Finally, the COVID-19 pandemic was brought under control in the course of 2022. In contrast to the preceding year, the COVID-19 pandemic did not affect Vastned Belgium's rental income in 2022. In 2021, Vastned Belgium made an arrangement with the tenants of hospitality units for the period of mandatory closure. This arrangement corresponded to approximately 50% of the rental income for the affected period, which had an impact of € 0.2 million on the 2021 rental income collected.

Management continues to monitor closely the impact of these economic developments on the Company, and will continue to focus on the timely collection of rental income. This focus resulted in a collection rate of 98.6% of rental income on 31 December 2022.

1.2. General and strategic evolutions

Vastned Belgium remains convinced that the popular shopping streets in the city centers of major cities guarantee the most authentic and unique shopping experiences. In line with current developments in the retail market, Vastned Belgium focuses on multi-functional retail properties in Antwerp, Brussels, Ghent and Bruges. These cities are attractive cities, with their positive demographic growth, strong purchasing power, historic city centres, attractiveness to tourists and the presence of national and international institutions and universities.

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

Potential investment objects must be multi-functional and correspond to the 'mixed-use' criterion. The Company also tries to create added value within the existing real estate portfolio by converting, where possible, vacant floors above retail units into residential units.

The strategic focus on retail properties in popular high streets is reflected in the letting of properties to strong international and national tenants. This results in an almost fully let real estate portfolio with an occupancy rate of 99.5% at year end.

After a career of 22 years, the operational CEO Rudi Taelemans left Vastned Belgium and transferred the leadership to Sven Bosman as Operational Managing Director. Rudi Taelemans played an important role in the development of the existing, high-quality real estate portfolio. We thank Rudi, also on behalf of all employees, for the pleasant and good cooperation over the years.

In 2022, a total of 20 rental transactions were concluded, accounting for a total rental volume of € 1.6 million, which represents approximately 8.7% of the Company's total rental income.

EPRA earnings over financial year 2022 amounted to € 13.1 million compared to € 13.0 million over financial year 2021. Taking into account 5,078,525 shares, this means EPRA earnings of € 2.59 per share for financial year 2022, compared to € 2.56 per share for financial year 2021.

EPRA earnings were positively influenced by the increase in net rental income due to a higher occupancy rate, rent waivers no longer being granted, and the indexation of the rent of existing rental agreements. On the other hand, rental income decreased due to the sale of non-strategic retail properties and lower termination fees. Finally, exceptional costs were recognised in financial year 2022 as a result of an intended transaction by the Dutch reference shareholder.

Vastned Belgium proposes a gross dividend of € 2.25 per share for financial year 2022. This takes into account the minimum required payment under the RREC regulation. The payout ratio is in line with that of other RRECs. Based on the closing price of € 29.70 per share on 31 December 2022, the proposal corresponds to an attractive gross dividend yield of 7.6%.



Antwerp Steenhoudersvest • Décor Heytens

1.3. Composition and evolution of the real estate portfolio

The majority of the real estate portfolio consists, as at 31 December 2022, of high-quality inner-city properties located in the cities of Antwerp, Brussels, Ghent and Bruges, as well as high-quality retail parks and retail warehouses.

The fair value of the investment property amounts to € 312.6 million as at 31 December 2022, which is a slight decrease compared to the previous financial year (€ 314.5 million as at 31 December 2021).

This decrease (€ -1.9 million) is mainly due to an increase in the market yields of a number of investment properties as a result of the significant changes in the economic environment. In addition, a slight impairment (€ -0.1 million) of the fair value of the IFRS 16 right-of-use-assets was recognised in 2022, partly offset by investments (€ 0.05 million) in an existing building.

Real estate portfolio

	31.12.2022	31.12.2021
Fair value of investment properties (in thousands €)	312,590	314,543
Total leasable space (m ²)	76,086	76,086

The average yield in the real estate company's portfolio amounted to 6.05% on 31 December 2022, which is a slight increase compared to the average yield on 31 December 2021 (5.78%). The increase is mainly due to the changing economic market environment and rising interest rates.

Sensitivity analysis

In the case of a hypothetical negative adjustment of the yield used by the independent valuation experts in valuing the Company's real estate portfolio (yield or capitalisation rate) by 1.0% (from 6.05% to 7.05% on average), the fair value of the investment properties would decrease by € -44.3 million or -14.2%. This would increase the Company's debt ratio by 4.2% to 30.3%.

In the reverse case of a hypothetical positive adjustment of this yield by 1.0% (from 6.05% to 5.05% on average), the fair value of the investment properties would increase by € 61.9 million or 19.8%. This would reduce the Company's debt ratio by -4.3% to 21.8%.

In the case of a hypothetical decline in the current passing rents of the Company (with equal yield) of € -1.0 million (from € 18.9 million to € 17.9 million), the fair value of the

investment properties would decrease by € -16.5 million or -5.3%. This would increase the Company's debt ratio by 1.4% to 27.5%.

In the reverse case of a hypothetical increase in the current passing rents of the Company (with equal yield) of € 1.0 million (from € 18.9 million to € 19.9 million), the fair value of the investment properties would increase by € 16.5 million or 5.3%. This would reduce the Company's debt ratio by -1.3% to 24.8%.

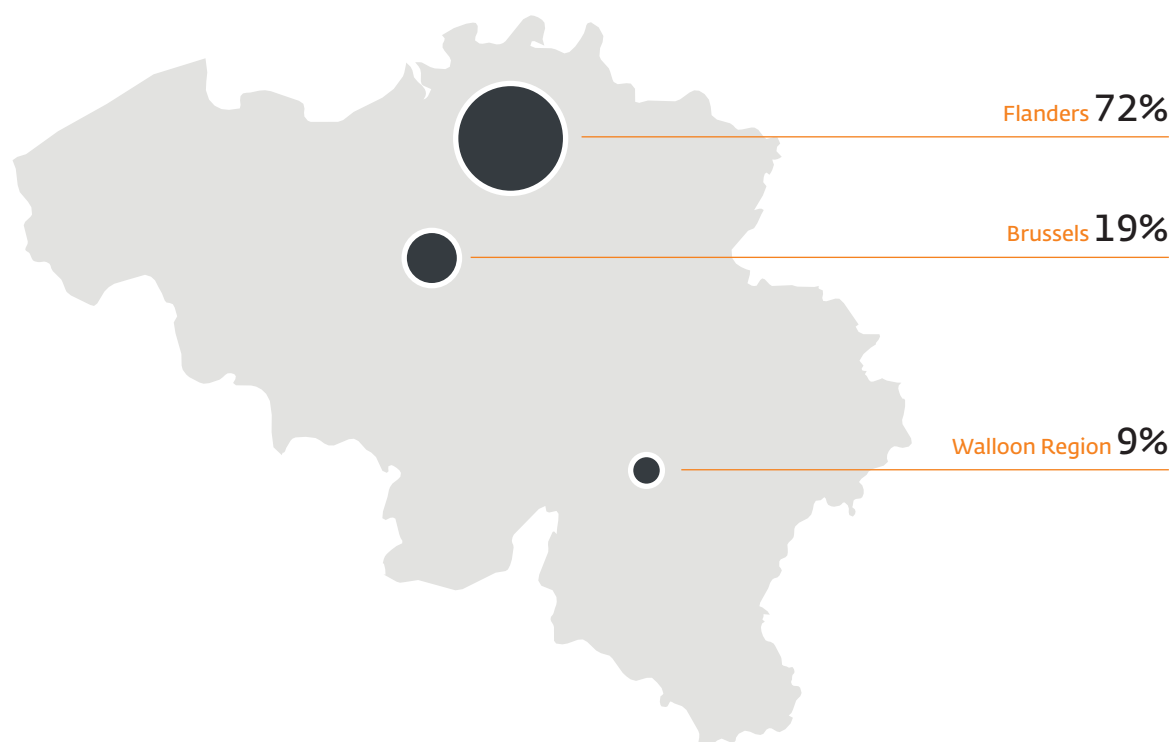
There is a correlation between the evolutions of the current passing rents and the yields used in the estimates of the investment properties by the independent valuation experts. This correlation is disregarded in above sensitivity analysis.

Investment policy and risk spread of the real estate portfolio²

Vastned Belgium's investment policy concentrates on multi-functional retail properties in Belgium, more specifically in the popular shopping cities of Antwerp, Brussels, Ghent and Bruges. The following criteria are important for spreading the risk of the real estate portfolio: the geographical location, the sector of the tenants and the tenant size.

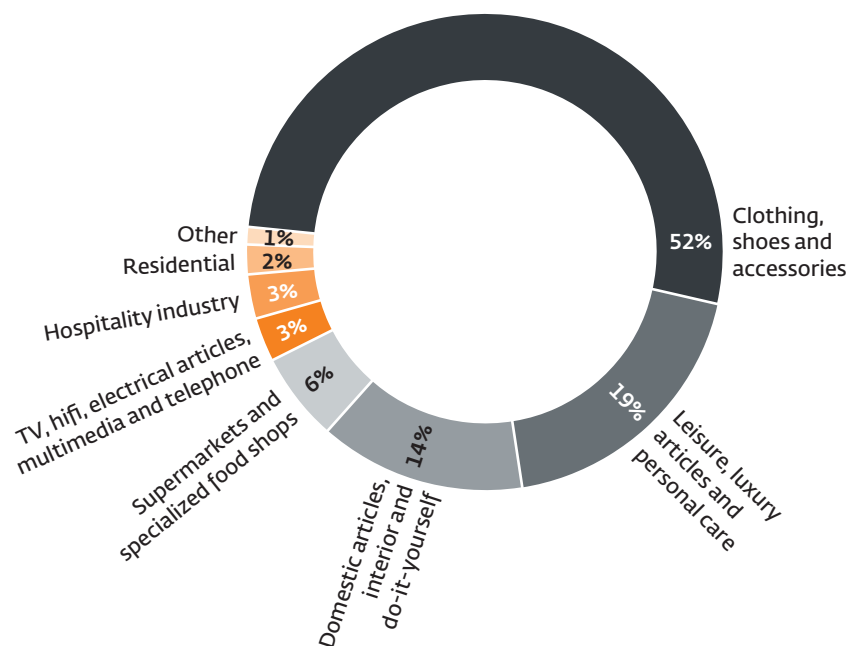
The risk spread is summarised as follows on 31 December 2022:

Geographical spread

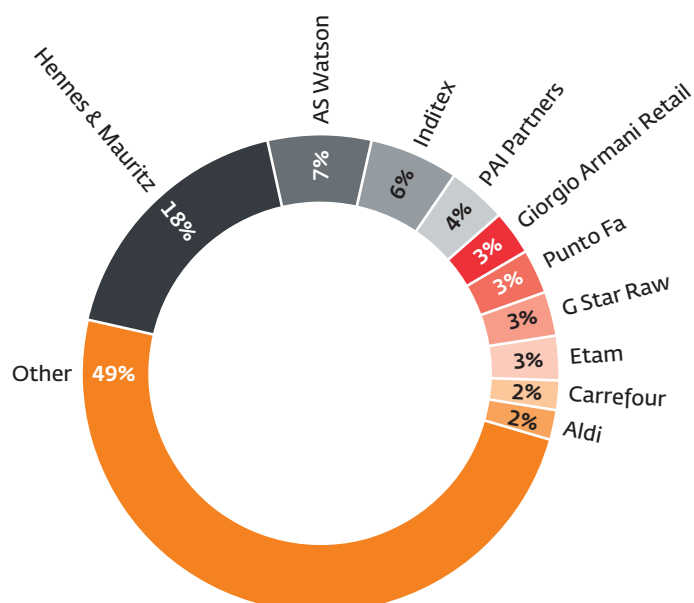


²) Expressed as a percentage of the fair value of the investment properties.

Spread according to sector of the tenants



Spread according to tenant size



1.4. Rental activities

Vastned Belgium concluded 20 rental agreements in 2022, representing a total rental volume of € 1.6 million. This corresponds to approximately 8.7% of Vastned Belgium's total rental income.

In total, seven (7) commercial lease agreements were concluded with new tenants, four (4) lease renewals with existing tenants, four (4) agreements with residential tenants and five (5) pop-up agreements. The rental prices

negotiated by Vastned Belgium are in line with the market rental figures determined by the independent valuation experts.

In the current economic climate, which is heavily impacted by rising inflation figures and economic uncertainty, the conclusion of these 20 rental agreements is the result of the continuous commitment of a dedicated asset management department.

1.5. Occupancy rate³

	31.12.2022	31.12.2021
Occupancy rate of the real estate portfolio	99.5%	99.3%

The occupancy rate of the real estate portfolio amounts to 99.5% as at 31 December 2022, which is an increase of 0.2% compared to 31 December 2021 (99.3%). Throughout financial year 2022, Vastned Belgium was able to report a stable and high occupancy rate, which demonstrates the

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

1.6. Investments

In 2022, Vastned Belgium analysed and discussed various investment opportunities within the Board of Directors. Partly because of the uncertainty on the financial markets, it was decided not to enter into these investment files. On the one hand there was uncertainty about the interest rates at which new investments would be financed, and on the other hand there was uncertainty about the capitalisation rates. In mid-2022, there was a major discrepancy between the capitalisation rates demanded by the sellers and the capitalisation rates that the buyers were willing to pay. In addition, partly as a result of the energy crisis, sustainability became increasingly important.

In financial year 2022, Vastned Belgium invested € 0.05 million in an existing retail property.

The Company will continue to invest in the further sustainability of the existing real estate portfolio and the possibilities to that end will be investigated. Finally, the redevelopment of a number of buildings will be further investigated.

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

1.7. State of the Belgian retail real estate market in 2022⁴

Rental market

In the first post-COVID-19 year, the rental market performed very well. A total of 520,000 m² was let, which is a quarter higher than the ten-year average. The increase was the highest in Flanders (+15%) and was initially achieved through the expansion of several supermarket chains. More m² were also let in the fashion industry and the year ended with an average let area of 550 m² compared to 482 m² in 2021.

During the COVID-19 period, the high streets and shopping centres suffered heavily, while retail warehouses recorded the strongest increase in rental transactions. After the lifting of all of the measures, a strong revival of the high streets became visible. For example, the number of rental transactions in the high streets increased by 21% and in the Main Street Six⁵ even by 130% compared to last year. The Steenstraat in Bruges, the Meir in Antwerp and the Nieuwstraat in Brussels together accounted for 15% of the take-up in the high streets. It is important to note that larger areas were also filled in.

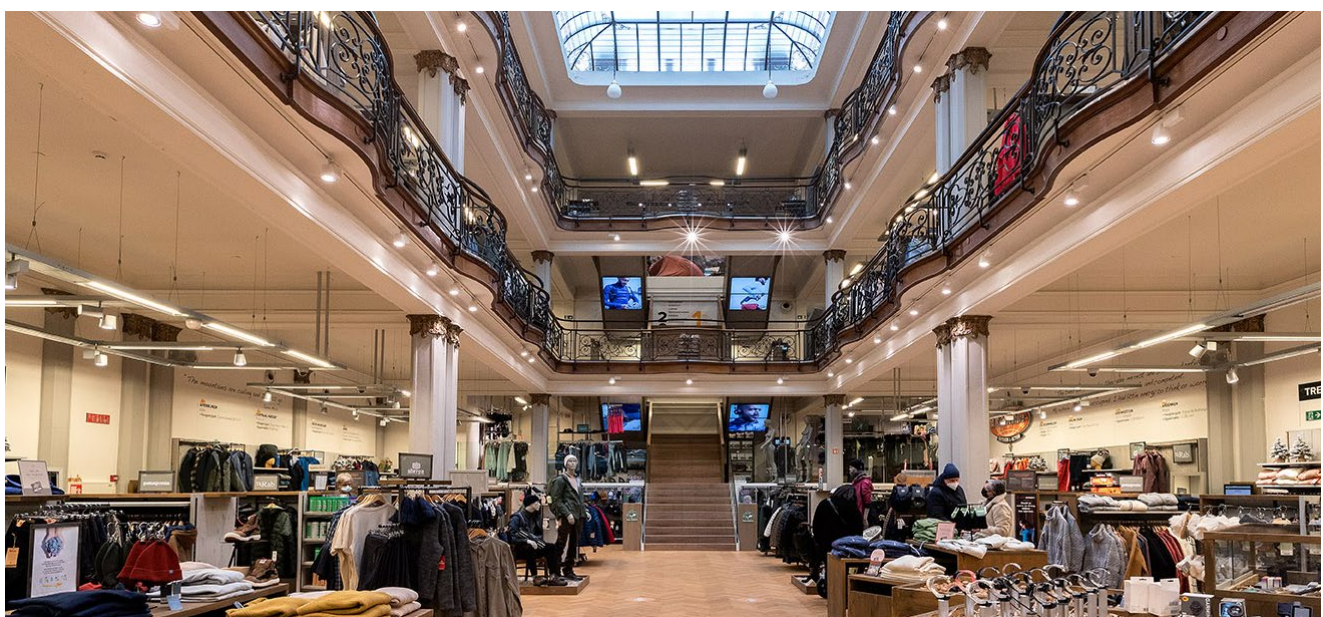
The most expansive retailers in 2022 were Jumbo, Bestseller with the brands Only/Only & Sons, Kruidvat, Albert Heijn and Batopin.

Investment market

In 2022, the investment appetite for retail real estate returned after an absence of two (2) years. 140 transactions were closed for a total volume of € 774.0 million, which is a significant increase compared to previous year (+60%). However, the total investments in retail real estate were 20% lower than the average of the past 10 years. The fourth quarter of 2022, despite the economic uncertainty, accounted for 40% of transactions.

Half of the transactions were realized in the high streets, representing a value of € 337.0 million. The investment value of retail warehouses and supermarkets again reached a record value of € 437.0 million. The investors are mainly of Belgian origin (87% of the transactions).

The most important transactions in the high streets were the sale of Nieuwstraat 20 (Zara) in Brussels, Meir 23 (Bestseller) and Antwerp Tower Retail in Antwerp and Korenmarkt 1 in Ghent.



Ghent Zonnestraat • AS Adventure

⁴) The market information is partly based on the following sources: Retail Focus - various editions from January 2022 - January 2023.

⁵) Main Street Six are the six (6) most important shopping streets in Belgium.

2. Financial results 2022

2.1. Consolidated profit and loss statement⁶

(in thousands €)

	2022	2021
Rental income	17,442	16,746
Rental-related expenses	25	264
Other rental-related income and expenses	67	146
PROPERTY RESULT	17,534	17,156
Property charges	-1,724	-1,696
General costs	-1,139	-899
Other operating income and costs	21	31
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	14,692	14,592
Result on disposal of investment properties	0	362
Changes in fair value of investment properties	-2,035	-10,157
Other result on portfolio ⁷	93	54
OPERATING RESULT	12,750	4,851
Financial result (excl. changes in financial instruments)	-1,576	-1,596
Changes in fair value of financial instruments	3,403	828
Taxes ⁷	-86	9
NET RESULT	14,491	4,092
Note:		
EPRA earnings	13,134	13,017
Result on portfolio	-1,942	-9,741
Changes in fair value of financial instruments	3,403	828
Taxes: deferred taxes ⁷	-82	9
Non-distributable result subsidiaries	-22	-21
Result per share	2022	2021
Number of shares entitled to dividend	5,078,525	5,078,525
Weighted average number of shares	5,078,525	5,078,525
Net result (€)	2.85	0.81
Gross dividend (€)	2.25	2.20
Net dividend (€)	1.575	1.540

⁶) The comparable figures as at 31 December 2021 are parenthesised.

⁷) Since 1 January 2022, 'Deferred taxes' - which relate to the revaluation of the investment properties of subsidiaries - are no longer recognised under 'Other result on portfolio', but under 'Taxes'. For comparability, the figures for 2021 have been adjusted.

Rental income of Vastned Belgium amounted to € 17.4 million in financial year 2022, an increase of € 0.7 million compared to previous financial year (€ 16.7 million).

In 2022, Vastned Belgium had a higher occupancy rate compared to the previous financial year, which resulted in an increase in rental income of € 0.2 million. Furthermore, in contrast to the previous financial year, no COVID-19 rental waivers were granted in 2022, causing the rental income to further increase by € 0.2 million. Finally, rental income increases as a result of the indexation of the rent of existing rental agreements.

Due to the sale of three (3) non-strategic retail properties (Boechout, Grivegnée and Leopoldsborg) rental income in 2022 decreased by € -0.2 million compared to the previous financial year. Furthermore, rental income fell by € -0.1 million as a result of termination fees received in the previous financial year for the early termination of rental agreements. Finally, the spread of the rental discounts and other incentives (up until the first option of termination), based on IFRS, accounted for a further reduction in rental income of € -0.2 million.

Rental-related expenses relate to the reversal of the provision for potential losses on outstanding trade receivables. Compared to last year, rental-related expenses decreased by € -0.2 million. This decrease is a result of the reversal, in 2021, of the provision for rental waivers that were definitively granted for the second lockdown (at that time accounted for under rental income). In 2022, only a limited reversal of the expected credit losses was recognised in accordance with IFRS 9 '*Financial instruments*'.

In 2021, Vastned Belgium recognised one-off income (€ 0.1 million) under the heading of **other rent-related income and expenses**. This income pertains to money received by Vastned Belgium from the conclusion of bankruptcies. The bankruptcies themselves date from before 2021.

Property charges amount to € 1.7 million and are in line with the previous financial year. In 2022, there was an increase in technical costs due to general maintenance works and studies for the possible redevelopment of

existing buildings. This increase was offset by a decrease in the costs and taxes of unlet buildings, a consequence of the increased occupancy rate during financial year 2022, and a decrease in the property management costs as less costs are allocated to the property charges following the departure of the operational CEO in April 2022.

The **general expenses and other operating income and expenses** amount to € 1.1 million and have increased by € 0.2 million compared to the previous financial year (€ 0.9 million). This increase is the result of exceptional costs, connected with an intended transaction by the Dutch reference shareholder Vastned Retail N.V. If we disregard these exceptional costs, then general costs decreased by -4%.

In 2022, Vastned Belgium did not sell any investment properties, whereas in 2021 a capital gain (€ 0.4 million) was realised on the divestment of the retail warehouses in Boechout, Grivegnée and Leopoldsborg.

The fair value of Vastned Belgium's existing real estate portfolio decreased in 2022 compared to the previous financial year. The **changes in fair value of investment properties** are negative for an amount of € -2.0 million (€ -10.1 million). This decrease is for an amount of € -1.9 million (€ -10.0 million) the result of a limited write-down of a number of properties under the influence of increasing market yields. In addition, a slight impairment of the IFRS 16 right-of-use assets was recognised for an amount of € -0.1 million (€ -0.5 million).

The **financial result (excl. changes in the fair value of financial instruments)** amount to € -1.6 million for 2022, which puts it completely in line with the same period last year (€ -1.6 million). The average interest rate for financing amounts to 1.85%, including bank margins for 2022 (1.77%).

The **changes in the fair value of financial instruments** includes the conversion from negative to positive market value of the interest rate swaps that cannot be classified as cash flow hedging instruments in accordance with IFRS 9 '*Financial Instruments*'. This conversion amounts to € 3.4 million (€ 0.8 million) and is a result of rising interest rates on the financial markets. As a result, as at 31 December 2022, all IRS contracts are presented as a financial asset and no longer as a financial liability.

The **net result** of Vastned Belgium for 2022 amounts to € 14.5 million (€ 4.1 million) and may be divided into:

- the EPRA earnings of € 13.1 million, which increased by € 0.1 million compared to the previous financial year (€ 13.0 million). The various components of the EPRA earnings did have a number of changes that offset each other:
 - A change in the provision for doubtful debts (€ -0.2 million as a result of compensations for the lockdown in November 2020);
 - An increase in net rental income of € 0.9 million as result of a higher occupancy rate, the no longer granting of rent waivers and indexation of the rent of existing rental contracts, partly offset by a decrease in termination fees and the IFRS effect as a result of the spreading of rental discounts and incentives;
 - A decrease of € -0.2 million in net rental income due to the disposal of non-strategic retail properties;
 - A decrease of € -0.1 million in other rent-related expenses and income as a result of historic bankruptcies; and
 - Exceptional costs, to the value of € 0.3 million, connected with an intended transaction by the Dutch reference shareholder.
- The result on the portfolio (incl. result on disposal of investment properties) of € -2.0 million (€ -9.7 million); and
- The changes in the fair value of financial instruments to an amount of € 3.4 million (€ 0.8 million).

2.2. Consolidated balance sheet⁸

(in thousands €)

Assets	31.12.2022	31.12.2021
Non-current assets	315,199	315,228
Current assets	3,043	2,518
TOTAL ASSETS	318,242	317,746
Shareholders' equity and liabilities		
SHAREHOLDERS' EQUITY	232,032	228,714
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	116,145	123,226
Net result of the financial year	14,491	4,092
Minority interests	0	0
LIABILITIES	86,210	89,032
Non-current liabilities	66,426	84,516
Current liabilities	19,784	4,516
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	318,242	317,746

⁸) The comparable figures as at 31 December 2021 are parenthesised.

Assets

The fair value of the **investment properties** of Vastned Belgium's amounts to € 312.6 million (€ 314.5 million). This decrease of € -1.9 million is mainly due to an increase in the yield of a number of investment properties. In addition, a slight impairment (€ -0.1 million) of the fair value of the IFRS 16 right-of-use-assets was recognised in 2022, partly offset by investments (€0.05 million) in an existing building.

As at 31 December 2022, the investment properties were valued by the independent valuation experts at € 320.3 million (investment value, excluding the IFRS 16 right-of-use-assets). The fair value of the investment properties corresponds to the investment value less the hypothetical transfer rights that must be paid in the event of a possible future divestment.

The **financial fixed assets** contain the positive market value of financial hedging instruments amounting to € 2.0 million. Last financial year, the financial hedging instruments still had a negative market value and were presented under non-current liabilities.

The **current assets** amount to € 3.0 million (€ 2.5 million) and consist mainly of trade receivables, cash and cash equivalents, deferred charges and the positive market value of a financial hedging instrument that expires in July 2023. The increase compared to the previous financial year is mainly due to the rising rental income already invoiced for January and the first quarter of 2023.

Shareholders' equity and liabilities

The Company's **shareholders' equity** amounts to € 232.0 million (€ 228.7 million). The **share capital** (€ 97.2 million) and **share premiums** (€ 4.2 million) remain unchanged compared to last year. The total number of shares entitled to dividend amounts to 5,078,525 on 31 December 2022. The Company's **reserves** amount to € 116.1 million (€ 123.2 million) at 31 December 2022.

The **non-current liabilities** amount to € 66.4 million and decreased by € 18.1 million compared to the previous financial year. These non-current liabilities include non-current financial liabilities of € 66.0 million, other non-current liabilities of € 0.1 million and deferred taxes of € 0.3 million. The decrease compared to the previous financial year is caused, on the one hand, by the presentation of a loan of € 15.0 million as a current liability and, on the other hand, by the change in the fair value of financial hedging instruments, as a result of which these are no longer presented as a financial liability.

Current liabilities amount to € 19.8 million and increased by € 15.3 million compared to the previous financial year. This increase is mainly caused by the presentation of a loan, worth € 15.0 million, as a short-term liability. This loan must be repaid in July 2023 and the Company has decided not to refinance it in the current volatile economic environment.

Key figures per share

	31.12.2022	31.12.2021
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	45.69	45.04
Net value (investment value) (€)	47.23	46.58
EPRA NRV (€)	46.85	46.86
EPRA NTA (€)	45.29	45.28
EPRA NDV (€)	45.69	45.04
Share price on closing date (€)	29.70	28.80
Premium (+) / Discount (-) with regard to fair net value (%)	-35.0%	-36.1%
Debt ratio (max. 65%) (%)	26.1%	26.5%

The net value (fair value) of the share amounts to € 45.69 as at 31 December 2022 (€ 45.04). Given that the share price of Vastned Belgium (VASTB) amounted to € 29.70 per share on 31 December 2022, the share was listed on 31 December 2022 at a discount of -35.0% compared to the net value (fair value). At the end of the previous financial year, the share recorded a discount of -36.1% compared to the net value (fair value).

Vastned Belgium's debt ratio amounts to 26.1% on 31 December 2022 and has decreased compared to 31 December 2021 (26.5%). The decrease is the result of a decrease in the drawdown of credit lines, largely offset by the decrease in the fair value of the real estate portfolio. Due to this stable and low debt ratio, the Company continues to operate on a solid basis.

2.3. Financial structure

As at 31 December 2022, Vastned Belgium has a stable financial structure that allows it to continue its operations in 2023. In the coming year, one (1) credit line, worth € 15.0 million, will come to maturity. This credit line is presented as short-term financing. In addition, an IRS contract with a notional amount of € 15.0 million will terminate in 2023. The market value of this IRS contract is included in the current financial assets.

As at 31 December 2022, the Company has unused credit facilities for an amount of € 44.5 million. As a result, it was decided not to request for refinancing for the credit line of € 15.0 million that must be repaid in 2023. The remaining credit facilities are sufficient for paying out dividends and making sustainability investments. If interesting investment opportunities arise, the Company will take out additional credit facilities.

The financial structure can be summarised as follows:

- Withdrawn financial debts: € 80.5 million.
- 80% of the available credit lines with financial institutions are long-term financing with a weighted average term of 1.6 years.
- Unused credit facilities of € 44.5 million are available in order to cover the fluctuations in liquidity needs and to finance future sustainability investments.
- For 64% of the available credit lines, the interest rate is fixed by interest rate swaps or by fixed interest rates, 36% has a variable interest rate; of the credit lines drawn, this amounts to 98% and 2% respectively.
- Fixed interest rates are fixed for a remaining period of 1.4 years on average.
- Average interest rate for 2022: 1.85% including bank margins.
- Market value of the financial derivatives: € 2.2 million.
- Limited debt ratio of 26.1% (legal maximum of 65.0%).
- There have been no contractual changes to the existing covenants of the Company in 2022. Vastned Belgium complies with all covenants as at 31 December 2022.

3. Sustainability

Climate change became more visible in 2022 than ever before. We experienced the second warmest year since measurements began and were again confronted with a dry summer.

In addition to climate change, the European population was faced with an energy crisis. As a result of the Russian invasion of Ukraine, gas supplies were limited and oil and gas prices reached new records. Energy prices rose so sharply that certain companies decided to curtail and even shut down production. These trends showed that a transition to renewable energy is becoming even more urgent, as accelerating an energy transition in the short term can contribute to a better climate and realise immediate benefits. In addition, it was a wake-up call to further limit energy consumption.

Vastned Belgium also wants to contribute to the development of a sustainable world and has drawn up a sustainability plan for this purpose. The framework of this plan will be explained in more detail in the annual report for financial year 2022. In addition, the Company will publish its sustainability policy in 2023, with concrete actions in the short and long term.

The Company will focus on the three (3) ESG components and is not limited to the environment. In concrete terms, the following actions will be carried out regarding the environment:

- Investigate the options of insulating existing retail premises and placing solar panels on retail warehouses and large inner-city shops. If the outcome is positive, in consultation with the tenants, the necessary investments will be made.
- Installation of charging stations on parking lots of retail parks and retail warehouses.
- Drawing up EPC certificates for non-residential units (EPRC-NR) – a Flemish regulation that has been applicable since 1 January 2023 – linked to a plan for the energy transition of these buildings. At the same time, the Company will enter into close consultation with the tenants, as tenants and landlords have a great shared responsibility in the field of sustainability.

With regard to the social pillar, Vastned Belgium will clarify the existing practices in an ESG policy, as the Company already applies clear guidelines today with regard to diversity, equal opportunities, working conditions, health and safety.

With regard to the governance, a clear Corporate Governance Charter is present in which the guidelines for the management of the Company are specified.



Antwerp Leysstraat • Armani Exchange – Hairdis

4. Outlook for 2023

In 2023, as in 2022, we will be faced with great macro-economic uncertainty. The European Central Bank will continue to raise interest rates, likely until the end of the second quarter of 2023, to further reduce inflation. These interest rate hikes may result in a (mild) recession in which consumer confidence is put under pressure and investments are postponed. Moreover, geopolitical tensions, due to the war in Ukraine, continue to affect the economy. A further escalation of this war could reignite the energy crisis. Finally, the abandonment of China's zero-COVID-19 strategy will further fuel Chinese tourism in Europe. This in turn has a positive effect on spending in the high streets of tourist cities such as Brussels, Antwerp, Ghent and Bruges.

Vastned Belgium will be monitoring the first quarters of 2023 with caution, as it is still unclear what impact rising prices will have on consumer spending patterns. The automatic wage indexation in Belgium partly protects the purchasing power of consumers, but today, due to the great uncertainty, a decline in consumer confidence is visible. A drop in consumer confidence has a direct impact on retailers' profitability, which in turn will slow down

their growth. Furthermore, management will continue to be on the alert for possible retailer bankruptcies, as there is a good chance that not all retailers will be able to pass on rising costs.

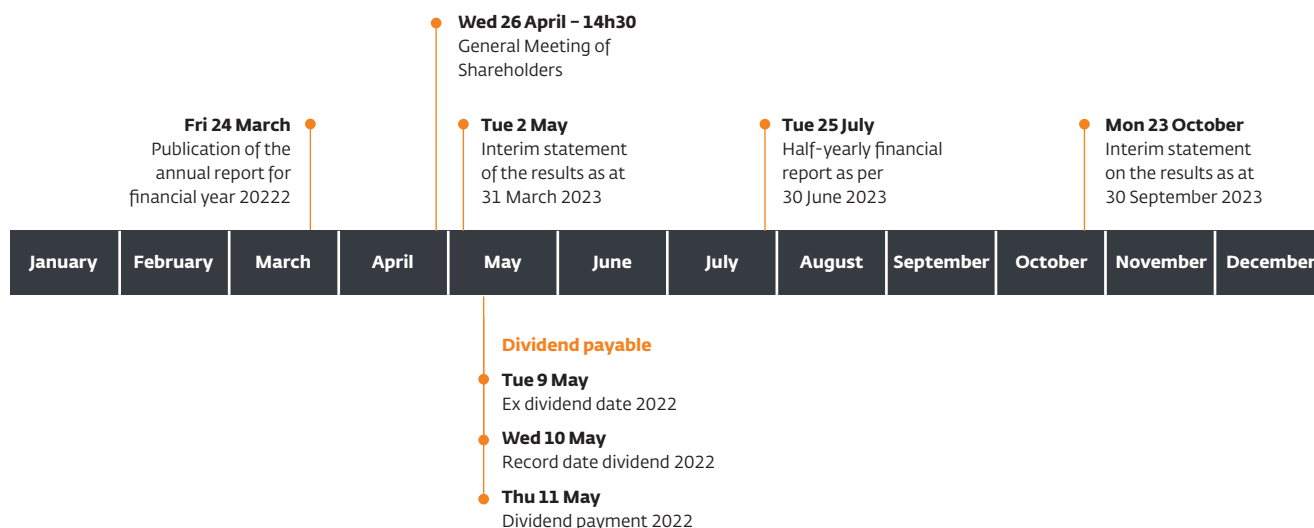
Omnichannel is likely to gain further importance in 2023. With omnichannel, physical stores and e-commerce are aligned, giving the consumer the same experience in a physical store, a webshop and an app. The consumer will be given the opportunity to collect a product ordered online in the physical store, or to order an item in the physical store and have it delivered at home. This means that physical stores and e-commerce must be coordinated seamlessly.

In addition, several hospitality and leisure concepts have been established in the city centre over the past year. As a result, a day shopping in the city centre is once again a guarantee for a fun day out. This was also shown in the sales figures reported by listed fashion retailers in 2022. The rising sales figures were mainly due to a significant rise in visitor numbers in the physical shops. For the same period, pure online players issued profit warnings.



Bruges Steenstraat • H&M

5. Financial calendar 2023



About Vastned Belgium: Vastned Belgium is a public regulated real estate company (RREC), the shares of which are listed on Euronext Brussels (VASTB). Vastned Belgium invests exclusively in Belgian commercial real estate, more specifically in multi-functional retail properties located in the popular shopping cities of Antwerp, Brussels, Ghent and Bruges. The real estate portfolio also comprises high-end retail parks and retail warehouses. A smaller part of the portfolio is invested in hospitality and residential units.

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 92 // www.vastned.be

Disclaimer: This press release contains prospective information, forecasts, views and estimates prepared by Vastned Belgium on the expected future performance of Vastned Belgium and of the markets in which it operates. Readers are advised that such prospects are subject to risks and uncertainties which can cause the actual results to differ considerably from those expressed in such prospective statements. Prospective statements such as these can be impacted by significant factors such as changes in the economic situation as well as to factors pertaining to taxation, competition and environment. Vastned Belgium cannot guarantee that the assumptions underlying the prospective information are free of misstatements. Only the Dutch version is the official version. The English version is a translation of the original Dutch version.

Financial statements

1. Consolidated profit and loss statement

(in thousands €)

	2022	2021
Rental income	17,442	16,746
Rental-related expenses	25	264
NET RENTAL INCOME	17,467	17,010
Recovery of rental charges and taxes normally payable by tenants on let properties	1,140	1,149
Rental charges and taxes normally payable by tenants on let properties	-1,140	-1,149
Other rental-related income and expenses	67	146
PROPERTY RESULT	17,534	17,156
Technical costs	-506	-289
Commercial costs	-213	-275
Charges and taxes on unlet properties	-51	-109
Property management costs	-885	-976
Other property charges	-69	-47
Property charges	-1,724	-1,696
OPERATING PROPERTY RESULT	15,810	15,460
General expenses	-1,139	-899
Other operating income and expenses	21	31
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	14,692	14,592
Result on disposal of investment properties	0	362
Changes in fair value of investment properties	-2,035	-10,157
Other result on portfolio ⁹	93	54
OPERATING RESULT	12,750	4,851
Financial income	2	7
Net interest charges	-1,575	-1,600
Other financial charges	-3	-3
Changes in fair value of financial instruments	3,403	828
Financial result	1,827	-768
RESULT BEFORE TAXES	14,577	4,083
Corporate tax	-86	9
Taxes ⁹	-86	9
NET RESULT	14,491	4,092

⁹ Since 1 January 2022, 'Deferred taxes' - which relate to the revaluation of the investment properties of subsidiaries - are no longer recognised under 'Other result on portfolio', but under 'Taxes'. For comparability, the figures for 2021 have been adjusted.

	2022	2021
NET RESULT	14,491	4,092
Note:		
EPRA earnings	13,134	13,017
Result on portfolio	-1,942	-9,741
Changes in fair value of financial instruments	3,403	828
Taxes: deferred taxes ⁹	-82	9
Non-distributable result subsidiaries	-22	-21
Attributable to:		
Shareholders of the parent company	14,491	4,092
Minority interests	0	0
Result per share	2022	2021
Number of shares entitled to dividend	5,078,525	5,078,525
Weighted average number of shares	5,078,525	5,078,525
Net result (€)	2.85	0.81
Diluted net result (€)	2.85	0.81
EPRA earnings (€)	2.59	2.56

2. Consolidated statement of comprehensive income

(in thousands €)

	2022	2021
NET RESULT	14,491	4,092
Other components of comprehensive income (recyclable through income statement)	0	0
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	14,491	4,092
Attributable to:		
Shareholders of the parent company	14,491	4,092
Minority interests	0	0

⁹⁾ Since 1 January 2022, 'Deferred taxes' - which relate to the revaluation of the investment properties of subsidiaries - are no longer recognised under 'Other result on portfolio', but under 'Taxes'. For comparability, the figures for 2021 have been adjusted.

3. Consolidated balance sheet

Assets (in thousands €)

	31.12.2022	31.12.2021
Non-current assets	315,199	315,228
Intangible assets	91	137
Investment properties	312,590	314,543
Other tangible assets	471	545
Non-current financial assets	2,045	0
Trade receivables and other non-current assets	2	3
Current assets	3,043	2,518
Current financial assets	154	0
Trade receivables	2,327	1,914
Cash and cash equivalents	163	214
Deferred charges and accrued income	399	390
TOTAL ASSETS	318,242	317,746

Shareholders' equity and liabilities (in thousands €)

	31.12.2022	31.12.2021
SHAREHOLDERS' EQUITY	232,032	228,714
Shareholders' equity attributable to the shareholders of the parent company	232,032	228,714
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	116,145	123,226
Net result of the financial year	14,491	4,092
Minority interests	0	0
LIABILITIES	86,210	89,032
Non-current liabilities	66,426	84,516
Non-current financial debts	66,030	82,943
– Credit institutions	65,497	82,269
– Financial leasing	533	674
Other non-current financial liabilities	0	1,203
Other non-current liabilities	123	179
Deferred tax - liabilities	273	191
Current liabilities	19,784	4,516
Provisions	269	269
Current financial debts	15,184	169
– Credit institutions	15,000	0
– Financial leasing	184	169
Trade debts and other current debts	551	465
Other current liabilities	564	567
Deferred income and accrued charges	3,216	3,046
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	318,242	317,746

4. Statement of changes in the consolidated shareholders' equity

(in thousands €)	Share capital	Share premium	Reserves	Net result of financial year	Total shareholders' equity
BALANCE AT 31 DECEMBER 2020	97,213	4,183	142,161	-8,524	235,033
Comprehensive income of 2021				4,092	4,092
Transfer through result allocation 2020:					
• Transfer from result on portfolio to reserves			-21,975	21,975	-
• Transfer from changes in fair value of financial assets and liabilities			348	-348	-
• Disposals 2020: impact result			1,508	-1,508	-
• Revaluation subsidiaries			-772	772	-
• Allocation profit carried forward			1,956	-1,956	-
Dividends financial year 2020				-10,411	-10,411
BALANCE AT 31 DECEMBER 2021	97,213	4,183	123,226	4,092	228,714
Comprehensive income of 2022				14,491	14,491
Transfer through result allocation 2021:					
• Transfer from result on portfolio to reserves			-10,064	10,064	-
• Transfer from changes in fair value of financial assets and liabilities			828	-828	-
• Disposals 2021: impact result			362	-362	-
• Revaluation subsidiaries			-30	30	-
• Allocation profit carried forward			1,823	-1,823	-
Dividends financial year 2021				-11,173	-11,173
BALANCE AT 31 DECEMBER 2022	97,213	4,183	116,145	14,491	232,032