Annual accounts 2024 Vastned Retail N.V.

Directors' report

Dear,

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. Therefore, this annual report is also drawn up in this respect and following the legal requirements applicable.

The year 2024 has been one to prepare Vastned Retail N.V. 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.

Portfolio

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 has divested assets, as part of our strategic reorientation process, for a total amount of € 136.2 million, with a gain on disposal of € 0.2 million. One new investment was made in 2024 for an amount of € 10.2 million. The value of the total portfolio (including Assets held for sale) decreased by € 137.3 million from € 1,373.2 million to € 1,235.9 million, including negative revaluations for an amount of € 15.7 million. Gross rental income decreased from € 72.1 million to € 68.2 million mainly due to divestments. The result for the year 2024 attributable to Vastned Retail shareholders increased from € 19.3 million negative to € 10.5 million negative. This negative result was mainly due to negative value movements in both 2023 and 2024.

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 to be close to € 2.6 million on the current portfolio.

Refinancing of external debt

Together with existing lenders, Vastned has been able to secure new financing arrangements for an amount of € 345 million to allow for refinancing of the bridge facility in January 2025 and the maturing facilities later in 2025. Refer to chapter Financial Instruments in the financial statements for details.

Dividend

Vastned Retail has paid out a final dividend of € 1.70 per share to its shareholders on 6 December 2024.

Antwerpen, 26 March 2025

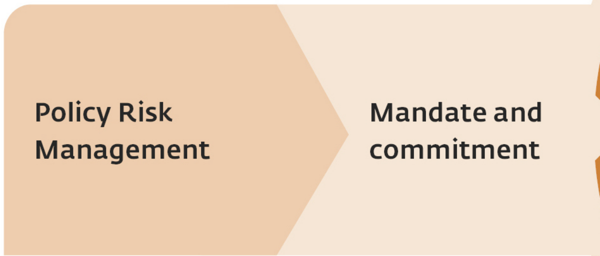
Sven Bosman

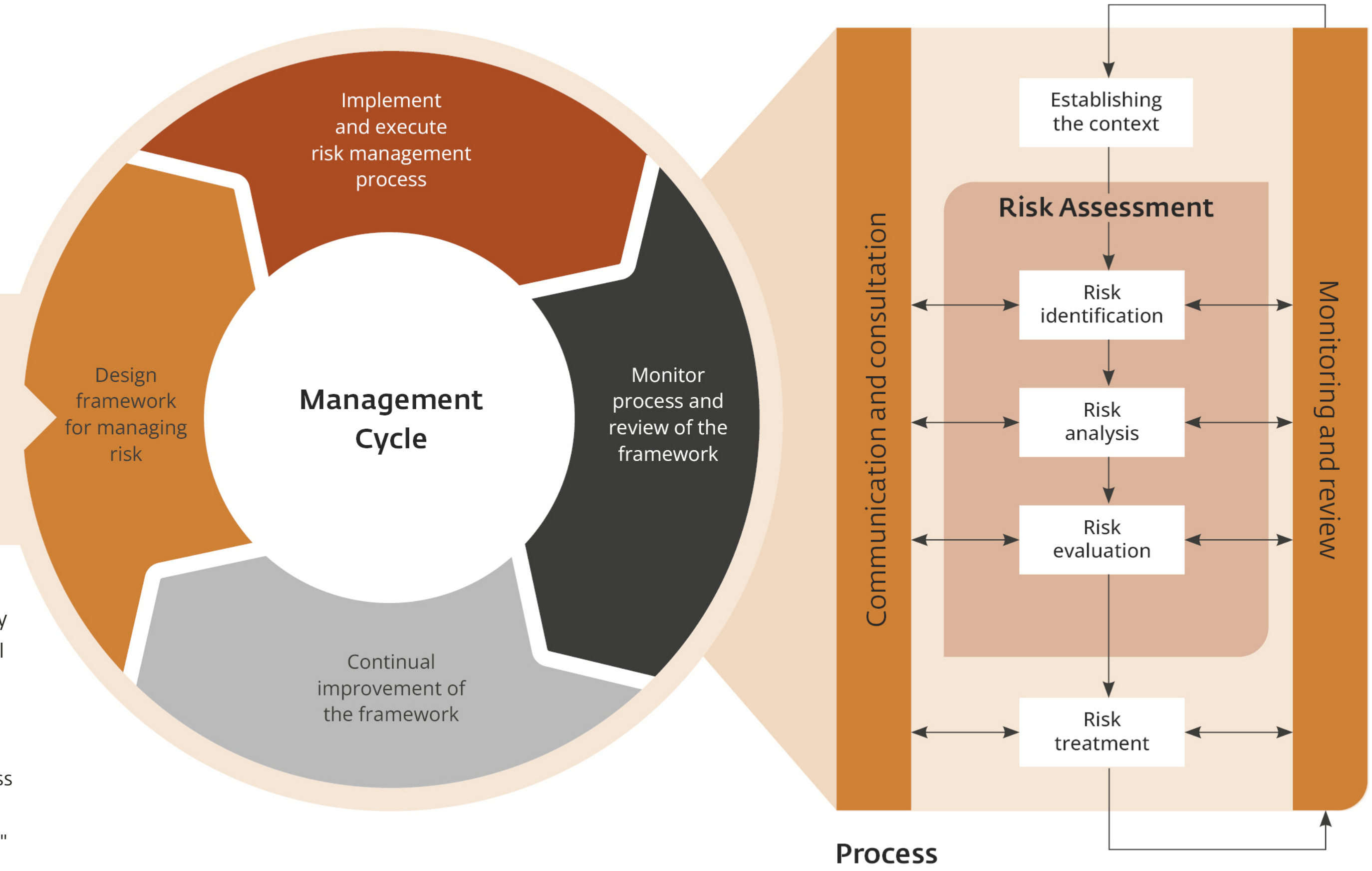
Chief Executive Officer of Vastned NV

Risk management and internal control

This section provides an overview of Vastned Retail N.V. risk management and control system throughout the year 2024. 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.

Risk management framework and process





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."

Overview of risk management at Vastned Retail

Strategy & risk appetite

Policy & procedures

Risk Areas

Strategic

- Achieving stable and predictable results
- External factors
- Approach to ESG
- Climate impact

Operational

- Staff
- Transactions
- Valuation
- Cost control
- IT, including cyber security
- Catastrophes

Financial

- Liquidity
- Financing market
- Debtors
- Reporting

Compliance

- Laws and regulations
- Codes and regulations
- Third parties and conflicts of interest

Risk and control framework

Monitoring & auditing

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
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

Risk category	Risk	Risk appetite	Likelihood	Impact	Link with six highly material topics	Reference
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 was the head of the legal structure, overseeing various subsidiaries spread across the Netherlands, Belgium, France, and Spain. In addition to the sole executive board, an Executive Committee was also appointed.

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, except in Belgium, where valuations take place quarterly. 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.

Internal audit

The internal audit function has been subcontracted to BDO Consultants B.V. since 2016. In 2022, BDO Consultants B.V. was mandated to perform the internal audit from 2022 up to and including 2024.

BDO Consultants B.V. carries out random checks on the functioning of the various internal procedures in the countries where Vastned Retail is active. No material findings were noted during the audits executed in 2024; however, Vastned Retail received valuable recommendations. Vastned Retail took note of these recommendations, and procedures were adjusted when deemed necessary.

Outlook

Due to the merger effective January 1, 2025, the outlook for Vastned Retail N.V. has been discontinued.

Financial Statements

Consolidated profit and loss account

(€ thousand)	Note	2024	2023
Gross rental income	3, 24	68,176	72,138
Other income	3	680	714
Net service charge expenses	3	(237)	(113)
Operating expenses	3	(8,045)	(7,934)
Net rental income		**60,574**	**64,805**
Value movements in property in operation	4	(14,516)	(47,491)
Value movement in property held for sale	4	(1,145)	-
Total value movements in property		**(15,661)**	**(47,491)**
Net result on divestments of property	5	236	309
Total net income from property		**45,149**	**17,623**
Financial income	6	17	12
Financial expenses	6	(17,123)	(16,967)
Value movements in financial derivatives	6	(5,619)	(7,544)
Net financing costs		**(22,725)**	**(24,499)**
General expenses	7	(8,409)	(7,338)
Total net financing costs and general expenses		**(31,134)**	**(31,837)**
Result before taxes		**14,015**	**(14,214)**
Current income tax expense	8	(156)	(1,560)
Movement deferred tax assets and liabilities	8, 18	(12,963)	560
Restructuring expenses	9	(7,895)	-
Total income tax and restructuring expenses		**(21,014)**	**(1,000)**
Result after taxes		**(6,999)**	**(15,214)**
Result attributable to Vastned Retail shareholders		(10,520)	(19,261)
Result attributable to non-controlling interests	27	3,521	4,047
		(6,999)	**(15,214)**

Earnings per share (€)		2024	2023
Basic EPS	10	(0.61)	(1.12)
Diluted EPS	10	(0.61)	(1.12)

Consolidated statement of comprehensive income

(€ thousand)	Note	2024	2023
Result after taxes		(6,999)	(15,214)
Items not reclassified to the profit and loss account			
Remeasurement of defined benefit obligation	19	304	(521)
Other comprehensive income after taxes		**304**	**(521)**
Total comprehensive result		**(6,695)**	**(15,735)**
Attributable to:			
Vastned Retail shareholders		(10,216)	(19,782)
Non-controlling interests		3,521	4,047
		(6,695)	**(15,735)**

Consolidated balance sheet as at 31 December

Assets (€ thousand)	Note	2024	2023
Property in operation	13	1,230,497	1,348,746
Accrued assets in respect of lease incentives	13	2,503	3,059
Total property		**1,233,000**	**1,351,805**
Intangible fixed assets		2	343
Tangible fixed assets		1,131	870
Rights-of-use assets		689	376
Financial derivatives	22	79	7,308
Total fixed assets		**1,234,901**	**1,360,702**
Assets held for sale	14	3,044	23,937
Financial derivatives	22	2,547	470
Debtors and other receivables	15, 22	7,559	4,922
Income tax		577	-
Cash and cash equivalents	16	866	1,016
Total current assets		**14,593**	**30,345**
Total assets		**1,249,494**	**1,391,047**

Equity and liabilities (€ thousand)	Note	2024	2023
Paid-up and called-up capital	17	95,183	95,183
Share premium reserve		468,555	468,555
Other reserves		50,161	120,232
Result attributable to Vastned Retail shareholders	10	(10,520)	(19,261)
Equity Vastned Retail shareholders		**603,379**	**664,709**
Equity non-controlling interests	27	75,636	80,175
Total equity		**679,015**	**744,884**
Deferred tax liabilities	18	22,953	8,888
Provisions in respect of employee benefits	19	3,909	4,080
Long-term interest-bearing loans	20	150,476	366,135
Long-term lease liabilities	20, 24	747	2,953
Financial derivatives	22	655	188
Guarantee deposits and other long-term liabilities		5,789	4,956
Total long-term liabilities		**184,529**	**387,200**
Payable to banks	20	24,336	8,627
Redemption of long-term interest-bearing loans	20	344,621	233,008
Short-term lease liabilities	20, 24	320	298
Income tax		42	322
Other liabilities and accruals	21	16,631	16,708
Total short-term liabilities		**385,950**	**258,963**
Total equity and liabilities		**1,249,494**	**1,391,047**

Consolidated statement of movements in equity

(€ thousand)	Capital paid up and called	Share premium reserve	Other reserves	Result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders	Equity non-controlling interests	Total equity
Balance as at 1 January 2023	95,183	468,555	120,796	31,345	715,879	80,072	795,951
Result	-	-	-	(19,261)	(19,261)	4,047	(15,214)
Other comprehensive income	-	-	(521)	-	(521)	-	(521)
Comprehensive income	**-**	**-**	**(521)**	**(19,261)**	**(19,782)**	**4,047**	**(15,735)**
Final dividend for previous financial year in cash	-	-	-	(21,611)	(21,611)	(3,944)	(25,555)
Interim dividend 2023 in cash	-	-	(9,777)	-	(9,777)	-	(9,777)
Contribution from profit appropriation	-	-	9,734	(9,734)	-	-	-
Balance as at 31 December 2023	**95,183**	**468,555**	**120,232**	**(19,261)**	**664,709**	**80,175**	**744,884**
Result	-	-	-	(10,520)	(10,520)	3,521	(6,999)
Other comprehensive income	-	-	304	-	304	-	304
Comprehensive income	**-**	**-**	**304**	**(10,520)**	**(10,216)**	**3,521**	**(6,695)**
Final dividend for previous financial year in cash	-	-	-	(21,955)	(21,955)	(4,031)	(25,986)
Interim dividend 2024 in cash	-	-	(29,159)	-	(29,159)	(4,029)	(33,188)
Contribution from profit appropriation	-	-	(41,216)	41,216	-	-	-
Balance as at 31 December 2024	**95,183**	**468,555**	**50,161**	**(10,520)**	**603,379**	**75,636**	**679,015**

Consolidated cash flow statement

Cash flow from operating activities (€ thousand)	Note	2024	2023
Result after taxes		(6,999)	(15,214)
Adjustments for:			
Value movements in property	4	15,661	47,491
Net result on divestments of property	5	(236)	(309)
Net financing costs[1]	6	22,725	24,499
Income tax	8	13,119	1,000
Cash flow from operating activities before changes in working capital and provisions		**44,270**	**57,467**
Movement in current assets		(2,249)	326
Movement in short-term liabilities		1,531	687
Movements in guarantee deposits		833	415
Movement in provisions		(31)	(229)
Cash flow from operating activities after changes in working capital and provisions		**44,354**	**58,666**
Interest received		17	12
Interest paid		(18,088)	(14,841)
Income tax paid		89	(1,274)
Cash flow from operating activities		**26,372**	**42,563**
Cash flow from investing activities			
Property acquisition		(10,327)	-
Capital expenditure on property		(3,520)	(3,292)
Divestments of property		137,527	3,224
Cash flow from property		**123,680**	**(68)**
Additions to other fixed assets		(1,027)	-
Release of other fixed assets		897	(200)
Cash flow from investing activities		**123,550**	**(268)**

Cash flow from financing activities	Note	2024	2023
Dividend paid	11	(51,114)	(31,388)
Dividend paid to non-controlling interests	27	(8,060)	(3,944)
Interest-bearing loans drawn down	20	144,932	18,586
Interest-bearing loans redeemed	20, 24	(235,830)	(25,256)
Cash flow from financing activities		**(150,072)**	**(42,002)**
Net increase/(decrease) in cash and cash equivalents		**(150)**	**293**
Cash and cash equivalents as at 1 January	16	1,016	723
Cash and cash equivalents as at 31 December		**866**	**1,016**

[1] Including movement of financial derivatives

Notes on the consolidated financial statements

1. General information

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

The Company, 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's property clusters have a strong tenant mix of international and national retailers, hospitality businesses, residential tenants and office tenants. Properties are located in the Netherlands, France, Belgium and Spain.

Vastned Retail was filed at the trade register of the Chamber of Commerce under number 24262564.

Vastned 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.

The consolidated financial statements of the company consist of those of the company and its subsidiaries (jointly referred to as 'the Group').

2. Significant principles for financial reporting

Statement of compliance

The consolidated 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 Group's activities during the financial year beginning 1 January 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 note 15 Debtors and other receivables, starting on page 39.

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 and assumptions

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.

On 16 May 2024, Vastned NV (hereafter referred to as 'Vastned' or 'the Company') and its Dutch parent company Vastned Retail N.V. announced that they had entered into an agreement (the Merger Protocol) for the implementation of a reverse cross-border legal merger in which Vastned Retail N.V. would merge with and into Vastned (the 'Merger').

The Merger was completed at 00.00 hours CET on 1 January 2025. Since that moment, the combined company has been called 'Vastned' and has its head office in Belgium. The listing of the stock of Vastned Retail N.V. has been terminated, but the stock of Vastned NV (VASTB) trades at Euronext Brussels with a secondary listing on Euronext Amsterdam. As a result of the entry into force of the Merger on 1 January 2025, all assets and liabilities (equity) of the former Vastned Retail N.V. were transferred to Vastned by universal title, so that Vastned was automatically entitled to all rights and obligations of the former Vastned Retail N.V.. The 3,325,960 shares held by Vastned Retail N.V. in Vastned (a 65.5% stake in Vastned's capital prior to the Merger) became Vastned's own shares at the time of the Merger.

Together with existing lenders, Vastned has been able to secure new financing commitments for a total amount of € 345 million in order to settle on the bridge loan facility and to refinance the maturing credit facilities. Duration of these new credit facility is between three and five years (possibility to extend to seven years).

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising shareholders' return through the optimisation of the debt and equity balance as well as the loan to value ratio.

Based on the assessment done by the Executive Board regarding the group's ability to act as a going concern, the Executive Board concludes that there is no material uncertainty as a going concern in the upcoming 12 months. As such, and based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis. Reference is made to the Annual Report of Vastned that has been published on the website www.vastned.be.

In the application of the Group's 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.

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's performance (and its accounting) during 2024 was limited.

- Abolishment of the FII regime
  In 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's financial results in 2024, except for the costs overseeing the restructuring due to the abolishment.
- Accounting implications of geo-political conflicts.
  Vastned Retail 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.

Climate-related matters

Vastned Retail has considered environmental, social and governance (ESG) matters and, in particular, climate-related risk factors when making estimates and judgements in the preparation of the financial statements. Climate-related risks may include both transition impacts; for example, additional costs incurred as a result of transitioning to a low-carbon economy, or physical impacts, such as damage to assets as a result of fires and flooding. The impact of particular transactions, other events and conditions on Vastned Retail's financial position and financial performance have been assessed by management and disclosed when and where required at the individual notes. In light of the current focus on, and impact of, climate change, management has assessed the impact of climate change on Vastned Retail and vice versa. The Group constantly monitors the latest government legislation in relation to climate-related matters and presently considers the impact of climate-related matters on Vastned Retail's business model as limited. However, Vastned Retail recognises that these matters could potentially impact the valuation of property (fair value estimation), trade receivables, deferred tax positions and provisions and/or contingent liabilities. At present, the impact of climate-related matters is not material to the Group's financial statements. Reference is made to note note 13 Property in operation, starting on page 35 for a more detailed description of the indicated risks and effects.

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. For further explanation, reference is made to section Net service charge expenses in this note.

  In France, lessees are charged contractually agreed fees for the management of general areas of the property. These fees are related to the rent charged to lessees and the floor area leased. Such fees are not necessarily equal to the costs of the services. As a result, the Group receives the remaining benefits. The Group is also responsible for providing these services; based on this principle, the Group has control of these services. As a result, the Group can be regarded as a principal. These fees are presented under 'Other income'.
- 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 note 13 Property in operation, starting on page 35.

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. Further details on taxes are presented on page 28 and in note 8 Income tax, starting on page 33.

Provision for expected credit losses

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. Further details on expected credit losses are presented in note 15 Debtors and other receivables, starting on page 39 .

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.

Principles for consolidation

Subsidiaries

Subsidiaries are entities over which the company has direct or indirect control.
The company has control if:

- it has power over the entity;
- it is exposed to or entitled to variable returns because of its involvement in the entity; and

- it has the possibility of using its control over the entity to influence the size of these returns.

Every one of these three criteria must be satisfied before the company is deemed to have control over the entity in which it has an interest.

The financial statements of the subsidiaries are included in the consolidated statements from the date at which control is first obtained until such time when control ceases. Once control is obtained, all subsequent changes in ownership interests that do not involve the loss of that control will be treated as transactions among shareholders. Non-controlling interests are separately recognised in the balance sheet under equity. Non-controlling interests in the result of the Group are also recognised separately.

Transactions eliminated on consolidation
Balances within the Group and possible unrealised profits and losses on transactions within the Group, or income and expenditure from such transactions, are eliminated in the presentation of the financial statements. Unrealised profits with respect to transactions with associates are eliminated proportionally to the interest that the Group has in the entity. Unrealised losses are eliminated in the same way as unrealised profits, but only to the extent that there is no evidence of impairment.

Acquisitions of subsidiaries
The Group acquires subsidiaries that own property. At the time of acquisition, the Group assesses whether the acquisition must be designated as a business combination or as the purchase of an asset. The Group recognises the acquisition of a subsidiary as a business combination if the acquisition also involves acquiring an integrated series of activities. More specifically, the Group takes into account the degree to which significant processes are acquired and, in particular, the size of the services provided by the subsidiary. The costs of the acquisition of a business combination are valued at the fair value of the underlying assets, equity instruments issued, and debts incurred or taken over at the time of transfer. Expenses incurred in realising a business combination (such as consultancy, legal and accountancy fees) are recognised in the profit and loss account. Acquired identifiable assets and (contingent) liabilities are initially recognised at fair value on the acquisition date. Goodwill is the amount by which, upon its initial recognition, the cost price of an acquired entity exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities. Changes in the purchase price after the acquisition date do not result in recalculation or adjustment of the goodwill. After initial recognition, the goodwill is valued at cost less any cumulative impairment losses. Goodwill is attributed to cash-generating entities and is not amortised. Goodwill is assessed for impairment annually, or earlier if circumstances give cause. Negative goodwill resulting from an acquisition is recognised directly in the profit and loss account. For associates, the book value of the goodwill is included in the book value of the investments in the associate in question. If the acquisition of a subsidiary does not qualify as an acquisition of a business combination, the acquisition is recognised as the acquisition of an asset. The expenses incurred in connection with the acquisition are capitalised in that case. Goodwill and deferred tax liabilities at the time of acquisition are not stated.

Foreign currencies
The items in the annual accounts of the separate entities of the Group are recognised in the currency of the principal economic location in which the entity operates (the 'functional currency'). The currency of the main cash flows of the entity is taken into account in the determination of the functional currency. As a result, the euro is used as the functional currency at all foreign entities where the Group operates.

The consolidated financial statements are presented in euros, the Group's reporting currency. In the preparation of the financial statements of the separate entities, transactions in foreign currencies are recognised at the exchange rate effective on the transaction date. Foreign currency results arising from the settlement of these transactions are recognised in the profit and loss account.

On the balance sheet date, monetary assets and liabilities in foreign currency are converted at the exchange rate effective on that date. Non-monetary assets and liabilities that are valued at fair value are converted at the exchange rate on the date on which the fair value was determined. Non-monetary assets and equity and liabilities valued at historical cost are converted at the historical exchange rate.

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's 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 (Belgium-based properties, every three 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 92.7% of the total value of Vastned Retail's 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 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.

Tangible and intangible fixed assets

Tangible fixed assets mainly comprise assets held by the Group in the context of ancillary business operations, such as office furniture, computer equipment and vehicles. Tangible fixed assets are valued at cost less cumulative depreciation and any cumulative impairment losses.

Depreciation is recognised in the profit and loss account using the straight-line method, taking account of the expected useful life and the residual value of the assets in question.

Intangible assets mainly comprise software, whereby assets with a limited useful life that are acquired separately are valued at cost less cumulative amortisation and any cumulative impairment losses. Amortisation is recognised straight-lined over the estimated useful life (three or five years). The estimated useful life and amortisation methods are evaluated at the end of each reporting period, whereby the effect of any estimation change is recognised on a prospective basis. Intangible fixed assets with an indefinite useful life that are acquired separately are valued at cost less cumulative impairment losses.

The expected useful life is estimated as follows:

Office furniture	5 years
Vehicles	5 years
Computer equipment	3 or 5 years

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 note 24 Leases, starting on page 53.

The Group applies IAS 36 to determine whether a rights-of-use asset is subject to impairment and recognises any identified impairment loss correspondingly.

Financial derivatives

The Group uses financial interest-rate derivatives for hedging interest rate risks resulting from its operating, financing and investing activities. In accordance with the Treasury Policy set by the Executive Board and the Supervisory Board, the Group neither holds nor issues derivatives for trading purposes. Financial derivatives are valued at fair value.

The fair value of financial interest rate derivatives is the amount the Group would expect to receive or pay if the financial interest rate derivatives were to be terminated on the balance sheet date, taking into account the current interest rate and the actual credit risk of the particular counterparty or counterparties on the Group on the balance sheet date. The amount is determined on the basis of information from reputable market parties. For more details, reference is made to note note 22 Financial instruments, starting on page 48.

A derivative is classified as a current asset or short-term debt if the remaining term of the derivative is less than 12 months or the derivative is expected to be realised or settled within 12 months.

Value movements in financial derivatives are reported in the profit and loss account. The Group does not apply hedge accounting.

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

Shares are classified as equity Vastned Retail shareholders. 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.

Provisions in respect of employee benefits

Defined benefit pension plans

The Group's net liability in respect of defined benefit pension plans is calculated separately for each plan by estimating the pension rights employees have built up in return for their service during the reporting period and preceding periods. The pension rights with respect to defined benefit pension plans are calculated at the net present value at a discount rate less the fair value of the plan assets from which the liability is to be settled. The discount rate is the yield on the balance sheet date of high-quality corporate bonds with maturities approximating the liabilities of the Group. A certified external actuary employs the projected unit credit method for this calculation. This method takes into account, among other things, future employee salary increases and inflation.

If the pension entitlements based on a scheme are changed or if a scheme is curtailed, the ensuing change in entitlements in relation to past service or the gain or loss on that curtailment is recognised directly in the profit and loss account.

If the plan assets exceed the obligations, the recognition of the assets is limited to the present value of the economic benefits available in the form of any future refunds from the plan or lower future pension premiums.

The net interest is calculated by applying the discount rate to the net liability on the basis of defined benefit pension schemes. The interest is recognised in the profit and loss account under 'Financial expenses'. The service costs and administration costs are recognised in the profit and loss account under 'General expenses'.

Remeasurements, consisting of actuarial gains and losses, among others, are reported in the Other comprehensive income.

Defined contribution pension plans

Commitments of the Group to defined contribution pension plans are recognised as an expenditure in the profit and loss account when the contributions become due.

Long-term personnel benefits

The liabilities based on long-term employee benefits are stated at the present value of the long-service bonuses to be paid to employees in the future. Movements in the liabilities are reported in the profit and loss account.

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. As mentioned in section Principles applied in the presentation of the financial reporting of this note, only the fees in France are not necessarily equal to the costs of the services. As a result, the Group receives the remaining benefits. 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.

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. Expenditure with respect to dividends is recognised under cash flow from financing activities.

3. Net rental income

(€ thousand)	Gross rental income		Other income		Net service Charge expenses		Operating expenses		Net rental income	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Netherlands	29,624[1]	33,010	-	11	(198)	(124)	(4,969)	(4,828)	24,456	28,069
France	16,195	16,117	338	331	30	44	(1,209)	(1,287)	15,354	15,205
Belgium	18,967	19,077	342	372	(69)	(33)	(1,581)	(1,487)	17,659	17,929
Spain	3,390	3,934	-	-	-	-	(286)	(332)	3,104	3,602
	68,176	**72,138**	**680**	**714**	**(237)**	**(113)**	**(8,045)**	**(7,934)**	**60,574**	**64,805**

1 Part of the gross rental income for 2024 are payments by tenants for buy-off of their lease contract for an amount of € 251 thousand

Net service charge expenses (€ thousand)	2024	2023
Attributable to leased properties	230	110
Attributable to vacant properties	7	3
Total net service charge expenses	**237**	**113**
Operating expenses		
Attributable to leased properties	7,797	7,725
Attributable to vacant properties	248	209
Total operating expenses	**8,045**	**7,934**
Operating expenses		
Maintenance	1,691	1,874
Administrative and commercial management[1]	2,727	2,886
Insurance	435	505
Local taxes	1,611	1,468
Letting costs	549	488
Allocation to the provision for expected credit losses (on balance)	453	117
Other operating expenses	579	597
Total operating expenses	**8,045**	**7,934**

1 4% of gross rental income consisting of external costs and general expenses, which are attributed to operating expenses.

The 2024 operating expenses include an addition to the provision for expected credit losses of € 453 thousand (2023: € 117 thousand addition). The overview below presents the allocations per country in 2024:

(€ thousand)				2024
	Netherlands	France	Belgium	Total
Allocation to the provision for expected credit losses (on balance)	190	48	215	453

(€ thousand)				2023
	Netherlands	France	Belgium	Total
Allocation to the provision for expected credit losses (on balance)	39	16	62	117

4. Value movements in property

			2024			2023
(€ thousand)	Positive	Negative	Total	Positive	Negative	Total
Property in operation	16,878	(32,539)	(15,661)	27,557	(75,048)	(47,491)

5. Net result on divestments of property

(€ thousand)	2024	2023
Sale price	136,186	3,225
Book value at time of divestment	(134,865)	(2,915)
	1,321	**310**
Sales costs	(962)	(1)
	359	**309**
Other	(122)	-
Total result on divestment of property	**236**	**309**

6. Net financing costs

Interest income (€ thousand)	2024	2023
Other interest income	(17)	(12)
Interest expenses		
Long-term interest-bearing loans	16,227	16,212
Short-term credits and cash loans	688	517
Lease liabilities	56	111
Other interest expenses	152	127
	17,123	**16,967**
Total interest	**17,106**	**16,955**
Value movements in financial derivatives	5,619	7,544
Total financing costs	**22,725**	**24,499**

7. General expenses

(€ thousand)	2024	2023
Personnel costs	6,370	5,313
Remuneration of Supervisory Board[1]	139	137
Consultancy and audit costs	1,363	1,877
Appraisal costs	652	520
Accommodation and office costs	750	684
Other expenses	1,492	1,322
	10,766	**9,853**
Attributed to operating expenses	(2,357)	(2,515)
Total	**8,409**	**7,338**

1 This excludes the expense allowance of the supervisory board, €1,250 per year per member, for travel and accommodation. The expense allowance is included in the personnel costs.

Personnel costs

During 2024, Vastned Retail employed an average of 28 employees (FTEs) (2023: 31), of which 15 in the Netherlands and 13 abroad (2023: 18 in the Netherlands and 13 abroad).

During the reporting year, € 4.0 million was recognised in salaries (2023: € 3.7 million), € 0.6 million in social insurance contributions (2023: € 0.5 million) and € 0.4 million in pension contributions (2023: € 0.4 million).

The other personnel costs were € 1.4 million (2023: € 0.7 million).

Audit costs

The consultancy and audit costs include the costs presented below, which were charged by Deloitte Accountants B.V. and Ernst & Young Accountants LLP for work carried out for Vastned Retail and its subsidiaries.

(€ thousand)	2024	2023
Audit fees	546	427
Other non-audit-related fees	-	2
Total	**546**	**429**

The fees stated above for auditing the financial statements are based on the costs reported in the profit and loss account. Of the audit costs, an amount of € 0.3 million (2023: € 0.3 million) concerned Deloitte Accountants B.V. in the Netherlands. The remaining € 0.2 million concerned to Ernst & Young Accountants LLP.

Other expenses

The increase of the consultancy and audit costs is amongst other matters related to the strategic reorientation. The Other expenses include publicity costs and IT costs.

8. Income tax

Current income tax expense (€ thousand)	2024	2023
Current financial year	156	1,560
Movement in deferred tax assets and liabilities		
In respect of:		
Value movements in property	12,764	(360)
Movement in other temporary differences	(14)	(200)
Movement in offsettable losses	213	0
	12,963	**(560)**
Total	**13,119**	**1,000**

Reconciliation effective tax rate (€ thousand)		2024		2023
Result before taxes		**14,015**		**(14,214)**
Income tax at Dutch tax rate	(82.9)%	11,623	4.9%	691
Effect of tax rates of subsidiaries operating in other jurisdictions	(10.7)%	1,495	2.2%	309
	(93.6)%	**13,118**	**7.0%**	**1,000**

The increase of the value movements in property is due by the sale of Rokin Plaza.

The companies in the Group are taxed in accordance with the tax rules in the country of establishment. In some countries, there are special tax regimes for property investments.

Dutch FII regime

In the Netherlands, Vastned Retail and several subsidiaries 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.

Two Dutch companies that hold Dutch property are subject to the regular tax regime, which means that the income less interest, management fees and other expenses is taxed at the nominal corporate income tax rate of 25.80%.

Belgian BE-REIT regime

In Belgium, virtually the entire property portfolio is held by the regulated property company ('BE-REIT') named Vastned. A BE-REIT essentially has tax-exempt status, so that no tax is payable in Belgium on the net rental income and capital gains realised there. The requirements for applying for regulated property company status are largely comparable to those of the Dutch FII regime.

One property is held by a company that is subject to the regular tax regime, which means that the income less interest, depreciation, management fees and other expenses is taxed at the nominal tax rate of 25.00%.

French SIIC regime (Sociétés d'Investissement Immobilier Cotées)

In France, the entire property portfolio is held by various French companies that are subject to the French SIIC regime. Under this tax regime, no tax is owed on the net rental income and capital gains realised. The requirements of the SIIC regime are largely comparable to those of the Dutch FII regime.

The French management company is subject to the regular tax regime, which means that the taxable result, consisting of income less depreciation, interest and other expenses, is taxed at a nominal tax rate of 25.00%.

Spain

The property in Spain is held by regularly taxed companies. Depreciation, interest, management fees and other expenses are deducted from the taxable net rental income realised in these companies and the nominal tax rate of 25.00% is then applied. The Spanish regularly taxed companies merged on 31 December 2024 which resulted in a decrease of income taxes in Spain.

9. Restructuring expenses

The restructuring expenses concerned expenses related to the reversed merger and relating restructuring of the Vastned Retail organization. They consist mainly of external advisory fees.

10. Earnings per share

(€ thousand)	2024		2023	
	Basic	Diluted	Basic	Diluted
Result after taxes	**(10,520)**	**(10,520)**	**(19,261)**	**(19,261)**

Average number of ordinary shares in issue	2024		2023	
	Basic	Diluted	Basic	Diluted
Balance as at 1 January[1]	17,151,976	17,151,976	17,151,976	17,151,976
Movements	-	-	-	-
Average number of ordinary shares in issue	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**

[1] Excl. treasury shares

	2024		2023	
Per share (€)	Basic	Diluted	Basic	Diluted
Result after taxes	**(0.61)**	**(0.61)**	**(1.12)**	**(1.12)**

11. Dividend

On 3 May 2024, the final dividend for the 2023 financial year was made payable. The dividend was € 1.28 per share in cash. The dividend distribution totalled € 22.0 million.

On 5 December 2024, the interim dividend for the 2024 financial year was made payable. The interim dividend was € 1.70 per share in cash (total: € 29.2 million). This is also the final dividend. No extra dividend is to be paid out relating to financial year 2024.

12. Fair value

The 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:

(€ thousand)		2024		2023	
Assets valued at fair value	Level	Book value	Fair value	Book value	Fair value
Assets					
Property in operation (including accrued assets in respect of lease incentives)	3	1,233,000	1,233,000	1,351,805	1,351,805
Financial derivatives	2	2,626	2,626	7,778	7,778
Assets held for sale	3	3,044	3,044	23,937	23,937
Liabilities valued at fair value					
Long-term liabilities					
Long-term interest-bearing loans	2	150,476	148,876	366,135	384,048
Lease liabilities	2	747	717	2,953	2,416
Financial derivatives	2	655	655	188	188
Short-term liabilities					
Redemption of long-term interest-bearing loans	2	344,621	343,159	233,008	234,254

All 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 19 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'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 minimise estimation uncertainty and assign a correct value to Vastned Retail'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 are as follows:

2024	Netherlands	France	Belgium	Spain	Total
Appraisal value as at 31 December (x million)[1]	452	366	330	85	1,233
Lease incentives still to be granted as at the balance sheet date (x thousand)	689	315	576	44	1,624
Market rent per sqm (€)	258	866	232	1,237	326
Theoretical annual rent per sqm (€)	286	856	256	1,210	348
Vacancy rate at end of reporting year (%)	2.4	0.3	1.0	0.0	1.3
Weighted average lease term in years (until first break)[2]	3.0	1.8	1.9	4.4	2.4

1 This is the value excluding the revaluation related to assets held for sale
2 In France and Spain, this is due to the tenant's legal right.

2023	Netherlands	France	Belgium	Spain	Total
Appraisal value as at 31 December (x million)	590	379	320	79	1,369
Lease incentives still to be granted as at the balance sheet date (x thousand)	968	440	1,144	83	2,635
Market rent per sqm (€)	268	842	227	1,162	321
Theoretical annual rent per sqm (€)	304	809	255	1,168	347
Vacancy rate at end of reporting year (%)	1.9	0.4	0.1	0.0	1.0
Weighted average lease term in years (until first break)	3.5	2.3	2.0	4.8	2.9

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, 92.7% of the property in operation was appraised by independently certified appraisers (31 December 2023: 92.7%). The independently certified appraisers who appraised the property in 2023 and 2024 were CBRE and Cushman & Wakefield in Amsterdam, Brussels, Madrid and Paris.

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 as an organisation. 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 unfavourable 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 behaviour;
- 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 analysis and stress test

Significant changes in the relevant parameters for the valuation of Vastned Retail's property investments result in a significantly lower or higher market value, with an inherent impact on solvency and the loan-to-value rate (LTV). Below, a number of sensitivity analyses are listed along with the impact on the valuation based on significant changes to the parameters of net yield and market rent. These parameters are deemed to be the most relevant in view of the current economic situation.

A 25-basis-point increase in the net yields used in the appraisal values would result in a decrease in the value of the property in operation by € 58.9 million or 4.8% (31 December 2023: € 69.5 million or 5.2%) and a 211-basis-point increase in the loan-to-value ratio (31 December 2023: 236 basis points) and a decrease of the solvency ratio of 217 basis points. At 50 basis points, this would be € 112.5 million or 9.1%, and 421 and 433 basis points, respectively.

A 5% decrease in the appraisal values used in the market rents would result in a decrease in the value of the property portfolio by € 61.6 million or 5.0%, a rise of the loan-to-value ratio of 221 basis points and a decrease of the solvency ratio of 227 basis points. At 10%, this would be € 123.3 million or 10.0% and 466 and 479 basis points, respectively.

At year-end 2024, the solvency ratio was 56.3% (31 December 2023: 53.9%) and the LTV 42.1% (31 December 2023: 44.4%). The solvency ratio agreed with the lenders is 45%. A 130-basis-point increase in the net yields used in the appraisal values would result in a decrease in the value of the property in operation by € 255.0 million or 20.7%. In this event, the loan-to-value would rise by 1094 basis points from 42.1 to 53.0, and the solvency ratio would fall by 1122 basis points, from 56.3% to 45.0%. A rise of the net yields used in the appraisal values by more than 130 basis points would therefore result in an 'event of default' with respect to the solvency covenant.

Property in operation

(€ thousand)	2024	2023
Balance as at 1 January	**1,346,200**	**1,416,824**
Acquisitions	10,327	-
Investments	3,031	3,691
Transferred from Assets held for sale	13,430	-
Transferred to Assets held for sale	(128,508)	(23,937)
Divestments	(40)	(2,915)
Manual adjustment	-	14
	1,244,440	**1,393,677**
Value movements[1]	(14,063)	(47,477)
Total property in operation (excluding ground lease)	**1,230,377**	**1,346,200**
Accrued assets in respect of lease incentives	2,503	3,059
Appraisal value as at 31 December	**1,232,880**	**1,349,259**
Ground lease	120	2,546
Balance as at 31 December	**1,233,000**	**1,351,805**

[1] The difference with the P&L pertains value movements in relation to lease incentives released due to the sale of Rokin

The acquisitions during 2024 concerned two properties in Belgium.

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

The divestments in 2024 concerned one property in France.

In the Netherlands, the value movements in 2024 were € 7.2 million negative (2023: € 15.8 million negative). In France, the value movements came to € 13.7 million negative (2023: € 28.9 million negative). In Belgium, the value movements of the property portfolio in 2024 were € 1,1 million positive (2023: neutral). The value of the property portfolio in Spain came to € 5.7 million positive (2023: € 2.7 million negative).

Accrued assets in respect of lease incentives (€ thousand)	2024	2023
Balance as at 1 January	3,059	3,580
Lease incentives granted	-	2,497
Charged to the profit and loss account	(556)	(3,001)
Transferred to Assets held for sale	-	(17)
Balance as at 31 December	**2,503**	**3,059**

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 35 overview included in this annual report.

14. Assets held for sale

(€ thousand)	2024	2023
Balance as at 1 January	23,937	-
Transferred from Property in operation	128,508	24,282
Transferred to Property in operation	(13,430)	-
Divestments	(134,826)	(345)
	4,189	**23,937**
Value movements	(1,145)	-
Balance as at 31 December	**3,044**	**23,937**

In 2024, eightteen properties in The Netherlands classified as 'assets held for sale' have been sold for a total amount of € 134.5 million with a book result of € 0.2 million positive. Furthermore one property in Belgium was sold for an amount of € 1.6 million with a nihil book result . As at 31 December 2024, two assets were being held for sale, of which one is located in The Netherlands (2023: four) and one in Belgium (2023: two).

15. Debtors and other receivables

(€ thousand)	31 December 2024	31 December 2023
Debtors and pre-invoiced amounts	2,833	3,726
Provision for expected credit losses	(1,554)	(1,972)
	1,279	**1,754**
Indirect taxes	451	967
Prepayments	1,519	584
Other receivables	4,310	1,617
Balance as at 31 December	**7,559**	**4,922**

The comparative figures for Debtors have been changed to reflect the netting off of the pre-invoiced amounts with the Other liabilities related to prepaid rent. There is no impact on the equity or result for the period.

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 December 2024
	Gross amounts	Provision for expected credit losses	Net amounts
Overdue accounts receivable	2,790	(1,554)	1,236
Other receivables	43	-	43
Balance as at 31 December	**2,833**	**(1,554)**	**1,279**

(€ thousand)			31 December 2023
	Gross amounts	Provision for expected credit losses	Net amounts
Overdue accounts receivable	3,527	(1,972)	1,555
Accounts receivable for which deferment has been granted	192	-	192
Other receivables	7	-	7
Balance as at 31 December	**3,726**	**(1,972)**	**1,754**

The contracts state that rents due must be paid by tenants before or on the first day of the rental period. The Group 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 € 0.3 million (2023: € 0.1 million addition).

For further explanation on the debtors and the provision for expected credit losses, reference is made to note 22 Financial instruments, starting on page 48.

16. 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.

17. Shareholders equity

The authorised share capital is € 375.0 million, divided into 75,000,000 ordinary shares of € 5.00 par value.

Vastned Retail shareholders' equity was € 35.18 per share as at 31 December 2024 (31 December 2023: € 38.75 per share). The amount per share has changed throughout the year due to the distributed dividend and the results. It is calculating by dividing the equity of the group by the number of shares in issue.

The shareholders are entitled to receive the dividend declared by the company and are entitled to cast one vote per share at the Annual General Meeting. In the event of a share buyback by Vastned Retail in which the shares are not cancelled, these rights are suspended until such time when the shares are reissued.

Number of shares in issue	Shares in issue	Treasury shares	Total
Balance as at 1 January 2023	17,151,976	1,884,670	19,036,646
Movements	-	-	-
Balance as at 31 December 2023	**17,151,976**	**1,884,670**	**19,036,646**
Movements	-	-	-
Balance as at 31 December 2024	**17,151,976**	**1,884,670**	**19,036,646**

18. Deferred tax assets and liabilities

(€ thousand)	1 January 2024				31 December 2024
	Liabilities	Movement in profit and loss account	Acquisitions	Reclassification	Liabilities
Valuation differences in property	9,107	12,764	1,102	-	22,973
Offsetable losses	(285)	212	-	-	(73)
Other temporary differences	66	(13)	-	-	53
	8,888	**12,963**	**1,102**	**-**	**22,953**

(€ thousand)	1 January 2023				31 December 2023
	Liabilities	Movement in profit and loss account	Acquisitions	Reclassification	Liabilities
Valuation differences in property	9,475	(368)	-	-	9,107
Offsetable losses	(374)	8	-	81	(285)
Other temporary differences	348	(200)	-	(81)	66
	9,449	**(560)**	**-**	**-**	**8,888**

The deferred tax assets and liabilities as at 31 December 2024 concern the Netherlands, Spain and Belgium.

The deferred tax assets and tax liabilities are related to the difference between the balance sheet value and the tax-based book value of the property. The movement for the year of € 12.8 million addition mainly relates to the deferred tax liability of Rocking Plaza B.V. that has arisen with the sale of Rokin asset.

The offsetable losses relate to Spain. The offsetable losses in Spain may be carried forward indefinitely. The regularly taxed companies in Spain merged on 31 December 2024 which resulted in a decrease of the offsetable losses.

As at the balance sheet date, there was another € 2.9 million (2023: € 8.7 million) in unused tax losses in France (€ 0.2 million, 2023: € 6.5 million) and Belgium (€ 2.7 million, 2023: € 2.2 million). Given the expectation that, based on the present structure, these unused tax losses cannot be offset against taxable profits in the near future, no deferred tax asset has been recognised. The tax losses can be carried forward in time indefinitely.

19. Provisions in respect of employee benefits

Until 31 December 2019, Vastned Retail had a pension plan in place for its employees in the Netherlands, which qualified as a defined benefit pension plan. This pension plan was fully reinsured with Nationale-Nederlanden Levensverzekering Maatschappij N.V. and concerned a conditionally indexed career average scheme. An unconditional indexation of a maximum of 2% per year applied, and still applies, to a small group of employees. The provision for the defined benefit liabilities concerns the unconditional indexation up to and including 31 December 2019.

As of 1 January 2020, Vastned Retail has a pension plan for its employees that qualifies as a defined contribution pension plan. This unconditionally indexed career average plan remains in place but can no longer be accessed. The pension plans for the employees in other countries where Vastned Retail has branches may also be qualified as defined contribution pension plans.

Mercer (Nederland) B.V. has made the following assumptions for the actuarial calculations for the defined benefit pension plans:

	31 December 2024	31 December 2023
Discount rate	3.60%	3.60%
Expected rate of salary increases (age-dependent)	n/a	n/a
Future pension increases	0.00% -2.00%	0.00% -2.00%
Inflation (annual)	2.00%	2.00%

Movements in the present value of defined benefit pension obligations were as follows:

(€ thousand)	Present value of defined benefit pension obligations		Fair value of plan assets		Net obligation in respect of employee benefits	
	2024	2023	2024	2023	2024	2023
Balance as at 1 January	20,527	18,522	16,499	14,952	4,026	3,568
Reported in the profit and loss account						
Interest	727	765	588	622	139	143
Administrative costs	-	-	(25)	(25)	25	25
Total reported in the profit and loss account	**727**	**765**	**563**	**597**	**164**	**168**
Reported in other comprehensive income						
Effect of adjustment to demographic assumptions	(19)	(3)	-	-	(19)	(3)
Effect of adjustment to discount rate	-	1,857	-	-	-	1,857
Effect of experience adjustment	(282)	-	-	-	(282)	-
Effect of changes in financial assumptions	-	-	3	1,333	(3)	(1,333)
Total reported in other comprehensive income	**(301)**	**1,854**	**3**	**1,333**	**(304)**	**521**
Contributions and benefits paid						
Contribution paid by employer	-	-	-	231	-	(231)
Benefits paid	(644)	(613)	(644)	(613)	-	-
Total contributions and benefits	**(644)**	**(613)**	**(644)**	**(382)**	**-**	**(231)**
Balance as at 31 December	**20,309**	**20,527**	**16,421**	**16,499**	**3,886**	**4,026**
Long-term personnel benefits					23	54
Total					**3,909**	**4,080**

As previously stated, the pension plan has been fully reinsured with Nationale-Nederlanden Levensverzekering Maatschappij N.V. For this reason, the fund investments consist entirely of insurance contracts.

The amounts recognised in the profit and loss account with respect to the defined benefit plans and the defined contribution plans are as follows:

(€ thousand)	2024	2023
Net interest	139	143
Administrative costs	25	25
	164	**168**
Defined contribution pension plans	417	438
Total	**581**	**606**

In 2025, Vastned Retail expects to contribute a total of € 0.4 million to the defined benefit pension plans, and a total of € 0.5 million to the defined contribution pension plans.

Sensitivity analysis

The table below contains the sensitivity analysis for the effect of a 25-basis-point change and a 50-basis-point change in the discount rate:

	Minus 25 basis points	Discount rate used	Plus 25 basis points
	3.35%	3.60%	3.85%
Present value of defined benefit pension obligations	21,130	20,309	19,532

	Minus 50 basis points	Discount rate used	Plus 50 basis points
	3.10%	3.60%	4.10%
Present value of defined benefit pension obligations	22,002	20,309	18,800

20. Interest-bearing debts

As at 31 December, the interest-bearing debts consisted of:

	2024				2023			
	Remaining term				Remaining term			
(€ thousand)	1-5 years	More than 5 years	Total	Average interest rate at year-end	1-5 years	More than 5 years	Total	Average interest rate at year-end
Long-term interest-bearing debts								
Unsecured loans:								
• fixed interest[1]	129,985	-	129,985	3.31	312,407	-	312,407	1.84
• floating interest	20,491	-	20,491	4.30	53,728	-	53,728	5.09
	150,476	**-**	**150,476**	**3.45**	**366,135**	**-**	**366,135**	**2.32**
Lease liabilities	701	46	747	2.60	463	2,490	2,953	2.46
Total long-term interest-bearing debts	**151,177**	**46**	**151,223**		**366,598**	**2,490**	**369,088**	
Short-term interest-bearing debts								
Payable to banks	-	-	24,336	4.43	-	-	8,627	4.99
Redemption of long-term interest-bearing loans	-	-	344,621	2.86	-	-	233,008	3.66
Short-term lease liabilities	-	-	320	1.44	-	-	298	1.21
Total short-term interest-bearing debts	**-**	**-**	**369,277**		**-**	**-**	**241,933**	
Total interest-bearing debts	**151,177**	**46**	**520,500**		**366,598**	**2,490**	**611,021**	

[1] Including the portion that was fixed by means of interest derivatives.

In 2024, Vastned Retail drew down an additional amount of € 144.9 million from both the existing credit facilities and the bridge facility which was concluded in April 2024. Together with the proceeds from divestments this amount was used principally to repay expired loans. In September 2024 two private placements and the amount drawn on the Syndicated Revolving Facility which expired in September 2024 were repaid for a total amount of € 235.8 million. The total interest-bearing debts decreased mainly due to divestments in property partly offset by the pay-out of both the final dividend 2023 in May 2024 and the interim dividend 2024 in December 2024.

The part of the long-term interest-bearing loans due within one year is € 344.6 million (31 December 2023: € 233.0 million) which is recognised under short-term liabilities. Taking into account the reverse cross-border merger, Vastned has obtained additional commitments for a total amount of € 345.0 million in credit facilities with five relationship banks. These credit facilities can be used to repay the € 344.6 million loan maturities in 2025. With this financing, Vastned optimises the debt financing and it will have have sufficient liquidity to carry out its activities in the coming years. (see also note 22 Financial instruments, starting on page 48).

For the floating interest rate loans, Vastned Retail pays interest consisting of the Euribor-based market interest rate plus an agreed margin, on the understanding that the Euribor market interest rate may not be negative.

A positive/negative mortgage covenant was issued for the unsecured loans. In addition, a number of lenders have set conditions regarding the solvency rate and interest coverage, as well as changes regarding the control of the company and/or its subsidiaries. Vastned Retail has fulfilled these conditions as at 31 December 2024. Please see note 22 Financial instruments, starting on page 48 for more details on the conditions set by the lenders. By way of security for the credit facilities, it has been agreed with lenders that, subject to an agreed threshold, property will only be mortgaged on behalf of third parties subject to the lender's approval.

As at 31 December 2024, the total credit facility of the long-term interest-bearing loans, including the part due within one year, was € 519.5 million (31 December 2023: € 649.3 million).The unused credit facility of the long-term interest-bearing loans was € 24.4 million as at 31 December 2024 (31 December 2023: € 50.2 million).

The average term of the long-term interest-bearing loans at year-end 2024 was 2.5 years (31 December 2023: 2.3 years). The average interest rate of the long-term interest-bearing loans in 2024 was 3.14% (2023: 2.67%).

For further details on the lease liabilities, reference is made to note 24 Leases, starting on page 53.

The item 'Payable to banks' concerns short-term credits and cash loans. The amounts payable to banks are payable at the lender's request within one year. Vastned Retail pays interest consisting of the market interest rate plus an agreed margin, on the understanding that the Euribor market interest rate may not be negative. The average interest rate in 2024 was 5.52% (2023: 4.90%). Where the company operates a cash-pooling arrangement, the cash and amounts payable to banks are set off against each other. The total credit facility of the 'payable to banks' item as at 31 December 2024 was € 34.6 million (31 December 2023: € 34.6 million). The unused credit facility of the 'payable to banks' item was € 10.3 million as at 31 December 2024 (31 December 2023: € 26.0 million).

Movements in interest-bearing debts were as follows:

(€ thousand)	1 January 2024	Interest-bearing loans drawn down	Cash entries Interest-bearing loans redeemed	Non-cash entries Application of effective interest method	Other movements[1]	31 December 2024
Long-term interest-bearing loans	366,135	128,619	-	343	(344,621)	150,476
Long-term lease liabilities	2,953	604	(2,822)	34	(22)	747
Payable to banks	8,627	15,709	-	-	-	24,336
Redemption of long-term interest-bearing loans	233,008	-	(233,008)	-	344,621	344,621
Short-term lease liabilities	298	-	-	-	22	320
	611,021	**144,932**	**(235,830)**	**377**	**-**	**520,500**

1 The other movements mainly concern the reclassification of the portion of the long-term interest-bearing debts due within one year.

	1 January 2023	Interest-bearing loans drawn down	Cash entries Interest-bearing loans redeemed	Non-cash entries Application of effective interest method	Other movements[1]	31 December 2023
Long-term interest-bearing loans	585,362	13,303	-	541	(233,071)	366,135
Long-term lease liabilities	3,213	-	(256)	16	(20)	2,953
Payable to banks	3,344	5,283	-	-	-	8,627
Redemption of long-term interest-bearing loans	24,937	-	(25,000)	-	233,071	233,008
Short-term lease liabilities	278	-	-	-	20	298
	617,134	**18,586**	**(25,256)**	**557**	**-**	**611,021**

1 The other movements mainly concern the reclassification of the portion of the long-term interest-bearing debts due within one year.

21. Other liabilities and accruals

(€ thousand)	2024	2023
Accounts payable	1,115	1,177
Dividend	26	25
Indirect taxes	2,307	4,284
Prepaid rent	3,485	3,148
Service charges	244	251
Interest	2,317	3,823
Operating expenses	523	1,113
Other liabilities and accruals	6,614	2,887
	16,631	**16,708**

22. Financial instruments

Financial risk management

For the realisation of its targets and the exercise of its day-to-day activities, Vastned Retail 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.

A summary is given below of the main conditions aimed at mitigating these risks.

Credit risk

Vastned Retail's principal financial assets consist of cash and cash equivalents, debtors and other receivables, and receivables related to financial derivatives entered into.

The credit risk on cash and cash equivalents is minimal, given that cash and cash equivalents are held at reputable banks with at least an investment-grade rating.

The credit risk associated with the financial derivatives entered into is limited by only concluding transactions with reputable financial institutions with at least an investment-grade rating.

The credit risk attributable to Vastned Retail's debtors is limited by carefully screening potential tenants in advance. Security is also required from tenants in the form of guarantee deposits or bank guarantees and rents are paid in advance.

On each reporting date, the provision for expected credit losses is determined based on a provisions matrix. The provision rates are applied per country and per age category and 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. Account is also taken of the bank guarantees provided by tenants and the guarantee deposits paid by tenants. Receivables are generally written off when an insolvency practitioner or a lawyer charged with collecting the receivable confirms in writing that the receivable is irrecoverable.

The table below presents the amounts for which the Group runs a credit risk on debtors, as well as the provision for expected credit losses as at 31 December**:**

			2024			2023
(€ thousand)	Gross amounts	Provision for expected credit losses	Net amounts	Gross amounts	Provision for expected credit losses	Net amounts
Not yet due	-	-	-	770	-	770
Overdue by less than 30 days	536	12	525	358	7	351
Overdue by between 31 and 90 days	254	25	229	79	6	73
Overdue by between 91 days and one year	625	165	460	298	274	24
Overdue by more than one year	1,417	1,351	65	2,221	1,685	536
	2,833	**1,553**	**1,279**	**3,726**	**1,972**	**1,754**

Movements in the provision for doubtful debtors were as follows:

(€ thousand)	2024	2023
Balance as at 1 January	1,972	1,937
Allocation to the provision	453	117
Write-off for doubtful debtors	(872)	(82)
Balance as at 31 December	**1,554**	**1,972**

Receivables are recognised after the deduction of a provision for expected credit losses. Since the tenant base consists of a large number of parties, there is no credit risk concentration.

Financing and refinancing risks

Investing in property is a capital-intensive activity. The property portfolio is financed partly with equity and partly with loan capital. If loan capital accounts for a large proportion of the financing, there is a risk, when returns are less than expected or the property decreases in value, that the interest and/or repayment obligations on the loans and/or other payment obligations can no longer be met. In this event, it will be more difficult to secure loan capital or to realise refinancing, or these options will only be available with less favourable conditions. To limit this risk, Vastned Retail pursues a conservative financing structure that allows for the implementation of its strategy. The internal long-term target for the loan-to-value ratio remains a maximum of 40%. Mainly driven by the negative revaluation of the property portfolio, this ratio was 42.1% at year-end 2024 (year-end 2023: 44.4%). In addition, the company's financing sources are broad; one method, for instance, involves placing long-term bond loans with institutional investors (for example, private placements). Using private placements, the duration of the long-term loan portfolio has been extended and better spreading of the company's financing among different lenders has been achieved. In line with these targets, solvency ratios and interest coverage ratios have been agreed with regard to virtually all credit agreements with lenders. In the event that the limits of the solvency rates and interest coverage rates agreed with lenders are not met, this constitutes an 'event of default', in which case lenders are entitled to terminate credit agreements.

In addition, Vastned Retail aims to secure access to capital markets through transparent information provision and regular contact with financiers and (potential) shareholders. Finally, the aim with regard to long-term financing is to have a balanced spread of refinancing dates and a weighted average duration of at least three years. Given the execution of the strategic reorientation Vastned Retail currently deviates from this balanced spread of refinancing dates.

At year-end 2024, the weighted average duration of the long-term interest-bearing loans was 2.5 years (31 December 2023: 2.3 years).

At year-end 2024, the solvency ratio, calculated by taking equity plus the provision for deferred tax liabilities divided by the balance sheet total, was 56.3% (31 December 2023: 53.9%), which is within the solvency ratios of at least 45% as agreed with lenders. The interest coverage ratio for 2024 was 3.6 (2023: 3.8) (calculated by taking net rental income and dividing it by net financing costs (excluding value movements in financial derivatives)), which was above the 2.0 ratio agreed with lenders. The 2.0 minimum interest coverage ratio agreed with lenders is still reached when the net rental income falls by 45%.

In 2025 significant maturities are due within the companies debts portfolio. 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 at unfavourable conditions. Considering the rapidly changing financing market and upcoming maturities, the probability of this risk increases. For the maturities due in 2025 Vastned has obtained, taking into account the reverse cross-border legal merger, additional commitments for a total amount of € 345.0 million in credit facilities with five relationship banks. The credit facilities can be used to repay the € 344.6 million loan maturities in 2025. With this financing, Vastned optimises the debt financing and it will have sufficient liquidity to carry out its acitivities in the coming years.

Liquidity risk

Vastned Retail must generate sufficient cash flows to meet its day-to-day payment obligations. On the one hand, this is realised by taking measures aimed at maintaining high occupancy rates with proper rent levels and by preventing financial loss caused by tenants going out of business. On the other hand, Vastned Retail aims for sufficient credit room to absorb fluctuations in liquidity needs. Liquidity management is centralised in the Netherlands (except for Belgium), where most of the foreign subsidiaries' bank accounts have been placed in cash-pooling schemes.

At year-end 2024, Vastned Retail had € 34.6 million (31 December 2023: € 34.6 million) in short-term credit facilities available, of which it had drawn down € 24.3 million (31 December 2023: € 8.6 million). The unused credit facility of Vastned Retail's long-term interest-bearing loans was € 24.4 million as at 31 December 2024 (31 December 2023: € 50.2 million). As such, the total unused credit facility as at 31 December 2024 was € 34.7 million (31 December 2023: € 76.2 million).

The table below shows the financial equity and liabilities, including the estimated interest benefit/paid*:

31 December 2024

(€ thousand)	Balance sheet value	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Long-term interest-bearing loans	150,476	164,606	5,167	159,439	-
Long-term lease liabilities	747	806	-	700	105
Financial derivatives (long-term liabilities)	655	(790)	(259)	(531)	0
Payable to banks[1]	24,336	24,412	24,412	-	-
Redemption of long-term interest-bearing loans[1]	344,621	346,714	346,714	-	-
Short-term lease liabilities	320	320	320	-	-
Other liabilities and accruals	16,631	16,631	16,631	-	-
	537,786	**552,698**	**392,985**	**159,608**	**105**
Financial derivatives > 1 year (assets)	(79)	-	-	-	-
Financial derivatives < 1 year (assets)	(2,547)	(2,967)	(2,967)	-	-
	(2,626)	**(2,967)**	**(2,967)**	**-**	**-**
	535,160	**549,731**	**390,017**	**159,608**	**105**

1 Including interest up to the next due date or interest review date.

31 December 2023

(€ thousand)	Balance sheet value	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Long-term interest-bearing loans	366,135	402,115	15,539	360,742	25,834
Long-term lease liabilities	2,953	6,907	-	463	6,444
Financial derivatives (long-term liabilities)	188	(2,238)	(476)	(1,660)	(103)
Payable to banks[1]	8,627	8,629	8,629	-	-
Redemption of long-term interest-bearing loans[1]	233,008	239,039	239,039	-	-
Short-term lease liabilities	298	298	298	-	-
Other liabilities and accruals	24,417	24,417	24,417	-	-
	635,626	**679,166**	**287,446**	**359,546**	**32,175**
Financial derivatives > 1 year (assets)	(7,308)	(11,342)	(6,386)	(4,956)	-
Financial derivatives < 1 year (assets)	(470)	(519)	(519)	-	-
	(7,778)	**(11,861)**	**(6,904)**	**(4,956)**	**-**
	627,848	**667,306**	**280,541**	**354,590**	**32,175**

1 Including interest up to the next due date or interest review date.

*The interest rate for the long-term interest-bearing loans with a floating interest rate is based on the Euribor market rates in effect on 1 January 2025 and 1 January 2024 respectively.

Interest rate risk

The interest rate risk policy aims to mitigate the interest rate risks arising from the financing of the property portfolio while optimising net interest expenses paid. This policy translates into a loan portfolio composition in which, in principle, at least two-thirds of the loans have fixed interest rates. There may be temporary deviations from this principle, depending on developments regarding interest rates. Furthermore, the aim is to have a balanced spread of interest rate review dates within the long-term loan capital portfolio and a typical minimum interest rate term of three years. At least once per quarter, a report on the interest rate and financing and refinancing risks is submitted to the Audit and Compliance Committee and the Supervisory Board.

Vastned Retail mitigates its interest rate risk on the one hand by raising fixed-interest long-term loans, and on the other, by making use of financial derivatives (interest rate swaps), swapping the floating interest rate it pays on part of its loans for a fixed interest rate.

The Group does not apply any hedge accounting and recognises the value movements in all interest rate derivatives entered into by the Group in the profit and loss account.

At year-end 2024, the interest rate risk on loans with a nominal value of € 230.0 million (31 December 2023: € 225.0 million, including € 25.0 million forward interest rate swaps) was hedged by means of interest rate swaps. To this end, contracts have been concluded with fixed interest rates ranging from 0.1235% negative to 2.600% positive (31 December 2023: 0.1235% negative to 2.485% positive) (excluding margins) and expiry dates ranging from 12 September 2025 to 1 August 2029 (31 December 2023: 31 July 2024 to 31 January 2029).

In 2024 interest rate swaps with a nominal value of € 30.0 million expired; in addition new interest rate swaps with a nominal value of € 25.0 million were concluded in 2024. This in order to mitigate the interest rate risk on the credit facilities in Belgium. The market value of the interest rate swaps was € 2.0 million positive at year-end 2024 due to the changes in market interest and the shorter remaining duration of these derivatives (31 December 2023: € 7.6 million positive). This positive market value, which on the expiry date will be nil, will be charged to the consolidated profit and loss account for the remaining term of these interest rate swaps unless it is decided to settle these interest rate swaps before the loan expiry dates.

Taking the above-mentioned interest rate swaps into account, of the total long-term interest-bearing loans of € 150.5 million (31 December 2023: € 366.1 million), € 130.0 million (31 December 2023: € 309.9 million) had a fixed interest rate (see section 'Summary of expiry dates and fixed interest rates on long-term interest-bearing loans' of this note).

The interest rate swaps are settled on a quarterly basis. The floating interest rate is based on the 3 months Euribor rate. The differences between the floating rate and the agreed fixed interest rate are settled at the same time.

In the context of the IBOR transition, Vastned Retail had contact with its lenders during the financial year. The transition will have no impact on Vastned Retail's financial statements during the next 12 months. The EURIBOR benchmark rate has been reformed and is not expected to be discontinued any time soon. As such, Vastned will continue to closely monitor these developments and be in contact with its lenders over the coming financial year to be able to respond adequately if any transition might take place in the future.

As at 31 December 2024, the average term of Vastned Retail's long-term interest-bearing loans calculated in fixed interest periods was 1.4 years (31 December 2023: 1.4).

Interest rate sensitivity

Significant changes to interest rates result in lower or higher interest expenses. Due to the derivatives concluded, any rises impact Vastned Retail only partially; in the calculations below, the financial derivatives have been taken into account in each case. Below,
a number of sensitivity analyses are set out along with the (net) impact on the interest expenses based on significant changes to interest rates.

As at 31 December 2024, the impact on the interest expense of a 100-basis-point increase in interest rates – all other factors remaining equal – would be € 1.8 million negative (31 December 2023: € 1.8 million negative). Should interest rates increase by 200 basis points as at this date – all other factors remaining equal – the impact on the interest expense would be € 3.6 million negative (31 December 2023: € 3.6 million negative). As several loans contain a clause stipulating that the interest rate may not be negative, a 100-basis-point decrease in interest rates would have a positive impact on the interest expense.

Currency risk

All of Vastned Retail's investments are located in eurozone countries. Consequently, the company is not exposed to currency risk.

Summary of expiry dates and fixed interest rates on long-term interest-bearing loans

	2024			2023		
	Contract review	Interest review	Average interest rate [1]	Contract review	Interest review	Average interest rate [1]
Y2024	-	-	-	-	40,000	1.83
Y2025	-	-	-	238,396	199,937	1.41
Y2026	56,985	49,985	2.78	49,970	49,970	2.78
Y2027	30,749	30,000	-	27,269	-	-
Y2028	25,000	20,000	3.56	25,000	10,000	3.31
Y2029	37,742	30,000	3.72	25,500	10,000	3.48
Total long-term interest-bearing loans with a fixed interest rate	**150,476**	**129,985**	**3.31**	**366,135**	**309,907**	**1.82**
Long-term interest-bearing loans with a floating interest rate	-	20,491	4.30	-	56,228	5.06
Total long-term interest-bearing loans	**150,476**	**150,476**	**3.45**	**366,135**	**366,135**	**2.32**

1 Including interest rate swaps and credit spreads in effect at year-end 2023 and 2022.

Overview of fair value of interest rate derivatives

	2024		2023	
(€ thousand)	Receivable	Liability	Receivable	Liability
Interest rate swaps	**2,626**	**655**	**7,778**	**188**

Fair value of interest rate derivatives, compared with the nominal value of the loans for which the interest rate risk has been hedged:

	2024		2023	
	Fair value interest rate derivatives	Carrying amount loans	Fair value interest rate derivatives	Carrying amount loans
Interest rate swaps < 1 year	2,548	150,000	470	30,000
Interest rate swaps 1-2 years	-	-	7,281	150,000
Interest rate swaps 2-5 years	(577)	80,000	8	10,000
Interest rate swaps > 5 years	-	-	(88)	10,000
Sub-total	**1,971**	**230,000**	**7,670**	**200,000**
Forward interest rate swaps	-	-	(80)	25,000
Total	**1,971**	**230,000**	**7,590**	**225,000**

For the purposes of the valuation method, the interest rate derivatives are classed under 'level 2'. The fair value of the derivatives is determined with reference to information from reputable financial institutions, which is also based on directly and indirectly observable market data. For verification purposes, this information is compared to internal calculations made by discounting cash flows based on the market interest rate for comparable financial derivatives on the balance sheet date.

When determining the fair value of financial derivatives, the credit risk of the Group or counterparty is taken into account.

23. Rights and obligations not recorded in the balance sheet

In the past, Vastned Retail has acquired companies that owned property. These acquisitions were recognised as a takeover of assets. The provisions for deferred tax liabilities not recorded within the balance sheet total € 1.3 million as at 31 December 2024 (31 December 2023: € 12.7 million). The difference is explained by the recognation of the deferred tax liability related to the divestment of Rokin Plaza in Amsterdam.

24. Leases

The Group as a lessor

Vastned Retail 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 December 2024
Within one year	61,037
One to two years	44,018
Two to three years	27,253
Three to four years	13,596
Four to five years	8,066
More than five years	9,480
Total	**163,451**

(€ thousand)	31 December 2023
Within one year	70,763
One to two years	56,909
Two to three years	36,393
Three to four years	22,654
Four to five years	13,196
More than five years	13,820
Total	**213,735**

In the Netherlands, 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 five years. Annual rent increases are based on the cost-of-living index.

In France, lease contracts are normally concluded for a period of at least nine years, within which the tenant has the option of renewing or terminating the lease every three years. Depending on the contract, rents are adjusted annually based on the cost-of-construction index (CCI) or based on a mix of the construction cost index, the cost-of-living index and retail prices (ILC).

In Belgium, leases are normally concluded for a period of nine years, with early termination options after three and six years. Annual rent adjustments are based on the cost-of-living index.

In Spain, leases are normally concluded for a minimum of five years. Annual rent adjustments are based on the cost-of-living index.

The Group as a lessee

In a limited number of cases, the Group is 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 durations of the leases for offices that the Group leases for its organisation range from five to nine years, and generally contain an extension option for a period of five years. Annual rent adjustments are based on the cost-of-living index. There are no residual value guarantees, nor are there any leases that have not yet become effective but that the Group has bound itself to.

The additions to the rights-of-use assets in 2024 were € 602 thousand (2023: € 53 thousand) and were mainly related to the move of the office in Belgium.

Depreciation on the rights-of-use assets was € 289 thousand (2023: € 14 thousand), which was recognised in the general expenses.

The costs related to leases for assets of minimal value were less than € 1 thousand.

Leases with a term of 12 months or less, totalled less than € 319 thousand (2023: € 16 thousand). There were no leases with variable lease payments that are not dependent on an index or a share price.

In 2024, there was no income from subleases, nor were any profits made or losses incurred from sale-and-leaseback constructions.

Based on the current contract rent, the future minimum lease payments from non-cancellable operating leases are as follows:

				2024				2023
(€ thousand)	ground rents	rent	cars	total	ground rents	rent	cars	total
Within one year	56	219	45	319	122	167	9	297
One to five years	272	403	26	701	313	200	5	517
More than five years	46	-	-	46	6,330	-	-	6,330
	374	**622**	**70**	**1,066**	**6,765**	**366**	**12**	**7,143**

25. 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.

In January 2025 the bridge loan has been replaced with the new credit facility and in February the Syndicated Revolving Facitilty has been replaced with the new credit facility.

26. 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.

Interests of major investors

At year-end 2024, the Netherlands Authority for the Financial Markets (AFM) had received the following reports from shareholders with an interest in the company's share capital exceeding three per cent, either individual or combined:

Van Herk Investments B.V.	24.98
Lebaras Belgium BVBA	10.42
JGHM Niessen	5.18
BlackRock, Inc.	4.65
ICAMAP Real Estate Securities Fund S.A	4.04
Tikehau Capital Advisors SAS	3.05
J.G. de Jonge	1.95

Subsidiaries

For an overview of subsidiaries and participations, please refer to note 27 Subsidiaries, starting on page 56.

Transactions, as well as internal balances and income and expenditure between the company and its subsidiaries, are eliminated in the consolidation and not disclosed in the notes.

Supervisory Board/Board of Directors members and members of the Executive Board

Mr Walta has been the sole member of the Executive Board (CEO) in 2024 (since 15 April 2021). With the reversed merger as of January 1, 2025 Mr Walta has resigned as CEO and has been replaced by Mr Bosman.

Also with the reversed merger of as of January 1, 2025 the Supervisory Board has been resolved and replaced by the Board of Directors of Vastned N.V. as part of the one-tier structure.

During the 2024 financial year, none of the members of the Supervisory Board and Executive Board had a personal interest in the investments of the company.

Remuneration and shareholding of the Supervisory Board (€ thousand)

	2024		2023	
	Remuneration	Shares owned year-end	Remuneration	Shares owned year-end
Jaap Blokhuis	54	1,000	54	1,000
Désirée Theyse	45	-	45	-
Ber Buschman	44	-	44	-
Total	**143**	**1,000**	**143**	**1,000**

Remuneration and shareholding of the Executive Board & Executive Committee (€ thousand)

						2024
	Fixed remuneration	Bonuses 2024 payable in 2025	Pension insurance contributions	Social insurance contributions	Total	Share ownership year-end
R. Walta (CEO)	390	309	72	16	787	9,975
Executive Committee members[1]	1,201	699	174	202	2,276	-
						2023
	Fixed remuneration	Bonuses 2023 payable in 2024	Pension insurance contributions	Social insurance contributions	Total	Share ownership year-end
R. Walta (CEO)	390	154	71	15	630	9,975
Executive Committee members[1]	1,173	292	177	192	1,834	-

[1] Including R. Walta, as part of the Executive Committee

A bonus of € 309 thousand will be paid to Mr Walta in 2025 based on his realisation of the targets 2024.

Mr Walta has acquired Vastned Retail shares at his own expense. Vastned Retail has not provided any guarantees related to these shares.

No option rights have been granted to the statutory director or the supervisory directors, nor have any loans or advances been provided or guaranteed on their behalf.

The members of the Supervisory Board and the Executive Board have been designated as managers in key positions.

27. Subsidiaries

The subsidiaries of Vastned Retail N.V. at year-end are:

	Country of establishment	Interest and voting right in %	
		2024	2023
Vastned Retail Nederland B.V.	Netherlands	100%	100%
Vastned Retail Nederland Projecten Holding B.V.	Netherlands	100%	100%
- Rocking Plaza B.V.	Netherlands	100%	100%
- MH Real Estate B.V.	Netherlands	100%	100%
- Vastned Retail Nederland Projectontwikkeling B.V.	Netherlands	100%	100%
Vastned Retail Spain, S.L.	Spain	100%	100%
Vastned Retail Monumenten B.V.	Netherlands	100%	100%
Vastned Management B.V.	Netherlands	100%	100%
SARL Vastned France Holding	France	100%	100%
- SARL Jeancy	France	100%	100%
- SCI 21 Rue Des Archives	France	100%	100%
- SARL Parivolis	France	100%	100%
SARL Vastned Management France	France	100%	100%
Vastned Belgium NV	Belgium	65%	65%
- EuroInvest Retail Properties NV	Belgium	65%	65%
- Gevaert N.V.	Belgium	65%	N/A
Korte Gasthuisstraat 17 NV	Belgium	100%	100%

Scope of consolidation

During 2024 Gevaert NV was added to the scope of consolidation via an acquisition of shares.

After the reversed merger Vastned Belgium NV was renamed Vastned NV.

The non-controlling interest recognised in the balance sheet as at 31 December 2024 was the share of the non-controlling shareholders of the Belgium-based subsidiary, Vastned NV, and its subsidiaries, EuroInvest Retail Properties NV and Gevaert NV.

The summarised financial data of Vastned NV as at 31 December 2024 are as followed:

		2024		2023
(thousand €)	100%	Non-controlling interests	100%	Non-controlling interests
Balance sheet				
Property	321,553	110,966	309,581	106,834
Other assets	7,491	2,585	6,838	2,360
	329,044	**113,551**	**316,419**	**109,194**
Equity	(219,175)	(75,636)	(232,332)	(80,176)
Long-term liabilities	(103,400)	(35,682)	(78,817)	(27,199)
Short-term liabilities	(6,469)	(2,233)	(5,269)	(1,818)
	(329,044)	**(113,551)**	**(316,419)**	**(109,193)**
Profit and loss account				
Net rental income	17,915	6,182	18,208	6,284
Value movements in property	1,115	385	(593)	(205)
Net result on divestments of property	(1)	-	5	2
Net financing costs	(4,055)	(1,399)	(3,731)	(1,288)
General expenses	(4,741)	(1,636)	(2,068)	(714)
Income tax	(29)	(10)	(94)	(33)
Comprehensive income	**10,204**	**3,521**	**11,726**	**4,047**
Cash flow statement				
Cash flow from operating activities	10,059	3,471	14,570	5,028
Cash flow from investing activities	(9,715)	(3,353)	9	3
Cash flow from financing activities	(350)	(121)	(14,313)	(4,939)
Total cash flow	**(7)**	**(3)**	**266**	**92**

A sum of € 4.0 million in dividends was made payable to non-controlling shareholders of Vastned NV in 2024 (2023: € 3.9 million).

28. Approval of the consolidated financial statements

The consolidated financial statements were drawn up by the Executive Board and authorised for publication by the Board of Directors on 26 March 2025.

Company balance sheet as at 31 December (before profit appropriation)

Assets (€ thousand)	Note	2024	2023
Property in operation	3	4,520	4,730
Participations in group companies	4	1,066,329	1,154,435
Intangible fixed assets		-	73
Financial derivatives	8	2,547	7,280
Total fixed assets		**1,073,396**	**1,166,518**
Receivables from group companies	5	97,919	152,132
Debtors and other receivables		448	220
Cash		31	45
Total current assets		**98,398**	**152,397**
Total assets		**1,171,794**	**1,318,915**

Equity and liabilities (€ thousand)	Note	2024	2023
Paid-up and called-up capital	6	95,183	95,183
Share premium reserve	6	468,555	468,555
Revaluation reserve	6	336,651	361,118
Statutory reserve intangible fixed assets	6	-	327
Other reserves	6	(286,490)	(241,213)
Result attributable to Vastned Retail shareholders	6	(10,520)	(19,261)
Equity Vastned Retail shareholders		**603,379**	**664,709**
Long-term interest-bearing loans	7	49,985	288,367
Guarantee deposits		68	64
Total long-term liabilities		**50,053**	**288,431**
Payable to banks	7	27,595	10,237
Redemption long-term loans	7	344,621	233,008
Payable to group companies	9	142,126	118,362
Income Tax		(45)	58
Other liabilities and accruals		4,065	4,110
Total short-term liabilities		**518,362**	**365,775**
Total equity and liabilities		**1,171,794**	**1,318,915**

Company profit and loss account

Net turnover result (€ thousand)	Note	2024	2023
Net rental income	10	279	260
General management expenses	10	(2,761)	(2,745)
Net turnover result		**(2,482)**	**(2,485)**
Other income from participations in group companies	10	1,556	1,446
Value movements in property in operation	10	(210)	150
Restructuring expenses	10	(4,895)	-
Total other operating income		**(3,549)**	**1,596**
Other interest income and similar income	10	3,639	4,187
Interest charges and similar expenses	10	(13,731)	(14,944)
Value movements in financial derivatives	10	(4,733)	(5,654)
Total interest income and expenditure		**(14,825)**	**(16,411)**
Result before taxes		**(20,856)**	**(17,300)**
Current income tax expense		(24)	(58)
Share in result from participations in group companies	4	10,360	(1,903)
Result after taxes		**(10,520)**	**(19,261)**

Notes to the company financial statements

1. General information

The company financial statements are part of the 2024 financial statements, which also include the consolidated financial statements.

The company has availed itself of the provisions in Section 379(5) of Book 2 of the Dutch Civil Code. The list as referred to in this article has been filed with the offices of the Commercial Register of the Chamber of Commerce.

2. Principles for the valuation of assets and liabilities and the determination of the result

The company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. In the preparation of the company financial statements, the provisions in Section 362(8) of Book 2 of the Dutch Civil Code have been used.

The valuation principles for assets and liabilities and the method of determining the result are identical to those used in the consolidated financial statements. Reference is therefore made to the notes thereto.

Participations in Group companies

The participating interests in Group companies have been stated at net asset value.

Receivables from Group companies

The recognition and determination of impairments takes place in a future-oriented manner based on the expected credit loss model (ECL). The ECL applies to the receivables from Group companies. Due to the fact that participations in Group companies are considered a combination of assets and liabilities, this means, in general, that expected credit losses on receivables from Group companies are eliminated. The elimination is recognised in the carrying amount of the receivables from Group companies.

Other income from participations in Group companies

The other income from participations in Group companies concerns agreed fees for property management in France. The fee is related to the appraisal value of the property. The fee is not necessarily equal to the costs of the services. The company is responsible for providing services, so on this basis the company has control of these services. As a result, the company can be regarded as a principal.

Going concern

Vastned Retail NV ceases to exist as from 1 January 2025. Vastned Retail is merged with and in Vastned NV on January 1, 2025. 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.

3. Property in operation

(€ thousand)	2024	2023
Balance as at 1 January	4,730	4,580
Value movements	(210)	150
Balance as at 31 December (appraisal value)	**4,520**	**4,730**

4. Participations in Group companies

(€ thousand)	2024	2023
Balance as at 1 January	1,154,435	1,172,058
Share in result	10,360	(1,903)
Direct changes in equity	303	(521)
Payments made	7,898	-
Payments received	(106,667)	(15,199)
Balance as at 31 December	**1,066,329**	**1,154,435**

As at 31 December 2024, Vastned Retail held 3,325,960 Vastned NV shares (31 December 2023: 3,325,960 shares). The net asset value per share as at 31 December 2024 was € 43.16 (31 December 2023: € 45.75 per share). The stock price of Vastned NV shares was € 27.60 per share as at 31 December 2024 (31 December 2023: € 30.80 per share).

For more details on the participations in Group companies, reference is made to note 27 Subsidiaries, starting on page 56 in the consolidated financial statements.

5. Receivables from Group companies

(€ thousand)	2024	2023
Balance as at 1 January	152,132	155,235
Provided to group companies	19,663	1,991
Repaid by group companies	(73,876)	(5,094)
Balance as at 31 December	**97,919**	**152,132**

The receivables from Group companies consist of € 74.4 million (31 December 2023:€ 114.0 million) in loans provided with interest rates ranging from 2.98% to 6.86% (31 December 2023: 2.98% to 6.90%) and expiring between 2025 and 2026 inclusive (31 December 2023: 2024 to 2026 inclusive), and € 23.6 million (31 December 2023: € 38.1 million) in current account relationships at a floating interest rate and without a fixed repayment date. Due to the largely short-term character of these receivables and the conditions that apply, these are presented as short-term receivables.

6. Shareholders’ equity

(€ thousand)	Capital paid up and called	Share premium reserve	Revaluation reserve	Statutory reserve intangible fixed assets	Other reserves	Results attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders
Balance as at 1 January 2023	95,183	468,555	397,417	286	(276,907)	31,345	715,879
Result	-	-	-	-	-	(19,261)	(19,261)
Remeasurement of defined benefit pension obligation	-	-	-	-	(521)	-	(521)
Final dividend previous financial year in cash	-	-	-	-	-	(21,611)	(21,611)
Interim dividend 2022 in cash	-	-	-	-	(9,777)	-	(9,777)
Contribution from profit appropriation	-	-	-	-	9,734	(9,734)	-
Allocation to revaluation reserve	-	-	(36,299)	-	36,299	-	-
Release to statutory reserve intangible fixed assets	-	-	-	41	(41)	-	-
Balance as at 31 December 2023	**95,183**	**468,555**	**361,118**	**327**	**(241,213)**	**(19,261)**	**664,709**
Result	-	-	-	-	-	(10,520)	(10,520)
Remeasurement of defined benefit pension obligation	-	-	-	-	303	-	303
Final dividend for previous financial year in cash	-	-	-	-	-	(21,955)	(21,955)
Interim dividend 2023 in cash	-	-	-	-	(29,158)	-	(29,158)
Contribution from profit appropriation	-	-	-	-	(41,216)	41,216	-
Allocation to revaluation reserve	-	-	(24,467)	-	24,467	-	-
Addition of statutory reserve intangible fixed assets	-	-	-	(327)	327	-	-
Balance as at 31 December 2024	**95,183**	**468,555**	**336,651**	**0**	**(286,490)**	**(10,520)**	**603,379**

The authorised share capital is € 375.0 million, divided into 75,000,000 ordinary shares of € 5.00 par value. For more details on equity, reference is made to note 17 Shareholders equity, starting on page 40 in the consolidated financial statements.

The statutory reserves comprise:

- Statutory reserve intangible fixed assets
  This reserve is related to the capitalised expenditure less cumulative depreciation.
- Revaluation reserves
  The revaluation reserves concerns the property and financial derivatives. It comprises the cumulative positive unrealised value movements of the property and financial derivatives. The revaluation reserve is determined at the level of the individual property and derivative.

The statutory reserves are not available for dividend distributions.

7. Interest-bearing debts

				2024				2023
	Remaining years				Remaining years			
(€ thousand)	1-5 years	More than 5 years	Total	Average interest rate at year-end	1-5 years	More than 5 years	Total	Average interest rate at year-end
Unsecured loans								
• fixed interest 1)	49,985	-	49,985	2.78%	249,908	-	249,908	1.69%
• floating interest	-	-	-	-	38,459	-	38,459	5.29%
	49,985	**-**	**49,985**	**2.78%**	**288,367**	**-**	**288,367**	**2.17%**

1) Including the portion that was fixed by means of interest derivatives

A positive/negative mortgage covenant was issued for the loans. In addition, a number of lenders set conditions regarding the solvency rate and interest coverage, as well as changes in the control of the company and/or its subsidiaries. Vastned fulfilled these conditions as at 31 December 2024.

The portion of the long-term interest-bearing loans due within one year is € 344.6 million (31 December 2023: € 233.0 million), which is recognised under short-term liabilities.

As at 31 December 2024, the average term of long-term interest-bearing loans was 1.0 years (31 December 2023: 1.8 years).

The 'Payable to banks', which concerns short-term credits and cash loans, is € 27.6 million (31 December 2023: € 10.2 million).

The company has a facility to allow offsetting, which the company and its Dutch subsidiaries avail themselves of. This means that the current account balances at the level of the company determine the interest charges and that the earned interest arising from this of € 1.2 million (2023: € 0.3 million) accrues to the company.

The difference between the total amount of interest-bearing debts as presented in the company financial statements and the amount as presented in the consolidated financial statements is explained by the loans taken out by the subsidiary, Vastned N.V. (Belgium). For the movements in interest-bearing debts in 2024 as well as the interest rates, reference is made to note 20 Interest-bearing debts, starting on page 45 in the consolidated financial statements.

8. Financial derivatives

(€ thousand)	2024		2023	
	Receivable	Liability	Receivable	Liability
Interest rate swaps	**2,547**	**-**	**7,280**	**-**

Fair value of interest rate derivatives, compared to the nominal value of the loans for which the interest rate risk has been hedged:

(€ thousand)	2024		2023	
	Fair value interest rate derivatives	Carrying amount loans	Fair value interest rate derivatives	Carrying amount loans
Interest rate swaps < 1 year	-	-	-	-
Interest rate swaps 1-2 years	2,547	150,000	7,280	150,000
Interest rate swaps 2-5 years	-	-	-	-
Interest rate swaps > 5 years	-	-	-	-
	2,547	**150,000**	**7,280**	**150,000**

9. Payable to Group companies

The amounts payable to Group companies are current account relationships at a floating interest rate and without fixed repayment date.

10. Notes to the profit and loss account

The net rental income consists of the amounts charged to tenants in accordance with the operating leases less the costs directly related to operating the property.

Of the general management expenses, € 1.5 million concerns asset and property management fees charged to Group companies (2023: € 1.4 million) and other general expenses of € 1.2 million (2023: € 1.3 million), which mainly consist of consultancy and audit costs, publicity costs and costs related to the stock exchange listing.

Other operating income includes other income from participations in Group companies of € 1.6 million (2023: € 1.4 million), which consists of fees charged to Group companies. This also includes value movements in property of € 0.2 million negative (2023: € 0.2 million positive).

The other interest income and similar income of € 3.6 million (2023: € 4.2 million) mostly relates to financing provided to Group companies.

The other interest expenses and similar expenses of € 13.7 million (2023: € 14.9 million) consist of the interest paid on long-term interest-bearing loans and amounts payable to banks.

The value movements in financial derivatives of € 4.7 million negative relates to movements in the fair value of interest rate derivatives as a result of the changed market rent and the shorter remaining term of these derivatives (2023: € 5.7 million negative).

The restructuring expenses of € 4.9 million relates to expenses made with regards to the reversed merger with Vastned N.V. (Belgium) (2023: € nil). These expenses mainly consist of external advisory costs and severance payments to personnel.

11. Rights and obligations not recorded in the balance sheet

The company heads a tax entity for the purposes of Dutch corporate income tax and a tax entity for the purposes of turnover tax and is consequently jointly and severally liable for the tax liability of the tax entities as a whole.

12. 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.

In January 2025 the bridge loan has been replaced with the new credit facility and in February the Syndicated Revolving Facitilty has been replaced with the new credit facility.

13. Profit appropriation

The Executive Board proposes to appropriate the result as follows (€ thousand):

Result attributable to Vastned Retail shareholders	(10,520)
To be added/charged to the reserves	41,244
Available for dividend distribution	**30,724**
Distributed earlier as interim dividend	(29,158)
Added to the reserves	**1,566**

14. Approval of the company financial statements

The company financial statements were drawn up by the Executive Board and authorised for publication by the Board of Directors on 26 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 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.

Independent auditor's report

To the shareholders, the executive board (as per 1 January 2025: board of directors) and the supervisory board (as per 1 January 2025: board of directors) of Vastned Retail N.V. (as per 1 January 2025: Vastned NV).

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

- We have audited the financial statements 2024 of Vastned Retail N.V. (the 'Company'), based in Hoofddorp. The financial statements comprise the consolidated (the 'Group') and company financial statements.
  In our opinion:
  - The accompanying consolidated financial statements give a true and fair view of the financial position of Vastned Retail N.V. as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
  - The accompanying company financial statements give a true and fair view of the financial position of Vastned Retail N.V. as at 31 December 2024, and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

  The consolidated financial statements comprise:
  - The consolidated balance sheet as at 31 December 2024.
  - The following statements for 2024 the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of movements in equity and the consolidated cash flow statement.
  - The notes comprising material accounting policy information and other explanatory information.

The company's financial statements comprise:

1. The company balance sheet as at 31 December 2024.

2. The company profit and loss account for 2024.

3. The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Vastned Retail N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 9,300,000. The materiality is based on 0.75% of total assets. Based upon professional judgement we set threshold levels for financial statement accounts with impact on direct result equal at EUR 2,300,000 million which is equal to 6.5% of the direct result. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board upon initiation of the audit and with the Audit Committee of Vastned NV in February 2025, that misstatements in excess of EUR 465,000 and misstatements in excess of EUR 115,000 for accounts which impact the direct result, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Vastned Retail N.V. was at the head of a group of components. The financial information of this group is included in the financial statements of Vastned Retail N.V.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures. As part of our group audit we performed substantive procedures for Vastned Netherlands, as well as the entities in the countries of France and Belgium. We have performed audit procedures ourselves for the entities in the Netherlands and France. We have used the work of EY auditors when auditing entities in Belgium. We have prepared group referral instructions for the component auditor and performed an on-site file review at the component auditor. On the level of Spain we performed risk assessment procedures.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the executive board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Fraud risk	Audit approach
Management override of controls We presume a risk of material misstatement due to fraud related to management override of controls. The executive board is in a unique position to perpetrate fraud because of the executive board's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	We have, among other things, performed the following procedures: We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or noncompliance. We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. We considered available information (minutes of the executive board and supervisory board) and made inquiries of relevant personnel of Vastned Retail N.V. (including internal audit (BDO), the legal director and the supervisory board). We evaluated the design and the implementation of internal controls designed to mitigate fraud risks. We evaluated whether the selection and application of accounting policies by the Company, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting. For significant transactions we have evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets. As part of our audit procedures, we verified whether the significant transactions should be considered related party transactions. We evaluated whether the judgments and decisions made by the executive board in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. The executive board insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 1 of the financial statements. We performed a retrospective review of the executive board judgments and assumptions related to significant accounting estimates reflected in prior year financial statements. Reference is made "Valuation of investment property" below as well.
Valuation of investment property In relation to valuation of investment properties a potential fraud risk is identified to revaluations and other deviations from the normal valuation process, The executive board's adjustment of external valuations, optimistic estimation of gross initial yield, market rent, vacant values and/or other assumptions including combinations of estimates that result in a relatively high value.	Valuation of investment property is a significant area to our audit as the valuation is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The executive board insights, estimates and assumptions related to valuation of investment property have a major impact on the financial statements and are disclosed in note 2 of the financial statements. Further reference is made to the section "Our key audit matter" for audit procedures performed.
Risk of incorrect recognition of disposals of investment property The accurate and complete recognition of these transactions is an important area of emphasis in our audit. We pay special attention to fraud risks associated with selling properties, such as ABC transactions.	In 2024, the Company sold multiple properties. We have tested the design and controls related to property investment sales, which includes ensuring proper authorisation and conducting background checks of buyers and sellers. We carried out procedures on the disposals of investment property. We have reconciled the recognised transactions with the relevant supporting documentation and confirmed the accurate and complete recognition of transactions results in the fiscal year. Furthermore, we have carried out procedures to identify and test ABC transactions. In addition, we have analyzed the sales price of property transactions in relation to the most recent valuation as determined by the external appraiser. If applicable, we have assessed the reasonableness of considerations paid to intermediaries.

This did not lead to indications for fraud potentially resulting in material misstatements.

Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the company through discussion with the legal director, the executive board and other personnel, reading minutes and reports of internal audit. We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realising that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognised to have a direct effect on the financial statements.

Apart from these, Vastned Retail N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Vastned Retail N.V.'s ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of the executive board, the supervisory board and others within Vastned Retail N.V. as to whether Vastned Retail N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

The consolidated financial statements of Vastned Retail N.V. have been prepared on the basis of the going concern assumption. As indicated in the responsibilities of the executive board below, the executive board is responsible for assessing the Group's ability to continue as a going concern.

We have evaluated the executive board's assessment of the Group's ability to continue as a going concern and inquired the executive board regarding any knowledge of events or conditions beyond the period of the executive board's assessment.

On 1 January 2025, the reverse cross-border legal merger (the 'Merger'), in which Vastned Retail N.V. merged with and into Vastned NV, was completed. As a result of this merger, Vastned Retail N.V. ceased to exist, as all its rights and obligations were transferred following the Merger into Vastned NV.

Vastned Retail N.V.'s shares were delisted from Euronext Amsterdam. Vastned NV's shares are listed on Euronext Brussels with a secondary listing on Eurnext Amsterdam. The cross-border reverse legal merger does not give rise to concerns regarding the going concern, as all real estate operations under the pre-merger Vastned Group have been seamlessly integrated into the Belgian group structure and have continued into 2025. We have evaluated whether the Executive Board has appropriately described the reversed cross-border legal merger, including the going concern assumption, in the notes to the financial statements. Together with existing lenders, Vastned NV (Belgium) has been able to secure new financing commitments for a total amount of EUR 345 million in order to settle on the bridge loan facility and to refinance the maturing credit facilities, which should provide in the financing needs of Vastned NV. Based on our audit procedures, we have not identified any indications that would raise uncertainty regarding the Group's ability to continue as a going concern.

In line with the above stated we conclude that the consolidated financial statements have been appropriately prepared on a going concern basis.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

<table>
<tr><th>Key audit matters</th><th>How the key audit matter was addressed in the audit</th></tr>
<tr><td>Valuation of investment property
Refer to note 13 and note 14 of the Financial Statements.
As at 31 December 2024, the Group held a portfolio of investment property with a fair value of
EUR 1.233 million (31 December 2023: EUR 1.352 million) and a portfolio of assets held for sale with a fair value of EUR 3 million (31 December 2024: EUR 24 million).
The portfolio mainly consist of retail.
At the end of each reporting period, the Executive Board determines the fair value of its investment property portfolio in accordance with the requirements of IAS 40 and IFRS 13. Vastned Retail N.V. uses external valuation reports issued by external independent professionally qualified valuers to determine the fair value of its investment property.

As the valuation of investment property is inherently judgmental in nature, due to the use of assumptions that are highly sensitive, any change in assumptions may have a significant effect on the outcome given the relative size of the investment property balance. The most significant assumptions and parameters involved, given the sensitivity and impact on the outcome, are the gross initial yield and market rent levels.
IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The hierarchy categorises the inputs used in valuation techniques into three levels. The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. (Unobservable) inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date. Fair value measurements categorised within Level 3 have the lowest priority as the valuation is predominately based on unobservable inputs and those measurements have a greater degree of uncertainty and subjectivity. This means that a valuation at Level 3 has a fairly large measure of estimation uncertainty and as a result a fairly large bandwidth of valuation uncertainty in which a valuation can been seen reasonable in the light of IFRS 13. In addition, and as the external appraiser has recommended in its assessment of the fair value of the property portfolio, caution is needed in analysing the values due to the unknown future impacts on economy and real estate markets.</td><td>Our audit procedures included, among others, the following:

We have gained understanding of the valuation process and tested the design, implementation and effectiveness (insofar applicable) of Vastned's relevant key controls relating to the valuation of investment properties.
We noted that the executive board involved established international parties to assist with the valuation of the investment properties. We evaluated the competence of Vastned's external appraiser, which included consideration of their qualifications and expertise.
We reconciled the fair value carrying amounts of all investment properties to the external valuation reports as per 31 December 2024.
In relation to the significant assumptions in the valuation of investment property we have:
Determined that the valuation methods as applied by the executive board, as included in the valuation reports, are appropriate and consistent with prior year.
Challenged the significant assumptions used (such as gross initial yield, market rent levels) against relevant market data. We have involved our internal real estate valuation experts in these assessments.
Reviewed other relevant assumptions included in the cash flow forecasts of the valuation reports for the investment property and discussed with client. Among other things the underlying lease data and CAPEX program.
Assessed the sensitivity analysis on the key input data and assumptions to understand the impact of reasonable changes in assumptions on the valuation and other key performance indicators (i.e. loan covenants).
Assessed the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements.
For the Belgium portfolio, we instructed EY Belgium in order to direct and supervise their activities, and performed a file review of the work.</td></tr>
<tr><td></td><td>Observation
We found that, with the (significant) assumptions used in the valuation reports, the valuation of the investment property (under construction) is valued within a reasonable range in the light of the valuation uncertainty for level 3 valuations.</td></tr>
</table>

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- The directors' report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the Directors' report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The executive board is responsible for the preparation of the other information, including the Directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

On 25 April 2024, we were appointed by the general meeting of shareholders as the auditor of Vastned Retail N.V. for the 2024 audit and have served as statutory auditor for the 2024 financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The executive board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the executive board is responsible for such internal control as the Executive Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going concern basis of accounting unless the executive board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The executive board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluding on the appropriateness of the executive board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor’s report.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 27 March 2025,

Deloitte Accountants B.V.

Digitally signed on the original: V.S. Borreman