

# HALF-YEAR REPORT 2022

Vastned maintains strong operational and financial performance

## Highlights H1 2022

- **Positive earnings of € 2.30 per share (€ 0.50 negative in H1 2021)**
- **Direct result in H1 2022 of € 0.98 per share (€ 0.88 in H1 2021)**
- **Indirect result in H1 2022 of € 1.32 per share (€ 1.38 negative in H1 2021)**
- **Collection rate further increased to 97.6%**
- **Occupancy rate increased to 98.5%**
- **Like-for-like gross rental income increased by 1.4% compared with H1 2021**
- **Value of property portfolio increased by 1.0% compared with 31 December 2021**
- **Loan-to-value ratio of 43.0% as at 30 June 2022**
- **Focus remains on operational performance and maintaining high quality of portfolio with right tenant mix**
- **Interim dividend of € 0.59 per share; 60% payout ratio in line with dividend policy**
- **Outlook: Vastned reiterates its expected direct result for the full year 2022 between € 1.95 to € 2.05 per share**

**Hoofddorp, 28 July 2022** – Vastned, the listed European retail property company, has maintained its strong operational and financial performance despite economic uncertainties due to persistently high energy prices, rising inflation and increased recession fears in Europe. Vastned is reporting positive earnings for H1 2022 of € 2.30 euro per share and a direct result for H1 2022 of € 0.98 euro per share, an increase of over 11% compared with the € 0.88 per share reported in H1 2021. The collection rate further increased to 97.6%, and the occupancy rate increased to 98.5%. The value of the property portfolio increased 1.0% during H1 2022, mainly reflecting lower yields in key markets combined with relative stability across most other valuation factors.

**Reinier Walta, CEO of Vastned:** 'Vastned delivered another strong quarter in terms of the company's operational performance and interim results. Retailers in both 'phygital' and physical brands are showing a healthy demand for retail property. Moreover, transaction values are stabilizing, resulting in a slightly higher valuation of our property portfolio. Our performance has again demonstrated that Vastned has a high-quality portfolio with attractive, distinctive properties in prime locations in "winning cities". We will approach the second half of the year cautiously as a result of the economic situation, which could potentially affect our tenants. Despite the economic uncertainties, we reiterate our expectations for the full year 2022 provided in our Q1 trading update.'

### Strategy execution

Vastned continues to concentrate its unique portfolio of high-street retail and inner-city mixed-use properties in winning cities. Our solid, growing occupancy and collection rates, as well as positive value development, reflect the quality of our portfolio. By adding tenants with strong digital brands and retailers that prioritise phygital (the combination of physical and digital), and by focusing on 'buy online, pick up in store' solutions, Vastned has created a more diverse mix of tenants. Furthermore, in H1 2022, Vastned decreased its exposure to fashion in its total portfolio by half a percentage point. By optimising its portfolio, Vastned expects to further unlock the intrinsic value of its real estate portfolio.

### Sustainability

Sustainability is an important core value for Vastned in creating long-term value for its stakeholders.

Converting empty spaces above shops into residential units is making city centres livelier after closing time and increasing the housing stock. These investments also aim to improve the sustainability ratings of Vastned's properties. We carried out three apartment renovations in H1 2022. Five apartments will be delivered in Q3 of 2022.

### Impact of COVID-19

During H1 2022, Vastned's portfolio in the Netherlands was impacted by a short period of lockdown, with restrictions on non-essential retail locations, restaurants and bars in January. Most of the restrictive measures were lifted on 15 January 2022. The rent concessions accounted for in H1 2022 as a result of waivers in the Netherlands amounted to € 0.4 million.

### Key parameters

The direct result per share in H1 2022 was € 0.98 compared with € 0.88 in H1 2021. Compared with H1 2021, net rental income increased from € 26.9 million to € 28.8 million in H1 2022, due to almost no waivers granted in H1 2022.

The indirect result per share in H1 2022 was € 1.32 positive compared with € 1.38 negative in H1 2021. The positive indirect result in H1 2022 was mainly due to the increased value of the property portfolio (1%) and the increased value of the financial derivatives as a result of higher market interest rates.

The occupancy rate increased from 96.2% to 98.5%.

### Results

	H1 2022	H1 2021
Occupancy rate as at 30 June (%)	98.5	96.2
Like-for-like gross rental growth (%)	1.4	(3.2)
Value movements <sup>1</sup> (%)	1.0	(1.9)
Total appraisal value of the portfolio <sup>2</sup> (€ million)	1,452	1,440
Direct result per share (€)	0.98	0.88
Indirect result per share (€)	1.32	(1.38)
Result per share (€)	2.30	(0.50)

1) Excluding acquisitions and divestments

2) Including assets held for sale

## NOTES TO THE PROPERTY PORTFOLIO

### Occupancy rate

The occupancy rate of the full portfolio rose in Q2 2022 compared with Q1 2022 and the figures for 31 December 2021. The occupancy rate in the Netherlands increased mainly due to the new lettings. The occupancy rate in France also increased, due to the new lettings. In Belgium, the occupancy rate remained relatively stable. The portfolio in Spain remained fully let.

Occupancy rate (%)	30 June 2022	31 March 2022	31 December 2021	30 June 2021
Netherlands	98.3	97.7	97.2	96.1
France	98.1	97.5	97.2	94.1
Belgium	98.8	98.9	99.3	97.5
Spain	100.0	100.0	100.0	100.0
<b>Total</b>	<b>98.5</b>	<b>98.1</b>	<b>97.9</b>	<b>96.2</b>

### Leasing activity

In the first six months of 2022, Vastned concluded 19 leases for a total annual amount of € 2.1 million, or 2.9% of the total theoretical gross annual rental income. On the 19 leases, Vastned realized a € 0.3 million rent decrease, caused mainly by a new lease to G-Star on Voldersstraat 15 in Gent and the new letting of Etam on Meir 99 in Antwerp. Both rental units were previously over-rented and are now rented in line with the estimated rental value provided by external appraisers. On Zuidplein in Rotterdam, Vastned renewed its lease with Etos and signed a new lease with Snipes.

Leasing activity	H1 2022
Number of leases	19
Rental income (€ million)	2.1
% of total theoretical annual rent	2.9
Rental change (€ million)	(0.3)
% rental change	(13.1)

### Appraisal value

The appraisal value of Vastned's total property portfolio was € 1.45 billion as at 30 June 2022. This is an increase of 1% compared with year-end 2021.

Portfolio breakdown (€ million)	30 June 2022	% of total
Netherlands	631.1	43
France	413.5	28
Belgium	323.3	22
Spain	83.8	6
<b>Total</b>	<b>1,451.7</b>	<b>100</b>

### Like for like appraisal value

All properties in operation are appraised at least once a year by independent certified appraisers. As at 30 June 2022, 97.3% of the portfolio has been appraised. The like-for-like appraisal value of the property portfolio excluding acquisitions and divestments at the end of June 2022 increased by 1.0% compared with year-end 2021. The value increase of the portfolios in the Netherlands, France, Belgium and Spain were 1.5%, 0.8%, nihil and 2.1%, respectively.

### Appraisal value

(€ million)	H1 2022	vs FY 2021	FY 2021	vs FY 2020	FY 2020
Netherlands	631.1	9.2	621.9	(15.5)	637.5
France	413.5	3.3	410.1	2.9	407.2
Belgium	323.3	0.1	323.2	(9.8)	333.0
Spain	83.8	1.7	82.1	(1.5)	83.6
<b>Total</b>	<b>1,451.7</b>	<b>14.3</b>	<b>1,437.4</b>	<b>(23.8)</b>	<b>1,461.2</b>

### Acquisitions and divestments

In Q1 2022, Vastned sold two non-strategic assets on Dorpstraat 21-23 in Renkum and Achter Clarenburg 19 in Utrecht with a total transaction value of € 0.8 million, which was 18.6% above book value. No divestments or acquisitions took place in Q2 2022. After balance sheet date, Vastned acquired Zuidplein Hoog 827 in Rotterdam, which is currently rented to ICI Paris XL.

## NOTES TO THE FINANCIAL RESULTS

### Financial results (€ million)

	H1 2022	H1 2021
Direct result	16.9	15.1
Indirect result	22.6	(23.7)
<b>Result attributable to Vastned Retail shareholders</b>	<b>39.5</b>	<b>(8.6)</b>
Result attributable to non-controlling interests	2.8	(0.1)
<b>Result after taxes</b>	<b>42.3</b>	<b>(8.7)</b>

### Result attributable to Vastned Retail shareholders

The result attributable to Vastned's shareholders, which comprises the direct and indirect results, was € 39.5 million positive in H1 2022 (H1 2021: € 8.6 million negative). The main cause was the increase of the indirect result from € 23.7 million negative in H1 2021 to € 22.6 million positive in H1 2022. Within the indirect result, the value increase of the property portfolio in H1 2022 amounted to € 14.6 million (H1 2021: value decrease of € 28.7 million). As a result of higher market interest rates, the value movements of the financial derivatives were € 9.6 million positive in H1 2022 (H1 2021 € 1.6 million positive). The indirect result also included a positive result on the sale of property of € 0.2 million, deferred taxes of € 0.6 million and abortive purchase costs of € 0.7 million.

The direct result increased from € 15.1 million in H1 2021 to € 16.9 million in H1 2022. Net rental income was higher (€ 28.8 million in H1 2022 compared with € 26.9 million in H1 2021); however, this effect was partly compensated by higher income taxes.

### Result per share

The result per share attributable to Vastned shareholders was € 2.30 positive in H1 2022 (H1 2021: € 0.50 negative). The result comprises the direct result per share of € 0.98 (H1 2021: € 0.88) and the indirect result per share of € 1.32 positive (H1 2021: € 1.38 negative).

## NET INCOME FROM PROPERTY

### Gross rental income

The gross rental income was € 32.8 million in H1 2022 compared with € 31.0 million in H1 2021. A breakdown of the movements per country is provided in the table below.

Total (€ thousand)	Netherlands	France	Belgium	Spain	Total
Gross rental income H1 2021	14,333	6,723	8,680	1,290	31,026
Acquisitions	-	-	-	-	-
Divestments	(175)	-	(212)	(12)	(399)
Waivers of rent arrears (LfL)	614	522	588	-	1,724
Like-for-like rental growth	242	162	(227)	242	419
<b>Gross rental income H1 2022</b>	<b>15,014</b>	<b>7,407</b>	<b>8,829</b>	<b>1,520</b>	<b>32,770</b>
Other income	-	158	45	-	203
Addition to provision for expected credit losses	104	(266)	25	-	(137)
Operating expenses	(2,589)	(612)	(736)	(94)	(4,031)
<b>Net rental income H1 2022</b>	<b>12,529</b>	<b>6,687</b>	<b>8,163</b>	<b>1,426</b>	<b>28,805</b>
Net rental income H1 2021	11,183	6,211	8,236	1,265	26,895
Operating expenses as % of gross rental income 2022	16.6	11.9	8.1	6.2	12.7
Operating expenses as % of gross rental income 2021	22.0	7.6	5.1	1.9	13.3

#### Divestments (€ 0.4 million decrease)

In H1 2022, Vastned made € 0.8 million worth of divestments. In 2021, Vastned sold properties totalling € 17.7 million, which caused the gross rental income to fall by € 0.4 million compared with H1 2021. These divestments were made in the Dutch, Belgian and Spanish property portfolios.

#### Waivers in the context of COVID-19 (€ 1.7 million increase)

As a result of COVID-19, an amount of € 0.4 million in rent arrears was waived in H1 2022 (H1 2021: € 2.1 million). The waivers of rent arrears in H1 2022 were granted in the Netherlands.

#### Like-for-like gross rental growth (€ 0.4 million increase)

The like-for-like rental growth of the gross rental income was € 0.4 million positive. The like-for-like rental growth in the Netherlands, France and Spain was respectively € 0.2 million positive, € 0.2 million positive and € 0.2 million positive. In Belgium, the like-for-like rental growth was € 0.2 million negative, as a result of lease renewals with a rent decrease. The like-for-like growth of the gross rental income was 1.4% positive for the total property portfolio.

### Operating expenses (including net service charge expenses)

Total operating expenses, excluding the allocation to the provision for expected credit losses, increased from € 3.8 million in H1 2021 to € 4.0 million in H1 2022, mainly as a result of increased letting costs.

The allocation to the provision for expected credit losses decreased from € 0.6 million in H1 2021 to € 0.1 million in H1 2022. Expressed as a percentage of the gross rental income (including credit losses), operating expenses were 12.7% in H1 2022 (H1 2021: 13.3%).

#### Value movements in property

The value movements in property in H1 2022 totalled € 14.6 million (H1 2021: € 28.7 million negative). The value increases of the Dutch, French, Spanish and Belgian property portfolios were € 9.5 million, € 3.3 million, € 1.7 million and € 0.1 million, respectively.

#### Net result on divestments of property

In H1 2022, Vastned sold properties totalling € 0.8 million (H1 2021: € 11.7 million). The net result on the divestments of property, after deduction of sales costs, was € 0.2 million positive.

### EXPENDITURE

#### Net financing costs

The net financing costs, including value movements of financial derivatives, changed from € 4.3 million negative in H1 2021 to € 3.7 million positive in H1 2022. Developments regarding the net financing costs are detailed in the table below.

#### Development of net financing costs (€ million)

Net financing costs H1 2021	4.3
Decrease due to lower average interest-bearing debt	(0.1)
Net increase due to higher average interest rate and changes in fixed/ floating interest rates and working capital	0.1
Increase of value movements in financial derivatives	(8.0)
<b>Net financing costs H1 2022</b>	<b>(3.7)</b>

Net financing costs decreased by € 0.1 million in H1 2022 due to lower average interest-bearing debts resulting from divestments. Due to changes in the composition of the loan portfolio (in particular, changes in debt of the ratio fixed/floating interest), the average interest rate increased by 2 basis points from 1.87% in H1 2021 to 1.89% in H1 2022, pushing interest expenses up by € 0.1 million. As a result of the higher market interest rate, the value movements of the interest rate derivatives were € 9.6 million positive in H1 2022 compared with € 1.6 million positive in H1 2021.

#### General expenses

General expenses slightly decreased from € 3.5 million in H1 2021 to € 3.4 million in H1 2022.

#### Abortive purchase costs

The abortive purchase costs of € 0.7 million are extraordinary costs related to an intended transaction, which would have resulted in a delisting of Vastned Belgium N.V. The discussions were ended due to rapidly changed market conditions.

#### Current income tax expense

Income tax payable for the regularly taxed entities in the Netherlands, Belgium and Spain was € 0.4 million in H1 2022 (H1 2021: € 0.3 million).

#### Movement in deferred tax assets and liabilities

The movement in deferred tax assets and liabilities was € 0.5 million negative in H1 2022 (H1 2021: € 1.1 million positive). The increase in the provision for deferred tax liabilities in H1 2022 was mainly due to the value increase of assets in the Netherlands and Spain that are held by regularly taxed entities.

## ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

As at 30 June 2022, Vastned had a total accounts receivable position of € 10.6 million (30 June 2021: € 12.2 million), of which € 1.9 million was provided for (30 June 2021: € 3.1 million). The total value of the accounts receivable, after deduction of the provision for expected credit losses, can be broken down according to the nature of the receivable as follows:

<b>Accounts receivable and other receivables (€ million, rounded)</b>	<b>Outstanding</b>	<b>Provision for expected credit losses</b>	<b>Total</b>
Accounts receivable unrelated to COVID-19 <sup>1</sup>	1.9	1.3	0.6
Accounts receivable related to COVID-19 <sup>1</sup>	0.9	0.6	0.3
Accounts receivable for which a deferment has been granted in the context of COVID-19	0.2	-	0.2
Pre-invoiced rent	7.5	-	7.5
Other receivables	0.1	-	0.1
<b>Total</b>	<b>10.6</b>	<b>1.9</b>	<b>8.7</b>

1) A receivable is considered COVID-19 related in case amounts outstanding are (amongst other factors) subject to pending COVID-19 related discussions.

Part of the total accounts receivable position are receivables overdue by more than one year that are fully provided for but cannot yet be written off in connection with bankruptcies that have not yet been fully settled. These are mostly accounts receivable that are unrelated to COVID-19.

## FINANCING STRUCTURE

Vastned strives to maintain a conservative financing structure, with a loan-to-value ratio of between 30% and 40% (in the long-term) and a good diversification of financing sources; e.g. by placing long-term bond loans with institutional investors (including through private placements).

<b>Financing structure</b>	<b>30 June 2022</b>	<b>30 June 2021</b>
Loan-to-value (%)	43.0	44.2
Solvency ratio <sup>2</sup> (%)	55.6	53.9
Interest coverage ratio	4.9	4.6

2) Group equity plus deferred tax liabilities divided by the balance sheet total

As at 30 June 2022, Vastned's Loan-to-value being 43.0%, remains at the same level as at year-end 2021 despite the payment of the final dividend 2021 in May 2022. The solvency ratio, being group equity plus deferred tax liabilities divided by the balance sheet total, as at 30 June 2022 was 55.6% (year-end 2021: 55.1%). The interest coverage ratio for the past 12 months was 4.9 (prior year: 4.6).

With a solvency ratio of 55.6% and an interest coverage ratio of 4.9, Vastned complies with its loan covenants. All financing agreements stipulate a 45.0% minimum solvency ratio and usually require a minimum 2.0 interest coverage ratio. Most financing agreements include a negative pledge clause, with a limited threshold for putting up security.

## Loan portfolio as at 30 June 2022 (€ million)

	<b>Fixed interest<sup>3</sup></b>	<b>Floating interest</b>	<b>Total</b>	<b>% of total</b>
Long-term debt	444.9	172.8	617.7	99.3%
Short-term debt	-	4.5	4.5	0.7%
<b>Total</b>	<b>444.9</b>	<b>177.3</b>	<b>622.2</b>	<b>100.0%</b>
% of total	71.5%	28.5%	100.0%	

3) Taking into account interest rate derivatives.

At the end of June 2022, 71.5% of the loan portfolio comprised fixed-interest loans as a result of the use of interest rate derivatives and fixed coupon private placements.

The share of non-bank loans was 34.5%, significantly above the internal target of 25%.

Taking the unused credit facilities of € 116.4 million as at 30 June 2022 into account, there is ample liquidity to fulfil short-term payment obligations.

### **DEVELOPMENT OF NET ASSET VALUE PER SHARE**

As a result of the combined direct and indirect result per share of € 2.30 positive, the other movements of € 0.14 positive and the 2021 final dividend distribution of € 1.20 per share, the net asset value per share increased from € 41.57 at year-end 2021 to € 42.81 as at 30 June 2022.

The EPRA NRV per share as at 30 June 2022 was € 48.52 compared with € 47.73 at year-end 2021.

### **INTERIM DIVIDEND 2022**

In line with the dividend policy, the interim dividend will be 60% of the direct result for the first half of the year. The direct result for H1 2022 is € 0.98 per share, as a result of which the interim dividend is set at € 0.59 per share. On 2 August 2022, the Vastned share will go ex-dividend, and the interim dividend will be made payable on 17 August 2022.

### **EVENTS AFTER BALANCE SHEET DATE**

In H1 2022, Vastned entered into an agreement to purchase a property on Zuidplein Hoog 827, Rotterdam. This purchase amounts to € 1.8 million excluding costs, and the transfer is scheduled for August 2022.

### **OUTLOOK 2022**

Management will approach the second half of the year cautiously due to the present economic situation. Barring unforeseen circumstances, Vastned reiterates its expected direct full-year 2022 result of between € 1.95 to € 2.05 per share. Vastned's focus remains firmly on maintaining excellent operational performance and executing its strategy.



## RESPONSIBILITY STATEMENT

In accordance with Article 5.25d of the Financial Supervision Act, the Executive Board states that, to the best of its knowledge:

- the consolidated interim financial statements give a true and fair view of the assets and liabilities, the financial position and the result of Vastned and its consolidated subsidiaries; and
- the interim report gives a true and fair view of the main events that occurred in the first six months of the financial year and their impact on the interim financial statements, gives a true and fair description of the main risks and uncertainties in the remaining six months of this financial year, and gives a true and fair overview of the main transactions with related parties.

The main risks and uncertainties for the remaining six months of this financial year have not been defined in this report, though they are identical to those in the 2021 annual report. These risks and uncertainties have been adequately described by the Executive Board to the best of its knowledge and to the extent known in the half-year report of the Executive Board and the condensed interim consolidated financial statements.

Hoofddorp, 28 July 2022

Executive Board:  
Reinier Walta, CEO

## WEBCAST OF ANALYST MEETING

On 28 July 2022 at 10 am (CET), Vastned will host a presentation analysing the half-year 2022 results, which will be brought to you as a webcast. This webcast can be followed live via [https://vastned.com/en/investor-relations/investor\\_relations](https://vastned.com/en/investor-relations/investor_relations).

## FINANCIAL CALENDAR 2022

On 26 October, Vastned will provide its 9M 2022 trading update (after the close of trading in Amsterdam).

## ABOUT VASTNED

Vastned is a European publicly listed property company (Euronext Amsterdam: VASTN) that focuses on prime properties in popular shopping areas of selected European cities with a historic city centre where shopping, living, working and leisure meet. The tenants in Vastned's property portfolio are a strong mix of international and national retailers, food & beverage entrepreneurs, residential tenants and office tenants. The size of the property portfolio on 30 June 2022 was approximately € 1.5 billion.

## Further information

### Simon Theeuwes

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## KEY FIGURES

### Results (€ thousand)

	30 June 2022	31 December 2021	30 June 2021
Gross rental income	32,770	62,216	31,026
Direct result	16,860	33,058	15,097
Indirect result	22,599	(18,653)	(23,730)
<b>Result</b>	<b>39,459</b>	<b>14,405</b>	<b>(8,633)</b>

### Balance sheet (€ thousand)

Property (appraisal value)	1,451,675	1,438,000	1,440,380 <sup>1)</sup>
Equity	812,299	791,999	777,090
Equity Vastned Retail shareholders	734,387	713,072	699,701
Long-term liabilities	638,291	636,595	653,748
Solvency definition lenders (%)	55.6	55.1	53.9
Loan-to-value (%)	43.0	43.0	44.2
Interest coverage ratio	4.9	4.8	4.6
Financial occupancy rate property portfolio (%)	97.4	95.7	95.2
Average number of shares in issue	17,151,976	17,151,976	17,151,976
Number of shares in issue (end of period)	17,151,976	17,151,976	17,151,976

### Per share (€)

Equity Vastned Retail shareholders at beginning of period (including final dividend)	41.57	42.98	42.98
Final dividend previous financial year	(1.20)	(1.73)	(1.73)
<b>Equity Vastned Retail shareholders at beginning of period (excluding final dividend)</b>	<b>40.37</b>	<b>41.25</b>	<b>41.25</b>
Direct result	0.98	1.93	0.88
Indirect result	1.32	(1.09)	(1.38)
<b>Result</b>	<b>2.30</b>	<b>0.84</b>	<b>(0.50)</b>
Remeasurement of defined benefit obligation	0.14	0.01	0.05
Interim dividend	-	(0.53)	-
<b>Equity Vastned Retail shareholders at end of period (including final dividend)</b>	<b>42.81</b>	<b>41.57</b>	<b>40.80</b>

### Share price (end of period) (€)

Share price (end of period) (€)	21.30	24.00	24.70
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### Premium/(Discount) (%)

Premium/(Discount) (%)	(50.3)	(42.3)	(39.5)
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<sup>1)</sup> Including Assets held for sale of € 2,150

## DIRECT AND INDIRECT RESULT

(€ thousand)

	H1 2022	H1 2021
<b>Direct result</b>		
Gross rental income	32,770	31,026
Other income	203	288
Net service charge expenses	(39)	(50)
Operating expenses	(4,129)	(4,369)
<b>Net rental income</b>	<b>28,805</b>	<b>26,895</b>
Financial income	7	8
Financial expenses	(5,882)	(5,903)
<b>Net financing costs</b>	<b>(5,875)</b>	<b>(5,895)</b>
General expenses	(3,427)	(3,451)
<b>Direct result before taxes</b>	<b>19,503</b>	<b>17,549</b>
Current income tax expense	(404)	(261)
Movement in deferred tax assets and liabilities	38	107
<b>Direct result after taxes</b>	<b>19,137</b>	<b>17,395</b>
Direct result attributable to non-controlling interests	(2,277)	(2,298)
<b>Direct result attributable to Vastned Retail shareholders</b>	<b>16,860</b>	<b>15,097</b>
<b>Indirect result</b>		
Value movements in property in operation	14,616	(28,694)
<b>Total value movements in property</b>	<b>14,616</b>	<b>(28,694)</b>
Net result on divestments of property	184	(42)
Value movements in financial derivatives	9,582	1,550
Abortive purchase costs	(670)	-
<b>Indirect result before taxes</b>	<b>23,712</b>	<b>(27,186)</b>
Movement deferred tax assets and liabilities	(549)	1,042
<b>Indirect result after taxes</b>	<b>23,163</b>	<b>(26,144)</b>
Indirect result attributable to non-controlling interests	(564)	2,414
<b>Indirect result attributable to Vastned Retail shareholders</b>	<b>22,599</b>	<b>(23,730)</b>
<b>Result attributable to Vastned Retail shareholders</b>	<b>39,459</b>	<b>(8,633)</b>
<b>Per share (€)</b>		
Direct result attributable to Vastned Retail shareholders	0.98	0.88
Indirect result attributable to Vastned Retail shareholders	1.32	(1.38)
	2.30	(0.50)

## EPRA PERFORMANCE-INDICATORS

EPRA performance-indicator	Table	(€ thousand)		per share (€)	
		H1 2022	H1 2021	H1 2022	H1 2021
EPRA Earnings	1	16,860	15,097	0.98	0.88
EPRA NRV	2	832,265	805,797	48.52	46.98
EPRA NTA	2	735,613	711,687	42.89	41.49
EPRA NDV	2	730,750	688,611	42.60	40.15
EPRA Net Initial Yield (NIY)	3 (i)	4.0%	3.9% <sup>1)</sup>		
EPRA 'topped-up' NIY	3 (ii)	4.1%	4.1% <sup>1)</sup>		
EPRA Vacancy Rate	4	1.6%	2.2% <sup>1)</sup>		
EPRA Cost Ratio (including direct vacancy costs)	5 (i)	23.0%	25.1%		
EPRA Cost Ratio (excluding direct vacancy costs)	5 (ii)	22.7%	24.1%		
Capital expenditure	6	373	1,366		
EPRA LTV	7	45.0%	n/a		

<sup>1)</sup> 31 December 2021.

## 1. EPRA EARNINGS

	<u>H1 2022</u>	<u>H1 2021</u>
<b>Result in accordance with consolidated IFRS profit and loss account</b>	<b>39,459</b>	<b>(8,634)</b>
Value movements in property	(14,616)	40,831
Net result on divestments of property	(184)	(50)
Financial expenses	-	-
Value movements in financial derivatives	(9,582)	2,061
Movement in deferred tax assets and liabilities	549	(2,092)
Attributable to non-controlling interests	564	(4,975)
<b>EPRA Earnings</b>	<b>16,190</b>	<b>27,141</b>
<i>Company specific adjustments</i>		
Abortive purchase costs	670	-
<b>Company specific adjusted earnings</b>	<b>16,860</b>	<b>15,097</b>
<b>EPRA Earnings per share (EPS)</b>	<b>0.94</b>	<b>0.88</b>
<i>Company specific adjustments</i>		
Abortive purchase costs	0.04	-
<b>Company specific adjusted earnings per share</b>	<b>0.98</b>	<b>0.88</b>

## 2. EPRA NAV METRICS

	30 June 2022			30 June 2021		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity Vastned Retail shareholders	734,387	734,387	734,387	699,701	699,701	699,701
Hybrid instruments	-	-	-	-	-	-
<b>Diluted NAV</b>	<b>734,387</b>	<b>734,387</b>	<b>734,387</b>	<b>699,701</b>	<b>699,701</b>	<b>699,701</b>
Diluted NAV at fair value	<b>734,387</b>	<b>734,387</b>	<b>734,387</b>	<b>699,701</b>	<b>699,701</b>	<b>699,701</b>
Deferred taxes related to fair value gains of property	9,706	9,706	-	8,970	8,970	-
Fair value of financial derivatives	(8,187)	(8,187)	-	2,634	2,634	-
Intangible fixed assets	-	(293)	-	-	(382)	-
Fair value of fixed-rate interest-bearing debts	-	-	(3,637)	-	-	(11,090)
Real Estate Transfer Tax	96,359	-	-	94,492	-	-
<b>NAV</b>	<b>832,265</b>	<b>735,613</b>	<b>730,750</b>	<b>805,797</b>	<b>710,923</b>	<b>688,611</b>
Fully diluted number of shares	<b>17,151,976</b>	<b>17,151,976</b>	<b>17,151,976</b>	<b>17,151,976</b>	<b>17,151,976</b>	<b>17,151,976</b>
NAV per share	<b>48.52</b>	<b>42.89</b>	<b>42.60</b>	<b>46.98</b>	<b>41.45</b>	<b>40.15</b>
	30 June 2022			30 June 2021		
	Fair value	As a percentage of total portfolio	Percentage of excluded deferred taxes	Fair value	As a percentage of total portfolio	Percentage of excluded deferred taxes
Portfolio that is subject to deferred tax and intention is to hold and not to sell in the long run	199,454	14	100	196,326	14	100

### 3. EPRA NET INITIAL YIELD AND EPRA TOPPED-UP NET INITIAL YIELD PER 30 JUNE

	Netherlands		France		Belgium		Spain		Total	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Property	631,135	622,575	413,465	410,115	323,275	323,194	83,800	82,115	1,451,675	1,438,000
addition:										
Estimated transaction fees	58,391	58,554	29,964	29,183	8,586	8,268	2,381	2,561	99,322	98,566
<b>Investment value of property (B)</b>	<b>689,526</b>	<b>681,129</b>	<b>443,429</b>	<b>439,298</b>	<b>331,861</b>	<b>331,462</b>	<b>86,181</b>	<b>84,676</b>	<b>1,550,997</b>	<b>1,536,566</b>
Annualised gross rental income	32,288	31,032	15,509	14,480	18,005	17,200	2,978	2,945	68,780	65,658
Non-recoverable operating expenses	(5,123)	(4,260)	(588)	(539)	(1,401)	(1,320)	(186)	(199)	(7,298)	(6,318)
<b>Annualised net rental income (A)</b>	<b>27,165</b>	<b>26,772</b>	<b>14,921</b>	<b>13,941</b>	<b>16,604</b>	<b>15,880</b>	<b>2,792</b>	<b>2,746</b>	<b>61,482</b>	<b>59,340</b>
Effect of rent-free periods and other lease incentives	772	947	544	972	502	1,361	36	264	1,854	3,544
<b>Topped-up annualised net rental income (C)</b>	<b>27,937</b>	<b>27,719</b>	<b>15,465</b>	<b>14,913</b>	<b>17,105</b>	<b>17,241</b>	<b>2,828</b>	<b>3,010</b>	<b>63,336</b>	<b>62,884</b>
(i) EPRA Net Initial Yield (A/B)	3.9%	3.9%	3.4%	3.2%	5.0%	4.8%	3.2%	3.2%	4.0%	3.9%
(ii) EPRA Topped-up Net Initial Yield (C/B)	4.1%	4.1%	3.5%	3.4%	5.2%	5.2%	3.3%	3.6%	4.1%	4.1%

#### 4. EPRA VACANCY RATE

30 June 2022

	Gross rental income	Net rental income	Lettable floor area (m <sup>2</sup> )	Annualised gross rental income	Estimated rental value (ERV) of vacant properties	Estimated rental value (ERV)	EPRA Vacancy Rate
Netherlands	15,014	12,530	103,028	32,288	594	31,934	1.9%
France	7,407	6,686	21,340	15,509	303	17,383	1.7%
Belgium	8,829	8,163	76,823	18,005	221	17,321	1.3%
Spain	1,520	1,426	2,990	2,978	-	3,145	-
<b>Total property</b>	<b>32,770</b>	<b>28,805</b>	<b>204,181</b>	<b>68,780</b>	<b>1,118</b>	<b>69,784</b>	<b>1.6%</b>

30 June 2021

	Gross rental income	Net rental income	Lettable floor area (m <sup>2</sup> )	Annualised gross rental income	Estimated rental value (ERV) of vacant properties	Estimated rental value (ERV)	EPRA Vacancy Rate
Netherlands	14,333	11,182	105,250	30,462	1,309	32,649	4.0%
France	6,723	6,211	21,340	14,154	972	17,416	5.6%
Belgium	8,680	8,237	78,673	17,390	471	17,304	2.7%
Spain	1,290	1,265	2,990	3,034	-	3,115	-
<b>Total property</b>	<b>31,026</b>	<b>26,895</b>	<b>208,253</b>	<b>65,040</b>	<b>2,752</b>	<b>70,484</b>	<b>3.9%</b>

#### 5. EPRA COST RATIOS

	H1 2022	H1 2021
General expenses	3,427	3,451
Operating expenses	4,129	4,369
Net service charge expenses	39	50
<b>EPRA costs (including vacancy costs) (A)</b>	<b>7,595</b>	<b>7,870</b>
Vacancy costs	(126)	(325)
<b>EPRA costs (excluding vacancy costs) (B)</b>	<b>7,469</b>	<b>7,545</b>
<b>Gross rental income (C)<sup>1</sup></b>	<b>32,973</b>	<b>31,314</b>
(i) EPRA Cost Ratio (including vacancy costs) (A/C)	<b>23.0%</b>	<b>25.1%</b>
(ii) EPRA Cost Ratio (excluding vacancy costs) (B/C)	<b>22.7%</b>	<b>24.1%</b>

<sup>1</sup>) Including other income € 203 (H1 2021 € 288)



## 6. CAPITAL EXPENDITURE

	H1 2022	H1 2021
Acquisitions	-	-
Development	-	-
Like-for-like-portfolio <sup>1</sup>	373	1,366
Other	-	-
	<b>373</b>	<b>1,366</b>

1) Concerns improvements to several assets already held in various countries

Vastned has no interests in joint ventures.

## 7. EPRA LOAN TO VALUE

	30 June 2022		
	Group EPRA LTV as reported before share of JV's, material associates and NCI adjustment	Non-Controlling Interests (NCI)	Combined and adjusted
<b>Equity</b>	<b>812,299</b>	<b>77,912</b>	<b>734,387</b>
<b>Net debt</b>			
<i>Include:</i>			
Borrowings from Financial Institutions	622,140	30,240	591,900
Commercial paper	-	-	-
Hybrids	-	-	-
Bond Loans	-	-	-
Foreign currency derivatives	-	-	-
Net payables	15,015	926	14,089
Owner-occupied property (debt)	572	57	515
Other lease liabilities <sup>2</sup>	-	-	-
Current accounts with (no) equity characteristics	-	-	-
<i>Exclude:</i>			
Cash and cash equivalents	1,491	410	1,081
<b>Net debt (a)</b>	<b>636,236</b>	<b>30,813</b>	<b>605,423</b>
<b>Investment property portfolio and other eligible assets</b>			
Owner-occupied property	593	76	517
Investment properties at fair value	1,451,675	108,503	1,343,172
Lease liabilities <sup>2</sup>	-	-	-
Intangibles	333	40	293
Net receivables	-	-	-
<b>Total property portfolio and other eligible assets (b)</b>	<b>1,452,601</b>	<b>108,619</b>	<b>1,343,982</b>
<b>Group LTV (a/b)</b>	<b>43.8%</b>		<b>45.0%</b>

2) Line added to EPRA template table in order to present Vastned's LTV under IFRS calculation (factually the calculation as agreed with the lenders)

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 2022

### Contents

- Consolidated profit and loss account
- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated statement of movements in equity
- Consolidated cash flow statement
- Selected notes

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
(€ thousand)

	Note	H1 2022	H1 2021
<b>Net income from property</b>			
Gross rental income	4, 5	32,770	31,026
Other income	4	203	288
Net service charge expenses	4	(39)	(50)
Operating expenses	4	(4,129)	(4,369)
<b>Net rental income</b>		<b>28,805</b>	<b>26,895</b>
Value movements in property in operation	4	14,616	(28,694)
<b>Total value movements in property</b>		<b>14,616</b>	<b>(28,694)</b>
Net result on divestments of property	4	184	(42)
<b>Total net income from property</b>		<b>43,605</b>	<b>(1,841)</b>
<b>Expenditure</b>			
Financial income		7	8
Financial expenses		(5,882)	(5,903)
Value movements financial derivatives	12	9,582	1,550
<b>Net financing costs</b>		<b>3,707</b>	<b>(4,345)</b>
General expenses		(3,427)	(3,451)
Abortive purchase costs	13	(670)	-
<b>Total expenditure</b>		<b>(390)</b>	<b>(7,796)</b>
<b>Result before taxes</b>		<b>43,215</b>	<b>(9,637)</b>
Current income tax expense		(404)	(261)
Movement in deferred tax assets and liabilities		(511)	1,148
<b>Total income tax</b>		<b>(915)</b>	<b>887</b>
<b>Result after taxes</b>		<b>42,300</b>	<b>(8,750)</b>
Result attributable to Vastned Retail shareholders		39,459	(8,634)
Result attributable to non-controlling interests		2,841	(116)
		<b>42,300</b>	<b>(8,750)</b>
<b>Per share (€)</b>			
Result		2.30	(0.50)
Diluted result		2.30	(0.50)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(€ thousand)

	<u>H1 2022</u>	<u>H1 2021</u>
Result after taxes	42,300	(8,750)
<b>Items not reclassified to the profit and loss account</b>		
Remeasurement of defined benefit pension obligations	2,438	814
<b>Other comprehensive income after tax</b>	<b>2,438</b>	<b>814</b>
<b>Comprehensive income</b>	<b>44,738</b>	<b>(7,936)</b>
Attributable to:		
Vastned Retail shareholders	41,897	(7,820)
Non-controlling interests	2,841	(116)
	<b>44,738</b>	<b>(7,936)</b>

**CONSOLIDATED BALANCE SHEET**  
(€ thousand)

	Note	30 June 2022	31 December 2021	30 June 2021
<b>Assets</b>				
Property in operation	4, 8	1,450,127	1,435,783	1,435,761
Accrued assets in respect of lease incentives	4	4,181	4,857	5,248
<b>Total property</b>		<b>1,454,308</b>	<b>1,440,640</b>	<b>1,441,009</b>
Intangible fixed assets		333	374	439
Tangible fixed assets		796	867	983
Rights-of-use assets		593	675	271
Financial derivatives	12	8,406	27	-
<b>Total fixed assets</b>		<b>1,464,436</b>	<b>1,442,583</b>	<b>1,442,702</b>
Assets held for sale		-	-	2,150
Debtors and other receivables	9	12,797	11,087	13,009
Cash and cash equivalents		1,491	772	1,223
<b>Total current assets</b>		<b>14,288</b>	<b>11,859</b>	<b>16,382</b>
<b>Total assets</b>		<b>1,478,724</b>	<b>1,454,442</b>	<b>1,459,084</b>
<b>Equity and liabilities</b>				
Capital paid-up and called		95,183	95,183	95,183
Share premium reserve		468,555	468,555	468,555
Other reserves		131,190	134,929	144,597
Result attributable to Vastned Retail shareholders		39,459	14,405	(8,634)
<b>Equity Vastned Retail shareholders</b>		<b>734,387</b>	<b>713,072</b>	<b>699,701</b>
Equity non-controlling interests	3	77,912	78,927	77,389
<b>Total equity</b>		<b>812,299</b>	<b>791,999</b>	<b>777,090</b>
Deferred tax liabilities		9,585	9,074	9,054
Provisions in respect of employee benefits	10	3,310	6,052	5,428
Long-term interest-bearing loans	11	617,669	612,952	628,768
Long-term lease liabilities	11	3,333	3,393	3,315
Financial derivatives	12	8	1,212	3,219
Guarantee deposits and other long-term liabilities		4,386	3,912	3,964
<b>Total long-term liabilities</b>		<b>638,291</b>	<b>636,595</b>	<b>653,748</b>
Payable to banks	11	4,471	3,320	5,970
Redemption long-term loans	11	-	-	-
Short-term lease liabilities	11	263	263	158
Income tax payable		599	834	450
Other liabilities and accruals		22,801	21,431	21,668
<b>Total short-term liabilities</b>		<b>28,134</b>	<b>25,848</b>	<b>28,246</b>
<b>Total equity and liabilities</b>		<b>1,478,724</b>	<b>1,454,442</b>	<b>1,459,084</b>

### CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

(€ thousand)

	Paid-up and called up capital	Share premium reserve	Other reserves	Result attributable to Vasted Retail shareholders	Equity Vastned Retail shareholders	Equity non-controlling interests	Total equity
<b>Balance as at 1 January 2021</b>	<b>95,183</b>	<b>468,555</b>	<b>214,797</b>	<b>(41,340)</b>	<b>737,195</b>	<b>81,098</b>	<b>818,293</b>
Result	-	-	-	(8,634)	(8,634)	(116)	(8,750)
Other comprehensive income	-	-	814	-	814	-	814
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>814</b>	<b>(8,634)</b>	<b>(7,820)</b>	<b>(116)</b>	<b>(7,936)</b>
Final dividend for previous financial year in cash	-	-	-	(29,674)	(29,674)	(3,593)	(33,267)
Contribution from profit appropriation	-	-	(71,014)	71,014	-	-	-
<b>Balance as at 30 June 2021</b>	<b>95,183</b>	<b>468,555</b>	<b>144,597</b>	<b>(8,634)</b>	<b>699,701</b>	<b>77,389</b>	<b>777,090</b>
<b>Balance as at 1 January 2022</b>	<b>95,183</b>	<b>468,555</b>	<b>134,929</b>	<b>14,405</b>	<b>713,072</b>	<b>78,927</b>	<b>791,999</b>
Result	-	-	-	39,459	39,459	2,841	42,300
Other comprehensive income	-	-	2,438	-	2,438	-	2,438
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>2,438</b>	<b>39,459</b>	<b>41,897</b>	<b>2,841</b>	<b>44,738</b>
Final dividend for previous financial year in cash	-	-	-	(20,582)	(20,582)	(3,856)	(24,438)
Contribution from profit appropriation	-	-	(6,177)	6,177	-	-	-
<b>Balance as at 30 June 2022</b>	<b>95,183</b>	<b>468,555</b>	<b>131,190</b>	<b>39,459</b>	<b>734,387</b>	<b>77,912</b>	<b>812,299</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
(€ thousand)

	Note	H1 2022	H1 2021
<b>Cash flow from operating activities</b>			
Result after taxes		42,300	(8,750)
<b>Adjustments for:</b>			
Value movements in property	4	(14,616)	28,694
Net result on divestments of property	4	(184)	42
Net financing costs		(3,707)	4,345
Income tax		915	(887)
<b>Cash flow from operating activities before changes in working capital and provisions</b>		<b>24,708</b>	<b>23,444</b>
Movement in current assets		(135)	4,847
Movement in short-term liabilities		2,099	594
Movement in provisions		(345)	(201)
		<b>26,327</b>	<b>28,684</b>
Interest received		7	8
Interest paid		(6,309)	(5,547)
Income tax paid		(639)	(695)
<b>Cash flow from operating activities</b>		<b>19,386</b>	<b>22,450</b>
<b>Cash flow from investing activities</b>			
Capital expenditure on property		(1,198)	(1,447)
Divestments of property		829	11,677
<b>Cash flow from property</b>		<b>(369)</b>	<b>10,230</b>
Movement in other fixed assets		112	(45)
<b>Cash flow from investing activities</b>		<b>(257)</b>	<b>10,185</b>
<b>Cash flow from financing activities</b>			
Dividend paid	6	(20,582)	(29,674)
Dividend paid to non-controlling interests		(3,856)	(3,593)
Interest-bearing loans draw down		66,656	3,733
Redemption interest-bearing debt and lease liabilities		(61,102)	(2,775)
Movement in guarantee deposits and other long-term liabilities		474	21
<b>Cash flow from financing activities</b>		<b>(18,410)</b>	<b>(32,288)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>719</b>	<b>347</b>
Cash and cash equivalents as at 1 January		772	876
<b>Cash and cash equivalents as at end of period</b>		<b>1,491</b>	<b>1,223</b>

## 1. GENERAL

Vastned Retail N.V. (hereinafter also referred to as 'the company' or 'Vastned'), with its registered office in Amsterdam, the Netherlands, is 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's property clusters have a strong tenant mix of international and national retailers, hospitality businesses, residential tenants and office tenants. The property is located in the Netherlands, France, Belgium and Spain.

Vastned is registered in the trade register of the Chamber of Commerce under number 24262564. Vastned is listed on the Euronext stock exchange in Amsterdam. The condensed interim consolidated financial statements of Vastned comprise the Company and its subsidiaries (jointly referred to as 'the Group').

The condensed interim consolidated financial statements were drawn up by the Executive Board and authorised for publication by the Supervisory Board on 27 July 2022.

## 2. PRINCIPLES APPLIED IN THE PRESENTATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim consolidated financial statements are presented in euros; amounts are rounded off to thousands of euros, unless stated differently. These condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union. The condensed interim financial statements do not contain all the information required for full financial statements, and therefore should be read in conjunction with the 2021 consolidated financial statements. The principles applied in the preparation of the condensed interim consolidated financial statements are consistent with the principles set out in the annual report for the 2021 financial year, with the exception of the application of new standards and interpretations described below. The most relevant principles applied in these statements are also included below.

### Valuation of property

All the 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.

### Debtors and provision for expected credit losses

Debtors and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less 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. Due to the impact of the COVID-19 crisis the provision has been increased based on the status of the negotiations regarding past-due rent payments and the sector in which the tenants operate.



### Income from operational lease contracts

In the accounting of the lease income in the case of an operating lease, the Group considers what can reasonably be expected concerning the performance and the effect of the lease contract, including the most probable lease term, partly based on specifically agreed matters and economic circumstances and incentives. The impact of the COVID-19 pandemic, including concessions granted to tenants, is accounted for in accordance with IFRS 9, with the exception of cases in which a concession qualifies as a lease modification. In that case IFRS 16 applies. The group distinguishes the following categories:

- **Waiver of rent arrears after due date of the invoice**

Waivers are charged to the gross rental income. The accounting and impact of these concessions granted is explained in note 5.

- **Expected uncollectability of rent receivables for which no arrangements have (as yet) been made**

Recognition as expected credit losses through application of the simplified approach in accordance with IFRS 9, see also the principle 'Debtors and provision for expected credit losses'. The expected impact of the ongoing negotiations on receivables is recognised as an impairment and taken directly to the profit and loss account as part of the operating expenses. For further explanation, reference is made to note 9.

- **Waivers of rent in advance and/or waivers in conjunction with contract modifications**

These concessions qualify as a lease modification under IFRS 16 and are straight-lined over the new minimum duration of the lease and deducted from the gross rental income as explained in note 5.

Other concessions granted by Vastned to its tenants (see note 9), with the exception of the fact that receivables related to this have been included in the calculation of the provision for expected credit losses, do not affect the accounting.

### Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of the result in these condensed interim consolidated financial statements are based on the assumption of continuity (going concern) of the company.

### New or amended standards and interpretations that became effective on 1 January 2022

The amended standards and interpretations that came into effect in 2022 are listed below.

- **Amendments to IFRS 3, IFRS 16, IAS 16, IAS 37, IFRS 1 and IFRS 9**

- Annual Improvements to IFRS Standards 2018–2020, such as:

- IFRS 1: The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS.
- IFRS 9: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability.
- IFRS 16: The amendment relates to reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives.
- IFRS 3: The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

- IAS 16: The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

- IAS 37: The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.

- IFRS 16: The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

#### **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 IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non Current** (if adopted, effective for financial years starting on or after 1 January 2023)
- **Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting policies** (effective 1 January 2023)
- **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction** (if adopted, effective for financial years starting on or after 1 January 2023).

#### **New or amended standards and interpretations adopted but not effective by the European Union**

- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates** (effective 1 January 2023)

The Executive Board does not expect the application in future periods of the standards mentioned above will have any material impact on the financial statements and/or the position of the Group, or on the presentation and/or the notes.

### **3. SCOPE OF CONSOLIDATION**

During the first half of 2022 no changes in the scope of consolidation occurred.

Vastned holds a 65.5% interest in the publicly regulated property company under Belgian law Vastned Retail Belgium N.V., which is listed on Euronext Brussels. The 34.5% interest in the equity and the result of this company attributable to non-controlling interests is recognised separately in the balance sheet and the profit and loss account.

Vastned has a 100% interest in and full control over all its other subsidiaries.

#### 4. SEGMENTED INFORMATION

The segmented information is only presented based on the countries where the properties are located.

##### Result

	Netherlands		France		Belgium		Spain		Total	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
Net rental income	12,530	11,182	6,686	6,211	8,163	8,237	1,426	1,265	28,805	26,895
Value movements in property in operation	9,497	(19,324)	3,329	(203)	80	(7,843)	1,710	(1,324)	14,616	(28,694)
Net result on divestments of property	184	92	-	50	-	398	-	(582)	184	(42)
<b>Total net income from property</b>	<b>22,211</b>	<b>(8,050)</b>	<b>10,015</b>	<b>6,058</b>	<b>8,243</b>	<b>792</b>	<b>3,136</b>	<b>(641)</b>	<b>43,605</b>	<b>(1,841)</b>
Net financing costs									3,707	(4,345)
General expenses									(3,427)	(3,451)
Income tax									(915)	887
<b>Result after taxes</b>									<b>42,970</b>	<b>(8,750)</b>

### Property in operation

	Netherlands		France		Belgium		Spain		Total	
	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021
<b>Balance as at 1 January</b>	<b>622,132</b>	<b>641,841</b>	<b>409,125</b>	<b>405,895</b>	<b>322,622</b>	<b>338,661</b>	<b>81,904</b>	<b>83,151</b>	<b>1,435,783</b>	<b>1,469,548</b>
Acquisitions	-	-	-	-	-	-	-	-	-	-
Capital expenditure	41	915	256	332	76	119	-	-	373	1,366
Transferred from Assets held for sale	-	-	-	-	-	-	-	-	-	-
Transferred to Assets held for sale	-	(525)	-	-	-	(2,150)	-	-	-	(2,675)
Divestments	(645)	-	-	(120)	-	(3,664)	-	-	(645)	(3,784)
	<b>621,528</b>	<b>642,231</b>	<b>409,381</b>	<b>406,107</b>	<b>322,698</b>	<b>332,966</b>	<b>81,904</b>	<b>83,151</b>	<b>1,435,511</b>	<b>1,464,455</b>
Value movements	9,497	(19,324)	3,329	(203)	80	(7,843)	1,710	(1,324)	14,616	(28,694)
<b>Balance as at 30 June</b>	<b>631,025</b>	<b>622,907</b>	<b>412,710</b>	<b>405,904</b>	<b>322,778</b>	<b>325,123</b>	<b>83,614</b>	<b>81,827</b>	<b>1,450,127</b>	<b>1,435,761</b>
Accrued assets in respect of lease incentives	2,513	3,121	756	1,121	726	768	186	238	4,181	5,248
<b>Total property in operation</b>	<b>633,538</b>	<b>626,028</b>	<b>413,466</b>	<b>407,025</b>	<b>323,504</b>	<b>325,891</b>	<b>83,800</b>	<b>82,065</b>	<b>1,454,308</b>	<b>1,441,009</b>
Lease liabilities	(2,403)	(2,571)	-	-	(595)	(674)	-	-	(2,998)	(3,245)
Other	-	-	-	-	365	466	-	-	365	466
<b>Appraisal value as at 30 June</b>	<b>631,135</b>	<b>623,457</b>	<b>413,466</b>	<b>407,025</b>	<b>323,274</b>	<b>325,683</b>	<b>83,800</b>	<b>82,065</b>	<b>1,451,675</b>	<b>1,438,230</b>

## 5. GROSS RENTAL INCOME

The gross rental income of H1 2022 includes waivers of rent arrears of € 0.4 million (H1 2021: € 2.2 million). The table below shows the impact of COVID-19 on the gross rental income in the first half of 2022:

	<u>H1 2022</u>	<u>H1 2021</u>
Gross rental income before concessions	33,483	33,557
COVID-19 waivers <sup>1</sup>	(440)	(2,164)
Other rent concessions <sup>2</sup>	(273)	(367)
<b>Gross rental income after concessions</b>	<b>32,770</b>	<b>31,026</b>

- 1) These concern subsequent waivers of rent arrears, not being lease modifications, that are charged to the gross rental income.  
2) These concern concessions that, either with or without contract modifications, have been classified as a lease modification and are therefore straight-lined over the contract duration.

## 6. DIVIDEND

On 6 May 2022, the dividend for the 2021 financial year was made payable. The dividend was € 1.20 per share in cash (2021: € 1.73 per share in cash). The dividend distribution totalled € 20.6 million (2021: € 29.7 million).

## 7. FAIR VALUE

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 shows according to which level the assets and liabilities of the Group are valued at fair value.

	<u>Level</u>	<u>30 June 2022</u>		<u>31 December 2021</u>		<u>30 June 2021</u>	
		<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
<b>Assets valued at fair value</b>							
<b>Property</b>							
Property in operation (including accrued assets in respect of lease incentives)	3	1,454,308	1,454,308	1,440,640	1,440,640	1,441,009	1,441,009
Assets held for sale	3	-	-	-	-	2,150	2,150
Financial derivatives	2	8,406	8,406	27	27	-	-
<b>Liabilities valued at fair value</b>							
<b>Long-term liabilities</b>							
Long term interest-bearing loans	2	617,669	614,284	612,952	619,228	628,768	638,150
Lease liabilities	2	3,333	2,967	3,393	4,993	3,315	3,315
Financial derivatives	2	8	8	1,212	1,212	3,219	3,219

In the first half of 2022 no changes took place in the principles for the determination of the fair value. Nor were any financial assets reclassified to a different level in the first half of 2022.

The value of the Assets held for sale is determined on the basis of expected sales prices, which are based on draft contracts 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 at 30 June 2022.

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.

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

## 8. PROPERTY

All the property in operation is appraised at least once per year by independent certified appraisers. As at 30 June 2022, 97.3% of the portfolio has been appraised. 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. Due to the strategic choice for the best properties in the most popular high streets, the current crisis has had a limited impact on the valuation of our property.

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

The appraisal of the property portfolio resulted in a net yield (including transaction costs) of 4.1% (31 December 2021: 4.1%; 30 June 2021: 4.0%).

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 € 85.2 million or 5.9% (31 December 2021: € 84.4 million or 5.9%; 30 June 2021: € 86.5 million or 6.0%), a 268 basis points increase in the loan-to-value ratio (31 December 2021: 268 basis points; 30 June 2021: 282 basis points) and a decrease of the solvency ratio by 271 basis points (31 December 2021: 277 basis points). At 50 basis points this would be € 160.7 million or 11.1% and 534 and 542 basis points respectively.

A 5% decrease of the market rents used in the appraisal values would result in a decrease in the value of the property portfolio by € 72.5 million or 5%, a rise of the loan-to-value ratio by 226 basis points and a decrease of the solvency ratio by 229 basis points (31 December 2021: € 71.9 million or 5%, a rise of the loan-to-value ratio by 226 basis points and a decrease of the solvency ratio by 234 basis points). At 10% this would be this would be € 145.0 million or 10% and 476 and 4834 basis points respectively.

For further information on the property portfolio please refer to the chapter Value movements in the 2022 half-year report.

## 9. DEBTORS AND OTHER RECEIVABLES

	30 June 2022	31 December 2021	30 June 2021
Debtors and pre-invoiced amounts	10,598	10,831	12,230
Provision for expected credit losses	(1,924)	(1,899)	(3,115)
<b>Net total</b>	<b>8,674</b>	<b>8,932</b>	<b>9,115</b>

The total debtors and pre-invoiced amounts, after deduction of the provision for expected credit losses, can be broken down as follows by the nature of the receivable:

	30 June 2022			30 June 2021		
	Gross amounts	Provision for expected credit losses	Net amounts	Gross amounts	Provision for expected credit losses	Net amounts
Accounts receivable unrelated to COVID-19	1,928	(1,330)	598	1,360	(1,076)	284
Accounts receivable related to COVID-19	861	(594)	267	3,393	(1,882)	1,511
Accounts receivable for which the debtor has been granted a deferred payment due to COVID-19	235	-	235	962	(157)	805
Pre-invoiced rent	7,504	-	7,504	6,423	-	6,423
Other receivables	70	-	70	92	-	92
<b>Total</b>	<b>10,598</b>	<b>(1,924)</b>	<b>8,674</b>	<b>12,230</b>	<b>(3,115)</b>	<b>9,115</b>

  

	31 December 2021		
	Gross amounts	Provision for expected credit losses	Net amounts
Accounts receivable unrelated to COVID-19	1,345	(947)	398
Accounts receivable related to COVID-19	1,855	(822)	1,033
Accounts receivable for which the debtor has been granted a deferred payment due to COVID-19	462	(130)	332
Pre-invoiced rent	7,152	-	7,152
Other receivables	17	-	17
<b>Total</b>	<b>10,831</b>	<b>(1,899)</b>	<b>8,932</b>

Any rent due must be contractually paid by the tenants before or on the first day of the rental period. In connection with the COVID-19 pandemic it has been agreed in a number of cases with tenants that, due to the unusual circumstances, they may pay the rent owed more spreadly (monthly instead of quarterly), or that payment may take place at a later date, or a combination of these two. No interest is charged on the outstanding rent receivables. The Group determines the provision for expected credit losses by applying the simplified approach in accordance with IFRS 9. Expected credit losses on rent receivables are estimated by means of a provisions matrix based on the debtors' past payment behaviour, based on an analysis by country, in conjunction with an analysis of the debtors' current financial position corrected for factors that are specific to the debtors, the status of the negotiations regarding rent payments that are past due, the economic circumstances of the industry in which the debtors are active and an assessment of both the current and the expected circumstances on the balance sheet date. The allocation to the provision for expected credit losses in the first half of 2022 was € 0.1 million (first half of 2021: € 0.6 million).

## 10. PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

As a result of the movement in the discount rate in the first half of 2022, the defined benefit pension obligation was recalculated, in line with the first half of 2021. This has resulted in a decrease of the defined benefit pension obligation of € 2.4 million (first half 2021: € 0.8 million decrease).

## 11. INTEREST-BEARING DEBTS

	30 June 2022	31 December 2021	30 June 2021
<b>Long-term liabilities</b>			
Unsecured loans	617,669	612,952	628,768
Lease liabilities	3,333	3,393	3,315
	<b>621,002</b>	<b>616,345</b>	<b>632,083</b>
<b>Short-term liabilities</b>			
Payable to banks	4,471	3,320	5,970
Redemption long-term interest bearing loans	-	-	-
Lease liabilities	263	263	159
	<b>4,734</b>	<b>3,583</b>	<b>6,129</b>
<b>Total</b>	<b>625,736</b>	<b>619,928</b>	<b>638,212</b>

In the first half of 2022 Vastned has not drawn new financing. In the first half of 2022 Vastned drew down, taking into account the distribution of the final dividend 2021, on balance an additional amount of € 9.6 million from its existing credit facilities.

At 30 June 2022, the solvency ratio, calculated by taking equity plus the provision for deferred tax liabilities divided by the balance sheet total, was 55.6% (31 December 2021: 55.1%; 30 June 2021: 53.9%), which is within the solvency ratios of at least 45% as agreed with the lenders.

The interest coverage ratio as at June 30, 2022 was 4.9 (December 31, 2021: 4.8; 30 June 2021: 4.6) (calculated by taking net rental income and dividing it by net financing costs (excluding value movements in financial derivatives)), which was well above the 2.0 ratio agreed with lenders.

In the event that the limits of the solvency rates and interest coverage rates agreed with the lenders are not met, this constitutes an 'event of default'; in this case the lenders are entitled to terminate the credit agreements.

### Interest rate sensitivity

As at 30 June 2022, the impact on the interest expense of a hypothetical 100-basis-point increase in interest rates – all other factors remaining equal – would be € 1.0 million negative (31 December 2021: € 0.1 million positive). 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 € 2.7 million negative (31 December 2021: € 1.6 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 negative impact on the interest expense. The impact referred to has been calculated on an annual basis, taking into account the financial derivatives entered into.

For further information about interest-bearing debts reference is made to the chapter Financing structure in the 2022 half-year report.



## 12. FINANCIAL DERIVATIVES

As a result of the changed market interest rates, the value movements of the interest rate derivatives during H1 2022 were € 9.6 million positive (FY 2021: € 3.6 million positive, H1 2021: € 1.6 million positive).

For further information about the financial derivatives reference is made to the chapter Financing structure in the 2022 half-year report.

## 13. ABORTIVE PURCHASE COSTS

The abortive purchase costs concern extraordinary costs related to an intended transaction, which would have resulted in a delisting of Vastned Belgium. The discussions were ended due to rapidly changed market conditions.

## 14. RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

In the past companies have been acquired that owned property. These acquisitions were recognised as a takeover of assets. The provisions for deferred tax liabilities not recorded in the balance sheet total € 14.9 million (31 December 2021: € 14.1 million).

In 2017, Vastned transferred all shares in the company Vastned Emlak Yatırım ve İnşaat Ticaret A.Ş., owner of the property located in Istanbul, Turkey, to a group of local private investors. The guarantees customary in such transactions were given to the buyer. The customary guarantees expired in 2018 without the buyer having invoked them. The tax indemnifications will expire upon expiry of the statutory periods for additional assessments for the particular year. The longest running term still outstanding concerns the 2017 calendar year, which will expire on 31 December 2022. Vastned does not expect any effect to be significant.

## 15. EVENTS AFTER BALANCE SHEET DATE

In H1 2022 Vastned entered into an agreement to purchase a property in Rotterdam. This purchase amounts a total of € 1,8 million excluding costs and the transfer is scheduled for August 2022.

## 16. RELATED PARTY TRANSACTIONS

Apart from the topics described below, no material changes have occurred in the first half of 2022 in the nature, scope or size of the transactions with related parties compared to what is stated in the notes to the 2021 financial statements.

During the first half of 2022, none of the members of the Supervisory Board and Executive Board of Vastned had any personal interest in Vastned's investments. To Vastned's best knowledge, no property transactions were affected during the period under review involving persons or institutions that could be regarded as related parties.

### Interests of major investors

At the time of writing of this half-year report the Netherlands Authority for the Financial Markets (AFM) had received the following notifications from shareholders holding an interest in Vastned of three percent or more:

Van Herk Investments B.V.	24.98%
Lebaras Belgium BVBA	5.10%
BlackRock, Inc.	4.88%
Tikehau Capital Advisors SAS	3.05%
Société Fédérale de Participations et d'Investissement (SFPI)	3.02%
ICAMAP Real Estate Securities Fund S.A.	3.01%