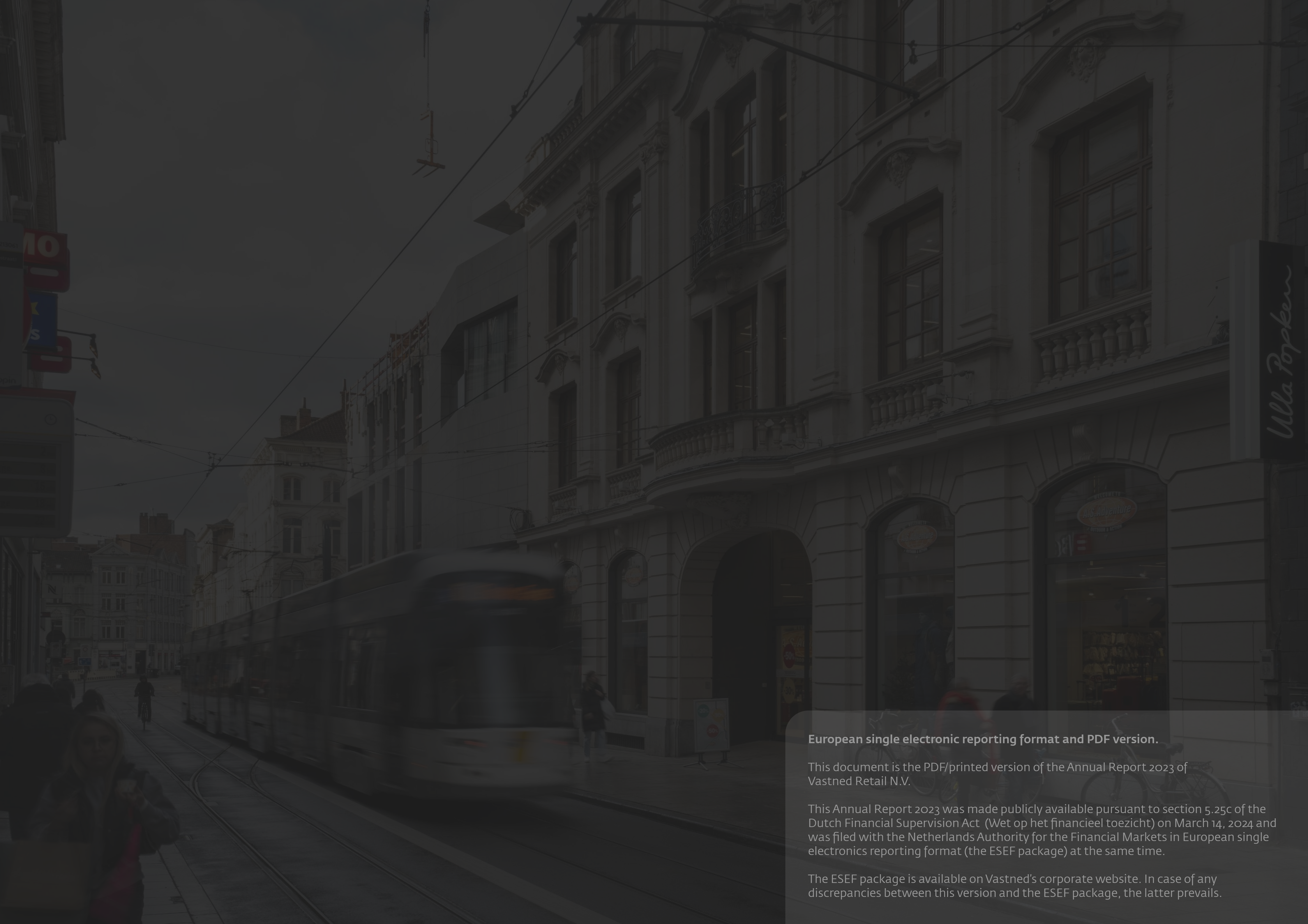
Creating innercity value

Annual Report 2023

vastned



European single electronic reporting format and PDF version.

This document is the PDF/printed version of the Annual Report 2023 of Vastned Retail N.V.

This Annual Report 2023 was made publicly available pursuant to section 5.25c of the Dutch Financial Supervision Act (Wet op het financieel toezicht) on March 14, 2024 and was filed with the Netherlands Authority for the Financial Markets in European single electronics reporting format (the ESEF package) at the same time.

The ESEF package is available on Vastned's corporate website. In case of any discrepancies between this version and the ESEF package, the latter prevails.

Contents

Vastned at a glance in 2023

Property

Number of properties

262

Occupancy rate
(in %)

99.0

Property portfolio value
(in million €)

1,373

Profit

Gross rental income
(in million €)

72.1

Direct result
(in € per share)

2.01

Result
(in € per share)

(1.12)

Planet

Total energy consumption
(in kWh, of properties under our control)

815,404

Properties with EPC
(in %)

81

Eligible assets
(in %)

29

People

Gender diversity rate
(% female / % male)

61/39

Number of employees
(FTE)

30.9

Employee training
(total hours)

726

CEO Message

Dear shareholders, tenants, colleagues and other stakeholders,

Although market circumstances and geo-political conflicts have changed the world in which we operate, Vastned looks back on a year with good operational results. Many new leases have been signed, and we have nearly full occupancy across our portfolio combined with a very strong collection rate and positive like-for-like rental growth.

The positioning of our properties in high-quality retail locations continues to prove its value. Although many individuals have struggled to make ends meet as a result of inflation over the past year, we also observe an increase in footfall on high streets and, as a result of higher prices, an increase in revenues for retailers in prime locations. Consumers visit our high-quality retail locations and extend their shopping experience into a full inner-city leisure experience. In many historical inner cities the restaurants are full, requiring reservations well in advance. The trend of increased shopping on the high street is strengthening over recent months, with consumer confidence recovering on the back of lower inflation. We see this reflected in healthy interest in our properties.

In order to position ourselves well for the future, the coming year will be one of transition for Vastned.

On the one hand, we remain committed to working with our tenants to reduce the 'environmental impact' of our portfolio; meanwhile, we continue to seek opportunities to create apartments above our shops and contribute to 'urban liveability'. And, as always, we strive for the highest levels of 'customer and tenant satisfaction'.

At the same time, we see challenges related to changes in regulation, including new regulations regarding residential leases, the abolishment of the FII (Dutch: "FBI") status in the Netherlands, in addition to higher financing costs related to refinancing our external debt. In view of these changes, Vastned has decided to sell selected properties and review the structure of Vastned in light of the dual listing. This will give Vastned flexibility to organise our portfolio in the best way going forward.

This way we work to create value for the company and shareholders and together with all our partners, we look forward to realise stable and predictable long-term returns.

"It is important to embed our strategy within the ESG pillars. After all, our properties are our business and, at the same time, part of the city where people live, work and shop."

Portfolio

Our property portfolio once again proved its quality in 2023. The occupancy rate remained high at 99.0%, while the collection rate increased to 99.1%, up from 98.2% in 2022. In the Netherlands, we divested non-strategic assets for a total amount of € 3.2 million, with a book value of € 2.9 million during 2023. Further divestments of € 4.9 million, with a book value of € 3.8 million were signed in the early stages of 2024. No investments were made in 2023. The value of the total portfolio decreased by 3.2% to € 1,373 million, mainly as a result of revaluations in the French portfolio. Gross rental income increased from € 66.4 million to € 72.1 million, and the direct result for the year 2023 decreased slightly to € 34.4 million from € 35.2 million in 2022.

Retail environment

In 2023, we saw continued recovery in the retail landscape for attractive inner cities. Retail sales have been under pressure since 2018, due to the growth in e-commerce, and more recently, the impact of the COVID-19 pandemic on spending in retail shops. As retailers began recovering and adjusting to both shocks, the geo-political situation in Europe, and subsequent increases in energy prices, inflation and wages brought new challenges. The past year has been focused on stabilisation. Unemployment rates have remained relatively low and inflation has retreated as a result of lower energy prices, while wage increases have provided a large group of consumers with renewed spending power. Meanwhile, the shift from e-commerce back towards physical retail that began the previous year continued to gain momentum, as consumers searched for the right balance. Part of finding this new balance involves the entry and expansion of retail brands that started as e-commerce businesses, but have since looked to the high street to continue their growth and brand exposure. Examples include My Jewellery, Mr. Marvis, Coolblue and Belsimpel in the Netherlands, and Bolia.com in France. Sentiment among these retailers is that presence in the right high street locations contributes to growing the total retail sales of the brand. It is recognised that success in the luxury and affordable luxury segments is highly dependent on securing the right physical store locations. This is also true for convenience- and service-oriented retailers, including personal care and food retailers that serve the local, inner-city market.

Vastned expects historic city centres to remain popular destinations, and this is reflected in the strong recovery in visitors, who seek the full leisure experience. Meanwhile, the long-term trend towards urbanisation continues. Most economic and cultural activities remain concentrated in city centres, which continue to be the preferred destinations for shopping, living, working and leisure. At Vastned, we are responding by optimising and concentrating our property portfolio in the centres of winning inner cities.

ESG

In 2023, Vastned stepped up its sustainability efforts by refining our approach to ESG, built around our three environmental, social and governance ("ESG") pillars of 'Environmental Impact', 'Urban Liveability' and 'Consumer & Tenant Satisfaction'.

During the year, we continued our stakeholder dialogues and refined our materiality assessment. The refinement focuses on the previously identified six key material topics. These include topics that we have been addressing for years, such as 'Stable and predictable long-term returns', 'Energy-efficient buildings', 'Preservation and improvement of cultural heritage', 'Ethical and transparent business practices', 'Responsible rent and lease management' and 'Local value creation for communities', which focuses on connecting values. We update our materiality assessment in 2024 according to the latest guidance from the European Commission regarding the Corporate Social Responsibility Directive ("CSRD") aligned double materiality assessment. This will support Vastned's approach to ESG, whereby we will move towards the total integration of our core business with our ESG pillars.

Given the specific nature of Vastned's real estate investment activities, it is particularly important to embed our strategy within the ESG pillars. After all, our properties are our business and at the same time part of the city where people live, work and shop. It is our responsibility to keep our properties in a good state of repair because, in doing so, we make a contribution to the continuity of historic city centres. If properties become available and there are opportunities to upgrade their energy efficiency, then we do so. In 2023, we collaborated with tenants to work towards more efficient energy consumption. In addition, we continue to realise apartments above shops in city centres. Cities are for people to live in, and by doing so we make a modest contribution to this.

During 2023 and into 2024 Vastned has focused on obtaining as much data on energy consumption as possible. This was an integral part of our use of the Carbon Risk Real Estate Monitor (CRREM), an internationally-recognised method, to benchmark the energy consumption of our properties against the global framework set out by the Paris Agreement to limit global temperature rises. For this methodology to be used in shaping Vastned's sustainability programmes, it is important to obtain as much data as possible.

Changes to the regulatory environment

In 2023, the abolishment of the FII (Dutch: "FBI") regime as per January 2025 was passed into law by the Dutch House of Representatives and Senate. Specific amendments were made to the proposal, to allow time for affected companies to restructure their business. Unfortunately, this will not materially impact the effect of the abolishment of the FII regime for Vastned, and we currently expect the negative impact to be close to 10% of the direct result on the current portfolio.

Interest rates stabilise at a higher level

Uncertainty about future interest rate developments is linked to the economy and the extent to which the economy will cool down in a normalised scenario is likely to determine the next steps. The primary and secondary inflationary effects of the sharp rise in energy prices that Europe experienced in 2022 seem to have stabilised, and future inflationary pressure appears to be effectively managed as the European Central Bank continues to direct monetary policy towards maintaining stable higher-level interest rates.

Refinancing of external debt

Together with existing lenders, Vastned has been able to secure new financing arrangements in both Belgium and at holding level. In Belgium, all the existing facilities of € 125 million have been extended with the existing lenders for new periods of three and five years. The independent status of Vastned Belgium and strong balance sheet ensured that Vastned Belgium has "locked-in" the longer periods while benefitting from an inverse yield curve (longer-term interest rates are lower than short-term interest rates) and a very competitive margin for unsecured debt.

Given the transition that Vastned is going through as part of the strategic reorientation, we are proud that the cooperative stance of two of our relationship banks has enabled Vastned to come to an arrangement for a bridge loan. Subject to future divestments, the bridge loan can be used to repay the € 240 million loan maturities by September 2024 and provide Vastned with the flexibility it requires to execute the strategic reorientation, while keeping existing financing at very attractive rates in place.

Strategic reorientation

At the start of 2023, Vastned announced that it would conduct a strategic reorientation, considering the context of rising interest rates, increasing yields on retail real estate properties and the expected abolishment of the FII regime as of 2025. The outcome of the strategic reorientation that was initiated after the publication of our annual results in February was announced in our half year publication. We have undertaken a thorough process of evaluating and analysing the different strategic options for Vastned. Ultimately, we have concluded that divesting specific parts of our portfolio at the right price, will unlock immediate value for all our stakeholders.

The investment market is a challenging market at the moment, in which Vastned aims to achieve the optimal result for all stakeholders. We have benefitted from the unique high-quality retail locations in our portfolio. In 2023 Vastned divested properties in Almelo, Haaksbergen and Mons for a combined value of € 3.2 million. Sales agreements concluded early in 2024 for properties in Hardenberg, Harderwijk, Namur and Aalst bring the total divestments to € 8.2 million, more than 22% above book value of the divested properties. We will continue the process for further divestments.

Dividend and outlook

Based on the 2023 direct result of € 2.01 per share, we propose to pay out € 1.85 per share as dividend for 2023. An amount of € 0.57 was paid as an interim cash dividend in August 2023. When approved by the Annual General Meeting on 25 April 2024, the remainder of € 1.28 will be paid as a cash dividend on 3 May 2024.

The following year will be one of transition. Therefore, Vastned does not provide guidance on the direct result for the 2024 full year at this stage.

At Vastned, our focus is firmly on maintaining our excellent operational performance; creating long-term value and executing the outcomes of our strategic reorientation. I would like to thank all our employees for their immense contribution, dedication and support in 2023.

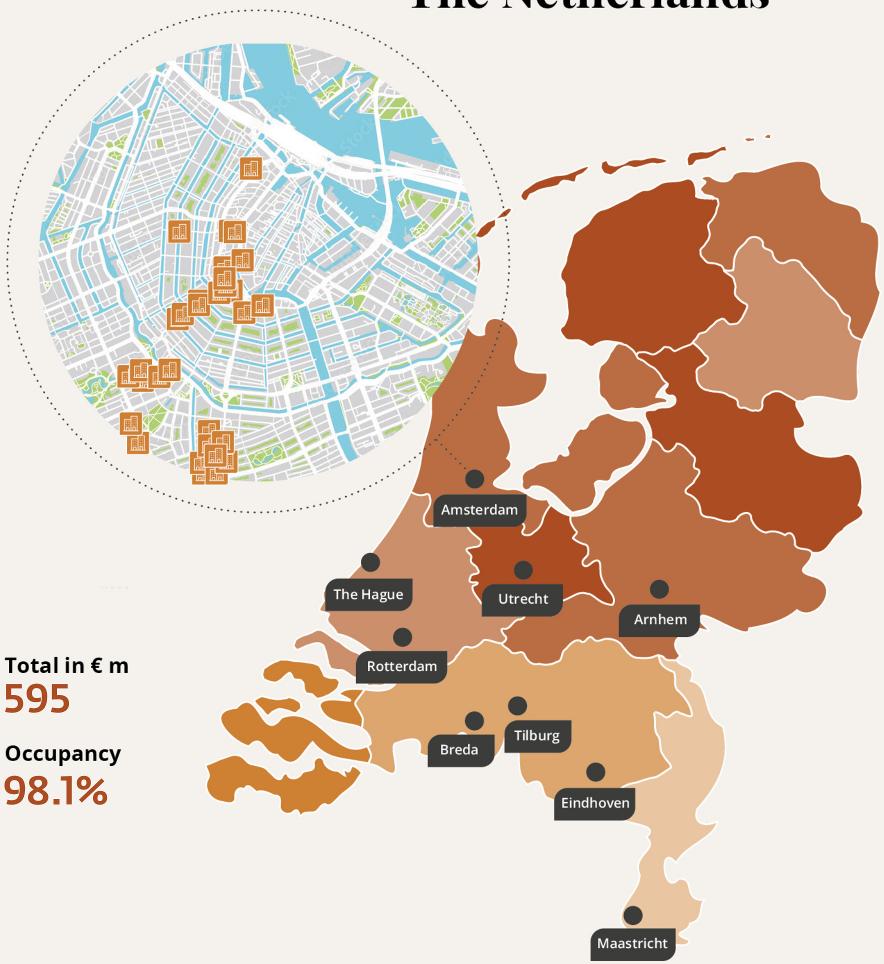
Hoofddorp, 14 February 2024

Reinier Walta

Chief Executive Officer

Portfolio 2023

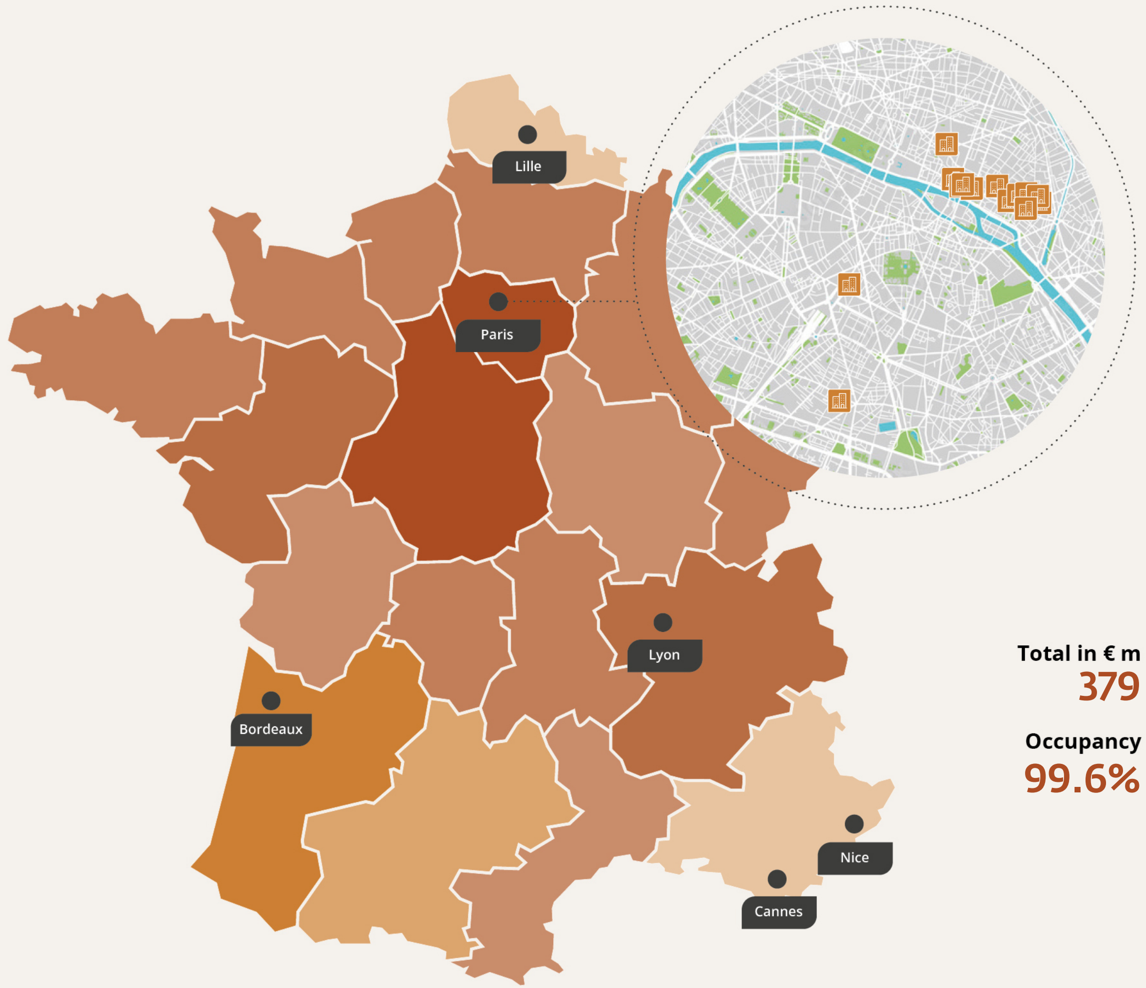
The Netherlands



Total in € m
595

Occupancy
98.1%

France

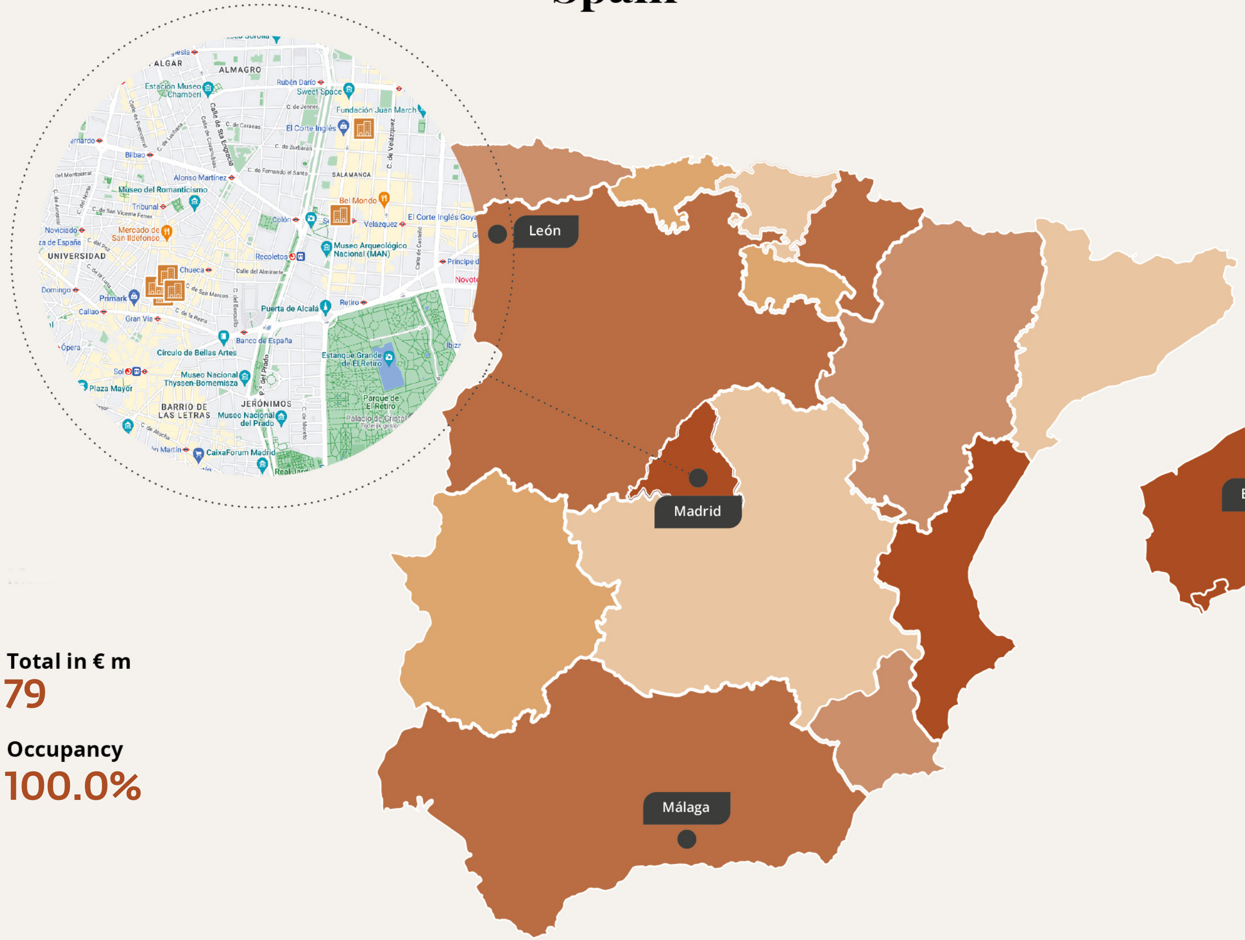


Total in € m
379

Occupancy
99.6%

* Both illustrations show where we have a prominent presence. Our entire portfolio has several more cities.

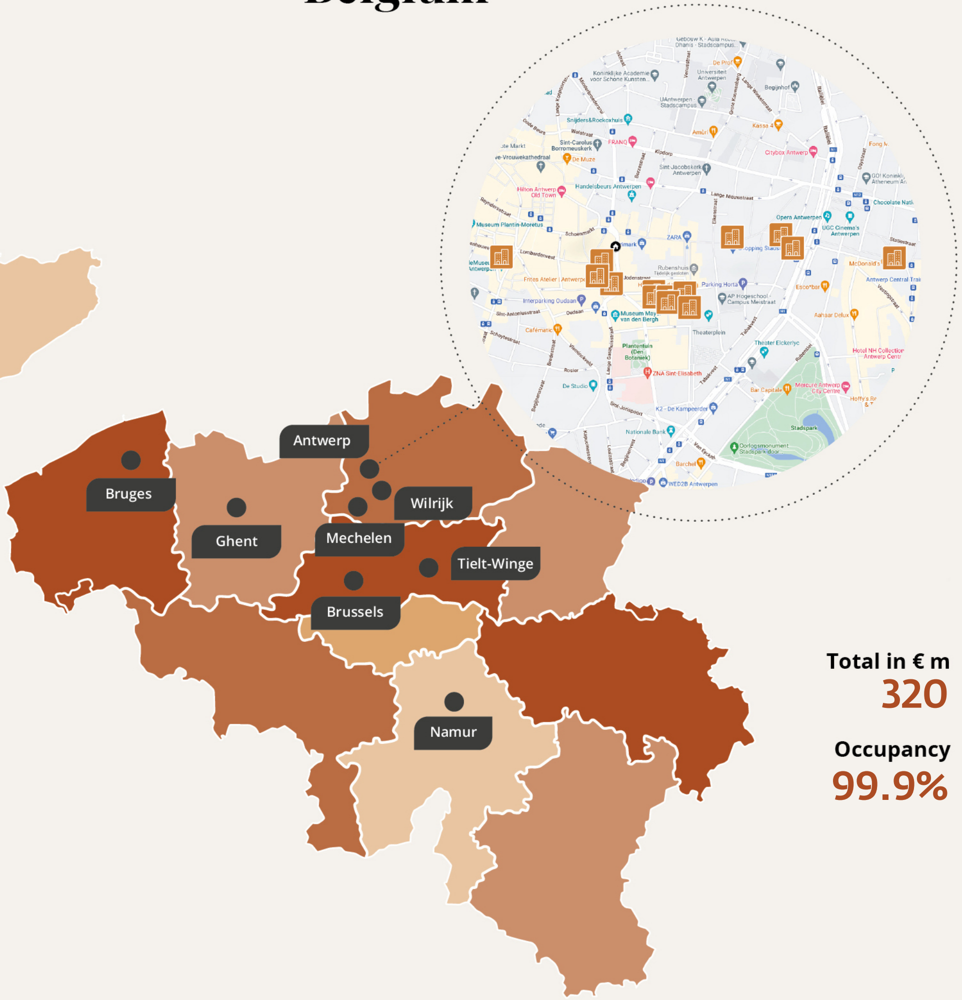
Spain



Total in € m
79

Occupancy
100.0%

Belgium



Total in € m
320

Occupancy
99.9%

* Both illustrations show where we have a prominent presence. Our entire portfolio has several more cities.

Key figures 2023-2019

Results (€ million)	2023	2022	2021	2020	2019
Gross rental income	72.1	66.4	62.2	64.9	69.3
Direct result	34.4	35.2	33.1	31.7	35
Indirect result	(53.7)	(3.8)	(18.7)	(73.1)	(12.6)
Result	**(19.3)**	**31.3**	**14.4**	**(41.4)**	**22.4**
Balance sheet (€ million)					
Property (appraisal value)	1,373.2	1,420.4	1,438.0	1,479.3	1,571.4
Equity	744.9	796.0	792.0	818.3	882.9
Equity Vastned Retail shareholders	664.7	715.9	713.1	737.2	793.7
Long-term liabilities	387.2	606.2	636.6	654.0	612.1
Average number of shares in issue	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,270,106**
Number of shares in issue (end of period)	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**
Per share (€)					
Equity Vastned Retail shareholders at beginning of period (including dividend)	41.74	41.57	42.98	46.28	46.40
Final dividend previous financial year	(1.26)	(1.20)	(1.73)	(0.85)	(1.34)
Equity Vastned Retail shareholders at beginning of period (excluding dividend)	**40.48**	**40.37**	**41.25**	**45.43**	**45.06**
Direct result	2.01	2.05	1.93	1.85	2.03
Indirect result	(3.13)	(0.22)	(1.09)	(4.26)	(0.73)
Result	**(1.12)**	**1.83**	**0.84**	**(2.41)**	**1.30**
Other movements	(0.04)	0.13	0.01	(0.04)	0.50
Interim dividend	(0.57)	(0.59)	(0.53)	-	(0.58)
Equity Vastned Retail shareholders at end of period (including final dividend)	**38.75**	**41.74**	**41.57**	**42.98**	**46.28**
EPRA NNNAV[1]	-	-	-	42.36	46.20
EPRA NTA	38.82	41.43	42.13	43.78	47.25
Share price (end of period)	**20.10**	**21.15**	**24.00**	**23.15**	**26.70**
Dividend in cash	1.85[2]	1.85	1.73	1.73	1.43
Shareholder return (%)	3.7	(4.4)	13.2	(9.4)	(8.6)
Other					
Solvency (%)	53.9	55.4	55.1	55.2	56.6
Loan-to-value ratio (%)	44.4	43.4	43.0	43.0	41.6
Capex (€ million)	3.7	2.7	3.0	2.3	2.4
Number of employees (FTEs, average)	31	30	34	38	39

1 Due to an EPRA update, Vastned reports EPRA NTA as of the 2020 financial year, whereby EPRA NNNAV is also presented in this transitional year.
2 Subject to approval at the Annual General Meeting.

Highlights

February

2022 full-year results

On 16 February, Vastned reported a direct result of € 2.05 per share and negative earnings of € 1.59 per share. This demonstrates Vastned's strong operational performance, albeit with a negative revaluation of portfolio.

April

AGM resolutions adopted

At the AGM on 20 April, all resolutions were adopted with a majority of 91% or more, including the remuneration policy, the financial accounts and the proposed dividend.

May

Full-year outlook provided

The Q1 trading update, issued on 11 May, included an outlook statement with the full-year 2023 direct result per share expected to be in the range of € 1.95 to € 2.05.

July

Positive half-year results

On 27 July, Vastned reported its half-year 2023 results and reiterated its full-year outlook. The company's strong operational and financial performance over the first six months resulted in a direct result of € 0.95 per share.

July

Outcome strategic reorientation

Vastned concluded the strategic reorientation concluding that divesting parts of the portfolio will create most value for all stakeholders.

August

Interim dividend of € 0.57 per share

On 16 August, we paid the interim dividend of 60% of the direct result of the first half-year.

October

Continued strong operational performance

On 26 October, the 9M trading update provided a reiterated outlook and continued strong operational and financial performance. We also announced the first divestments of the portfolio.

Report of the Executive Board

Reporting framework

This opening section of the 2023 Report of the Executive Board provides a comprehensive overview of Vastned's strategy and how it aligns with its business and ESG pillars, together with an exploration of the company's value creation model.

Vastned has organised the Report of the Executive Board, using a reporting framework based on what Vastned identifies as the 'four Ps': Property, Profit, Planet, and People. This framework mirrors the four capitals incorporated in the company's value creation model.

Property

Property, starting on page 19 provides an overview of Vastned's real estate portfolio, including information about the company's tenant mix, details of its total portfolio size, and in-depth breakdowns for each major city in which Vastned's properties are located. The overview also contains detailed information on occupancy rates, leasing activity, like-for-like gross rental income, lease expirations, portfolio value movements, capital investment and divestments.

Profit

Profit, starting on page 28 concerns Vastned's financial results, including the result per share, the direct and indirect result per share, the development of rental income, expenditure, financing structure and dividends.

Planet

Planet, starting on page 38 presents Vastned's approach to environmental sustainability, focusing on our response to recent developments in this area. This section provides detailed information about Vastned's properties and our energy consumption, emphasising our commitment to environmental responsibility. Additionally, it outlines the laws and regulations impacting us, highlighting our efforts to comply and excel in these areas. Besides that, we describe the implementation of CRREM at Vastned, showing how initial results are shaping our future environmental goals. Moreover, we clearly explain how we are achieving one of our key objectives, preserve and improve cultural heritage.

People

People, starting on page 44 discusses Vastned's role in revitalising major European city centres by focusing on prime locations and mixed-use property development, enhancing local shopping and leisure experiences. It also highlights the company's organisational efficiency, diverse workforce, and commitment to employee well-being and community involvement. The emphasis is on value creation for local communities and maintaining a dynamic and balanced team.

Having covered the 4 Ps, the chapter on Materiality and stakeholder engagement, starting on page 49 will further elaborate on how stakeholder dialogue influences Vastned's strategy. The sections on Corporate Governance, starting on page 53 and Risk management and internal control, starting on page 62 will provide a concise overview of our organisational practices and risk management.

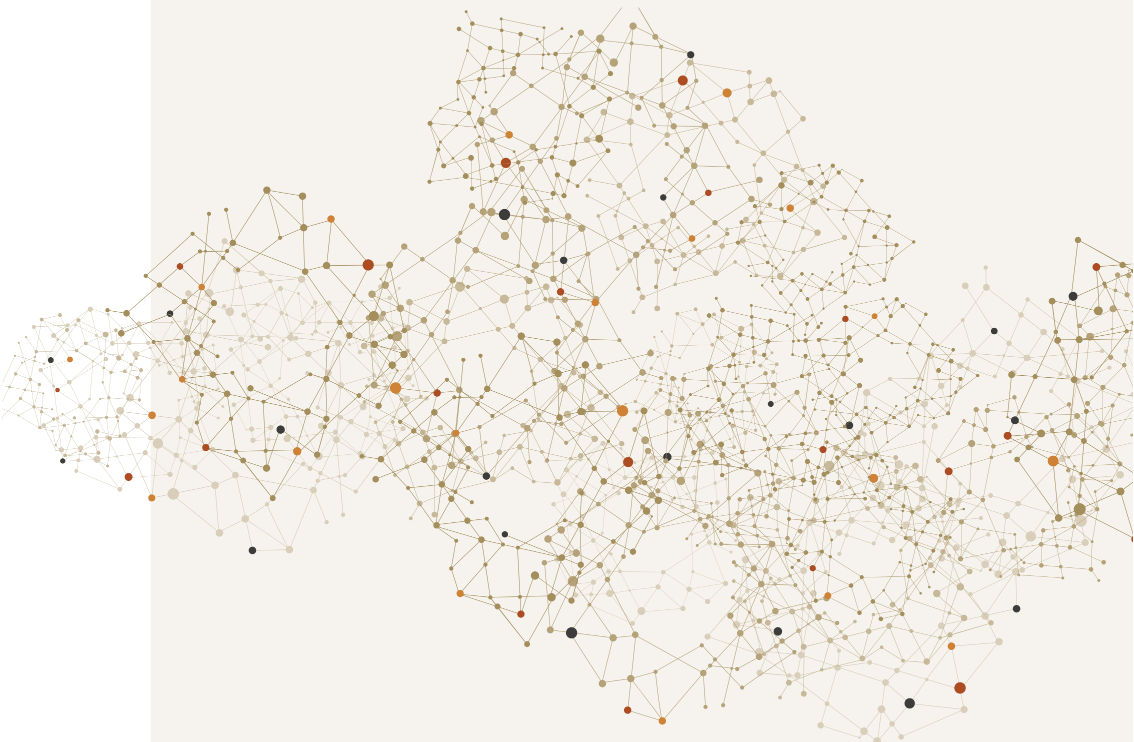
Vastned's annual report, in line with EPRA's Best Practices Recommendations (BPR), features a dedicated chapter on EPRA performance indicators, starting on page 156. This includes a focus on sustainability, aligning with EPRA's Sustainability Best Practice Recommendations (sBPR).

Strategy and value creation

Vastned has embedded environmental, social and governance (ESG) values in its organisational structure and believes this is key to creating long-term value for our stakeholders. In 2023, our strategy was reinforced by further detailing of our ESG pillars. This enhancement underscores our commitment to Environmental Impact, Urban Liveability, and Consumer and Tenant Satisfaction, further strengthening the integration of sustainability into every facet of our business approach.

Our business strategy, anchored in the pillars of conservative financing, an optimised and concentrated portfolio, and an efficient organisation, is designed to drive impact. Through a focus on our highly material topics of stable and predictable long-term returns, preservation and improvement of cultural heritage, energy-efficient buildings, responsible rent and lease management, ethical and transparent business practices and local value creation for communities, we aim to align our business strategy with our ESG pillars. For a detailed explanation of the materiality analysis, please refer to the chapter Materiality and stakeholder engagement, starting on page 49.

The company's portfolio facilitates the interaction between people in their daily lives and connects them to where they shop, work, live and meet. Through our strategy, we create sustainable long-term value for our stakeholders. The realisation of the added value is presented in the value creation model.



Value creation model

vastned

Input

Property

- Number of properties: **262**
- Number of commercial tenants:**446**
- Number of residential tenants: **240**

Profit

- Total assets: **€ 1,373 million**
- Shareholder equity: **€ 665 million**
- Long-term loan capital: **€ 387 million**

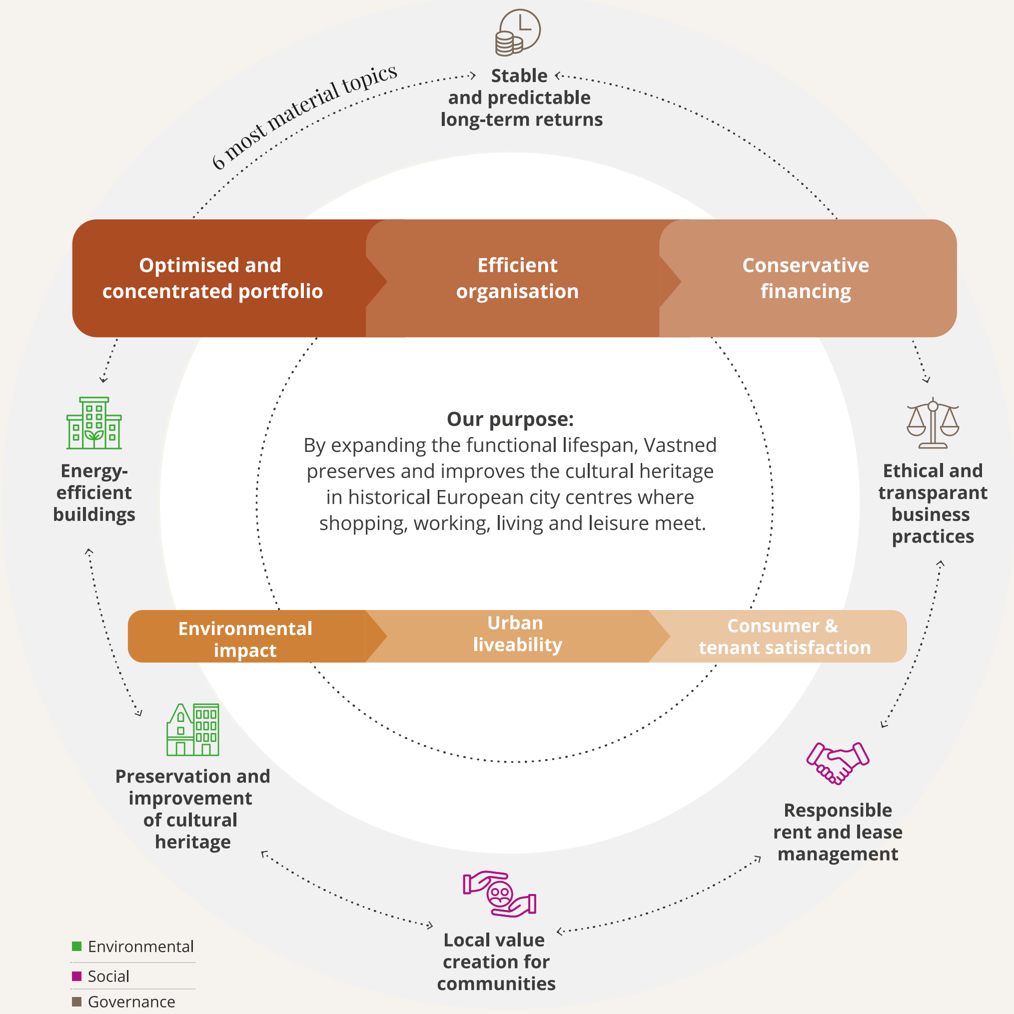
Planet

- ESG clauses signed: **100%**
- Buildings with EPC label: **81%**

People

- Number of employees (FTEs): **30.9**
- Number of people: **33**
- Diverse teams: **61% F/39% M**

How we create value



Outcome & Impact

Property

- Leasing activity: **79 leases**
- Occupancy rate: **99.0%**
- Like for like rental growth: **8.6%**

Profit

- Gross rental income: **€ 72.1 million**
- Direct result per share: **€ 2.01**
- Dividend per share: **€ 1.85**

Planet

- EPC C or better: **41%**
- Like-for-Like energy comparison in kWh [1]: **(76,722)**

[1] Properties in operational control

People

- Creation / renovation of units:**6**
- Number of employees that took training: **33**

Strategy

The most material topic of stable and predictable results is notably reflected in Vastned's business strategy. This strategy is built on three pillars: an **optimised and concentrated portfolio**, an **efficient organisation**, and **conservative financing**.

Optimised and concentrated portfolio

Vastned continually strives for an optimised and concentrated portfolio. This unique portfolio of high street retail and inner-city mixed-use properties, including many historical buildings that have been carefully preserved, is well suited to the current retail environment. Focusing on flourishing cities with expanding economic activity and favourable demographics is a priority. Additionally, we actively seek to improve the retail tenant mix by integrating digital brands, attracting robust urban and suburban brands looking for a high street presence, and accommodating residential and office tenants. Moreover, we are committed to renovating and introducing additional residential units and office spaces.

Efficient organisation

Throughout this, we remain a cost-efficient organisation that upholds Vastned's stance on business conduct. We achieve this through the digitisation of processes and data-driven strategies, working diligently to enhance efficiency. Our team is composed of a compact, diverse, and enthusiastic group of specialists who adopt a hands-on, result-oriented approach. We have local teams with expert knowledge, substantial experience, and strong business networks, fostering an open and inclusive culture.

Conservative financing

Vastned takes a conservative financing approach that supports the implementation of its business strategy. In the long term, financing follows business strategy. However, as announced with the strategic reorientation, business strategy is also impacted by financing. According to our financial policy, the internal long-term target for the loan-to-value ratio is a maximum of 40%. For a number of years Vastned has operated with a loan-to-value ratio above the internal long-term target, which was a factor in the recent strategic reorientation.

As the outcome of the strategic reorientation is to divest specific parts of Vastned's portfolio at the right price, the business strategy impacts financing requirements. All proceeds from sales will be directed to repay outstanding external debt and establish a loan-to-value below 40%.

Furthermore, Vastned operates with a mix of long-term unsecured financing for its Belgian activities, that will not be impacted by the strategic reorientation and short-term flexible financing at a holding level. The financing at holding level is a mix between previously existing financing facilities and the new bridge financing facility, to cover € 240 million of loan maturities in September 2024. The financing arrangements provide us with the flexibility needed to execute our strategic reorientation. At the same time we will keep the financing in place based on very attractive rates and maturing in the coming years. In 2024, Vastned will determine the amount of required financing after the strategic reorientation is concluded. We will also make a decision on the form of new long-term financing to be pursued.

Our approach to ESG

Vastned's approach to ESG is built around the three ESG pillars of **Environmental Impact**, **Urban Liveability** and **Consumer and Tenant Satisfaction**. These pillars ensure that we can contribute to the preservation of cultural heritage and create value for local communities. A fundamental principle is that these buildings, some of which have already stood for centuries, will continue to endure for centuries to come. Vastned's unique contribution lies in making these structures not only enduring but also sustainable. Through our efforts, we aim to ensure that buildings can continue to grace their locations for generations to come. Vastned believes that this approach allows future generations to come together in historical city centres where shopping, working, living, and leisure meet.

Environmental impact

With the reduction of the environmental impact of its buildings, Vastned has a role to play in the energy transition. While it is inherently challenging to make historic and heritage properties more sustainable, there are measures that can help reduce carbon emissions. In light of the limitations of Energy Performance Certificates (EPC), we have opted to employ the Carbon Risk Real Estate Monitor (CRREM) methodology as a means of monitoring our ongoing efforts to decrease the energy intensity of our buildings. Since the goal is to decrease the overall energy intensity of our portfolio, encompassing both building-related and tenant-driven factors, achieving a more energy efficient portfolio will ultimately require collaborative efforts between the tenants and Vastned. By adopting the CRREM model and setting realistic and economically feasible objectives, Vastned contributes to a sustainable future. In the chapter Planet, starting on page 38, more information is provided about Vastned's efforts in implementing the CRREM model and formulating sustainability objectives.

Urban liveability

Vastned's societal role in enhancing urban liveability lies in the preservation and improvement of cultural heritage. This is underscored by our substantially optimised and concentrated real estate portfolio in historic city centres. Vastned's presence in these helps to preserve cultural legacy and bolster overall quality of life in these areas, highlighting our efforts for local value creation in communities. We actively contribute to the liveability of city centres by integrating apartments for local residents into our developments. This approach helps to sustain properties of historical and cultural significance as a place of living and fosters a stronger sense of community, making these city centres vibrant and attractive.

Consumer and tenant satisfaction

To improve consumer and tenant satisfaction, Vastned operates in a honest and respectful way, embracing ethical and transparent business practices. By focusing on business ethics and ESG principles, Vastned views its robust governance structure as a tool for sustainable long-term value creation. This is reflected in Vastned's responsible rent and lease management, as is underlined in our Code of Conduct. By incorporating ESG clauses in lease agreements, we commit to sustainability. Together with the tenant, we share responsibility for achieving our sustainability goals, including the sharing of relevant data. Vastned is convinced that ethical and transparent business practices will lead to cost savings, reliable and real-time data collection, increased tenant retention, and enhanced property values, resulting in a more sustainable and profitable real estate portfolio.

Double materiality assessment

Vastned's approach to ESG is to move towards the total integration of the core business with Vastned's ESG pillars. Therefore, from 2024 Vastned's materiality assessment will be updated according to the latest guidance by the European Commission on the CSRD aligned double materiality assessment.

Vastned's objectives and results

Our objectives and results, as developed and renewed in 2023, build on the outcomes of the 2022 materiality assessment. The assessment identified six highly material topics, each equipped with specific objectives, targets, and deadlines. This has resulted in a comprehensive new time-bound overview, which is detailed in the table below.

Material Topic	Objectives	Target	Time Horizon	Result year-end 2023	Result year-end 2022	Result year-end 2021
Stable and predictable long-term results	• Direct result	• Target: € 1.95 - € 2.05 per share	2023	2.01	2.05	1.93
	• Loan-to-value ratio	• <40%	2024	44.4%	43.4%	43.0%
	• Ratio of loans with fixed interest rate	• Target: 2/3 (fixed) – 1/3 (floating)	2024	69.9%	72.5%	72.2%
	• Share of non-bank financing	• Target: >25%	2024	35.4%	35.0%	34.9%
Preservation and improvement of cultural heritage	• EU Taxonomy aligned CapEx	• Full insight into EU Taxonomy disclosures	2024	N/A	N/A	N/A
		• Determining annual EU Taxonomy aligned CapEx	2024	N/A	N/A	N/A
Energy efficient buildings	• Gain insight into Scope 1/2/3 carbon emissions	• Insight Scope 1/2	2024	N/A	N/A	N/A
	• Scope 1/2/3 emission reduction	• Insight Scope 3	2025	N/A	N/A	N/A
		• Setting reduction target	2025	N/A	N/A	N/A
Responsible rent and lease management	• New leases with ESG clause	• 100% per year	2024	100%	100%	91%
Ethical and honest business practices	• # of convictions and fines for violation of anti corruption and anti bribery laws details of public legal cases regarding corruption or bribery brought against the company	• 0 per year	2024	0	0	0
	• # of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	• 0 per year	2024	0	0	0
Local value creation for communities	• Convert unused space to lettable space (e.g. residential units).	• Full overview of square metres total portfolio	2024	N/A	N/A	N/A
	• Create local value through volunteering	• Each country team organises a yearly local volunteer activity	2024	N/A	N/A	N/A

Property

Vastned, not the largest but certainly not the smallest property fund, stands out with its clear focus on the quality and location of its retail assets. In the current market, their assets are seeing strong interest from retailers. CBRE knows the portfolio very well and we feel as valuers that we understand the dynamics of the different locations. We appraise the Dutch assets bi-annually and coordinate the valuation of the European portfolio, using a uniform, consistent, and nearly fully digitalised approach that both we and Vastned are continuously trying to improve.

Geert Wesselink, Senior Director Retail Valuations and Advisory at CBRE

The growing importance of property characteristics

"As valuers tracking the market, we are now seeing more positive activity in the cities' core central shopping districts," asserts Geert Wesselink. The appearance and unique features of inner-city retail properties are once again becoming important in the market and seem to be enhancing appraisal values; that is, if the properties are not excessively large."

"The appearance and unique features of inner-city properties are becoming more crucial. Properties in characteristic historic city centres perform exceptionally well, particularly if they are situated on a corner, have the appropriate front width, or are in a high-profile location. There's notable interest in properties of this specific type in prime shopping areas from premium brands that are actively seeking town centres for their experiential values. This includes fashion, high-end shoe, and makeup brands, as well as popular sports and automotive brands, who promote their electric vehicles. Many brands that were previously exclusively online are now recognising the advantages of the omnichannel retail model and seeking attractive locations in inner cities. City centres are thriving and attract consumers because they offer a strong demand for experiences, fun, fashion, food, and drink, as well as culture. However, the situation is different for shopping areas on the outskirts and decentralised shopping centres."

Property market reset

"The opportunities for investors in retail properties stem from economic changes over the past year that have 'reset' the property investment market. The rapid interest rate shift has jolted prices, investment returns, and portfolio values. For retail, these changes have been advantageous," argues Wesselink. "Retail investments, which had been trailing behind logistics, office, and residential opportunities, are now attracting new interest. The sector has been less affected by the negative market, as yields had already been through a structural change and investor Loan to Values are more conservative.

As the investment climate in other sectors toughens, investors are revisiting retail, sensing better market dynamics and returns. Nevertheless, the retail investment volume in 2023 was circa 45% lower at around € 1 billion, with many of those transactions being funded with own equity or limited financing.

We are noticing more positive relocations at lease expiry. Rents are stabilising, as is inflation, giving retailers an attractive entry point. This does mark a significant change in the market. High street real estate in particular has become more attractive and sectors like convenience-driven shopping centres, mini and high-end supermarkets, specialty shops, and luxury shops have gained momentum. In these areas, we observe private investors and other non-institutional players seizing opportunities. They prefer smaller retail assets – what we in the industry call 'smaller tickets' – located in areas that offer a blend of the right properties and the quintessential inner-city retail experience. These investors feel conditions, yields, and prices are better aligning now for a sustainable and predictable return on investment."

Investments in sustainability

Environmental, social and governance (ESG) concerns are becoming increasingly important, due to EU regulations and for the success of retailers. A growing share of consumers prefer ethically brands and products. "With leases expiring or new tenants moving in, there's a growing trend of investing in sustainability. Retailers' reputations and corporate images are now more influenced by having a responsible sustainability strategy. This is also a crucial factor for investors: the more sustainable an asset is, the better its financing terms," explains Wesselink. The challenge for us as valuers is getting transparency on the return on sustainable investments!

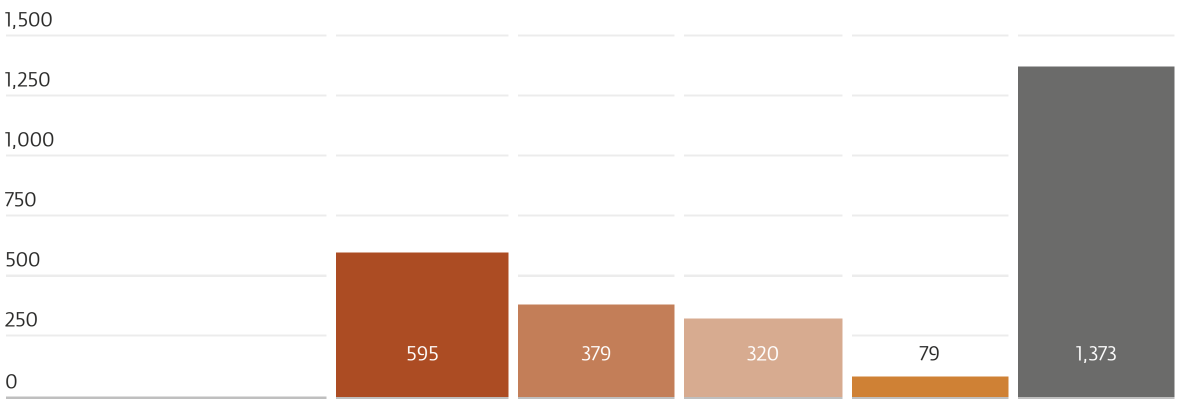
Impartial and objective appraisals

Our appraisal process includes rigorous checks and balances, and we have complete access to the Vastned portfolio, encompassing all the fund's leasing activity. We utilise transaction trends, market analyses, benchmarks, and our databases, which include insights into current and expected future developments, not just past ones. Let's be clear: it's the market that determines value, and as valuers our job is to interpret that market evidence - and sentiment- in a rigorous and objective way. We believe that this detailed approach is our added value, ensuring a fully transparent determination of the right value."

For me the 2023 market was challenging and complex. But I have enjoyed providing Vastned with impartial valuation advice.

Key figures 2023

Value of property portfolio inc. assets held for sale (€ million)



	Netherlands	France	Belgium	Spain	Total
Value movement (%)	(2.2)	(7.1)	(0.1)	(3.3)	(3.2)
Number of commercial tenants	253	71	114	8	446
Number of office tenants	15	10	-	-	25
Number of residential tenants	191	35	14	-	240
Like-for-like gross rental growth (%)	7.7	9.0	6.5	27.2	8.6
Spot occupancy rate (%)	98.1	99.6	99.9	100.0	99.0

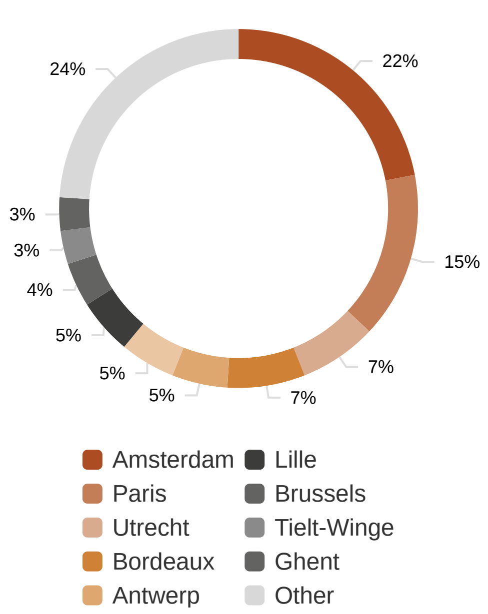
	Total
Number of properties	262
Properties with an Energy Performance Certificate (%)	81
Value of property portfolio inc. assets held for sale (€ million)	1,373
Average value per property (€ million)	5.2
Total lettable area (sqm thousand)	223
Commercial lettable area (sqm thousand)	203
Number of commercial tenants	446
Number of residential tenants	240
Theoretical annual rent (€ million)	77
Market rent (€ million)	72
(Under)/overrent (%)	8.1

Average market rent per sqm (€)	
Belgium	227
France	842
Netherlands	268
Spain	1,162
Total	**321**

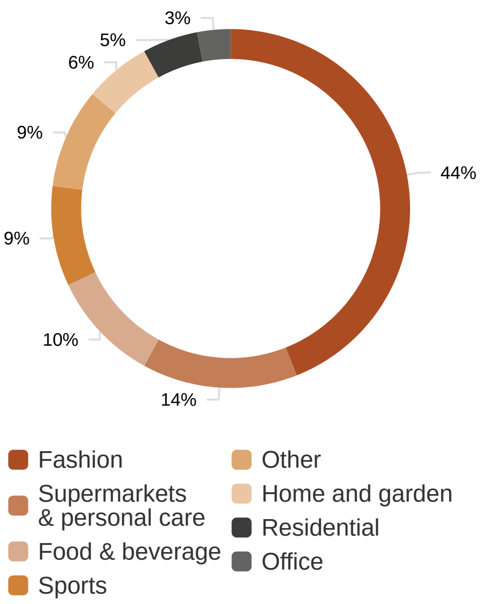
Average rent per sqm (€)	
Belgium	250
France	788
Netherlands	293
Spain	1,168
Total	**338**

Breakdown of the portfolio

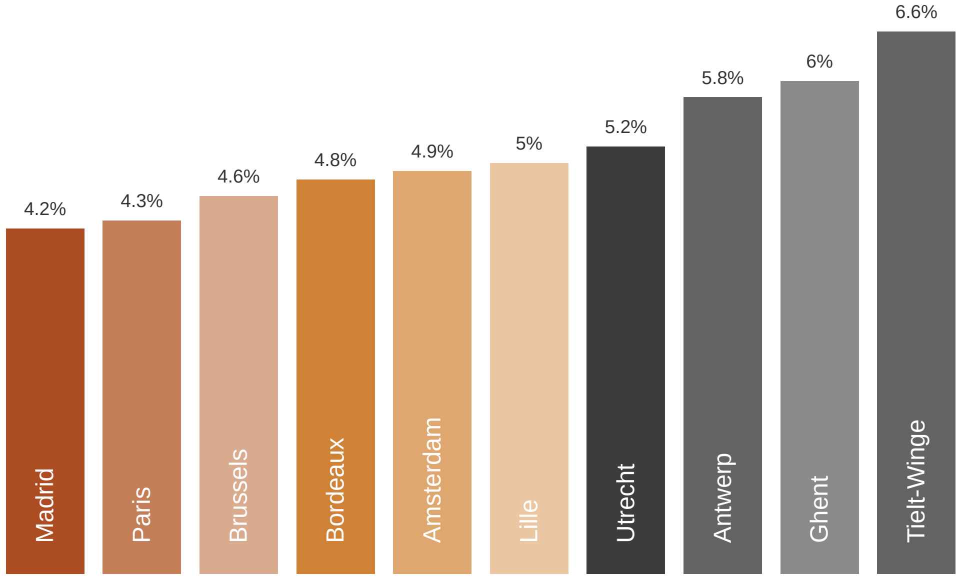
Breakdown of portfolio by % of total market value



Breakdown of portfolio by % of total annualised rent



Gross initial yield in %



Aquisitions and divestments of the last 10 years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Total
Acquisitions	-	2	-	-	14	49	38	76	164	103	446
Divestments	3	2	18	11	12	71	123	95	87	261	682
Total	3	4	18	11	26	120	161	171	251	364	1,128

(€ million)

Review of the property portfolio

The value of the property portfolio was € 1,373 million at year-end 2023 (year-end 2022: € 1,420 million).

10 largest tenants at year-end 2023	TGRI (€ million)	TGRI (%) of total	# properties	Area (sqm thousand)
1. H&M	4.4	6.3%	6	11.6
2. Inditex	3.3	4.7%	5	8.9
3. JD Sports	3.2	4.6%	4	6.2
4. Fast Retailing	3.0	4.3%	1	3.2
5. A.S. Watson	2.7	3.8%	13	6.3
6. LVMH	1.8	2.6%	3	1.2
7. Skechers	1.4	2.0%	1	0.7
8. Nespresso	1.3	1.9%	2	0.8
9. Ahold	1.2	1.7%	4	5.4
10. Adidas	1.1	1.5%	1	0.4
Total	**23.6**	**33.4%**	**40**	**44.6**

10 largest portfolios at year-end 2023	Book value (€ million)	TGRI (€ million)	Occupancy rate (%)	# tenants	Area (sqm thousand)
1. Amsterdam	304.6	15.0	99.9	149	23.5
2. Paris	202.7	9.0	100.0	34	7.4
3. Utrecht	99.5	6.0	92.3	96	18.8
4. Bordeaux	91.5	4.4	100.0	45	6.5
5. Antwerp	72.5	4.2	100.0	33	7.1
6. Madrid	70.3	2.9	100.0	6	2.1
7. Lille	59.8	3.1	97.2	34	6.0
8. Brussels	58.5	2.9	100.0	11	10.8
9. Tielt-Winge	44.8	3.0	100.0	22	18.1
10. Ghent	35.4	2.1	100.0	7	7.0
Total	**1,039.6**	**52.5**	**98.9**	**437**	**107.4**

Occupancy rate

Vastned considers its high overall occupancy rate as evidence of the quality and attractiveness of its property portfolio. At year-end 2023, the occupancy rate of the total portfolio was 99.0%.

	31 December 2023	31 December 2022
Netherlands	98.1	98.3
France	99.6	97.9
Belgium	99.9	99.4
Spain	100.0	100.0
Total	**99.0**	**98.6**

Like-for-like gross rental income

The like-for-like gross rental growth in 2023 was 8.6% positive, compared to 7.5% positive in 2022, 0.7% positive in 2021, 5.5% negative in 2020 and 3.0% negative in 2019.

2023	Like-for-like rental growth				
(% of gross rental income)	Netherlands	France	Belgium	Spain	Total
Total portfolio	**7.7**	**9.0**	**6.5**	**27.2**	**8.6**

Leasing activity

In 2023, Vastned concluded 79 leases for a total annual amount of € 15.7 million, or 20.3% of the total annual theoretical rental income. In 2022, in comparison, Vastned concluded 43 leases for a total annual amount of € 6.4 million, or 8.7% of the total annual theoretical rental income.

In the Netherlands, Vastned concluded new leases with multiple tenants. For example, new leases were concluded with Effectory on Rokin 16 in Amsterdam, Elbenwald on Kalverstraat 9 in Amsterdam. Amongst others, Vastned also renewed leases with UNIQLO on Rokin 12, Burberry on P.C. Hooftstraat 48-50, Schaap&Citroen on P.C. Hooftstraat 49-51 and Ons Amsterdams Kaas Belang on Kalverstraat 132 and Leidsestraat 2, all in Amsterdam. Besides that, a renewal was concluded with ZARA at Schapenmarkt 17-19 in 's-Hertogenbosch and with Kruidvat at Oudegracht 161 in Utrecht, which was previously located at Oudegracht 159.

In France, new leases were concluded with Data Dynamic Systems Logistics on 118 Rue de Rivoli in Paris, Tezenis on 8 Avenue Jean Médecin in Nice and Biologique Recherche on 12 Cours George Cémenceau in Bordeaux. Vastned also renewed leases with Solaris on 27-31 Rue Sainte Catherine and Phone Case on 28-30 Rue Faidherbe in Lille.

In Belgium, new leases were concluded including Jott Belgium on Schuttershofstraat 55 in Antwerp, Hema België on Elsensesteenweg 41-43 in Brussels and renewed leases with H&M on Steenstraat 80 in Brugge, Falke on Schuttershofstraat 22 in Antwerp and both the shop and restaurant at Graanmarkt 13 in Antwerp.

In Spain, a new lease was concluded with New Balance on Calle Fuencarral 23 in Madrid, and a lease renewal with Jimmy Choo on Calle José Ortega y Gasset 15 in Madrid.

The 79 leases Vastned concluded resulted in a total rent decrease of € 0.38 million, which is 2.3%. This decrease was mainly due to two major new tenants in properties which were formerly rented high above ERV. The total rental change of the remaining 77 deals is positive.

	Leasing activity			Rental change	
	Number of leases	€ million	% of theoretical annual rent	€ million	%
Total	79	15.7	20.3	(0.4)	(2.3)

Lease incentives

Lease incentives, including rent-free periods, lease discounts, and other payments or contributions to tenants, averaged 3.4% of the gross rental income in 2023. This figure was slightly lower compared to 2022. The difference between the actual and the IFRS lease incentives is due to the straightlining of lease incentives over the duration of the respective contract terms.

Lease incentives				
(as a % of gross rental income)	2023		2022	
	Actual	IFRS	Actual	IFRS
Total	3.4	4.0	3.5	5.8

Market rent

The market rent, also known as Estimated Rental Value (ERV), for the various retail and residential units is determined by appraisals carried out by independent external appraisers commissioned by Vastned. Market rent is crucial for identifying reletting opportunities and threats. In comparison to the market rent, the theoretical rental income (which includes the gross annual rent, taking into account renewals and new leases as of 1 January, plus the market rent for vacant units) was 8.1% higher than the current market rent as appraised by the end of 2023 (compared to +6.6% last year). The overrent for the total portfolio amounted to € 5.8 million.

			(over-) or under rented
	Theoretical rental income (€ million)	Market rent (€ million)	(Under-) or over-rented (%)
Total	77.3	71.5	8.1

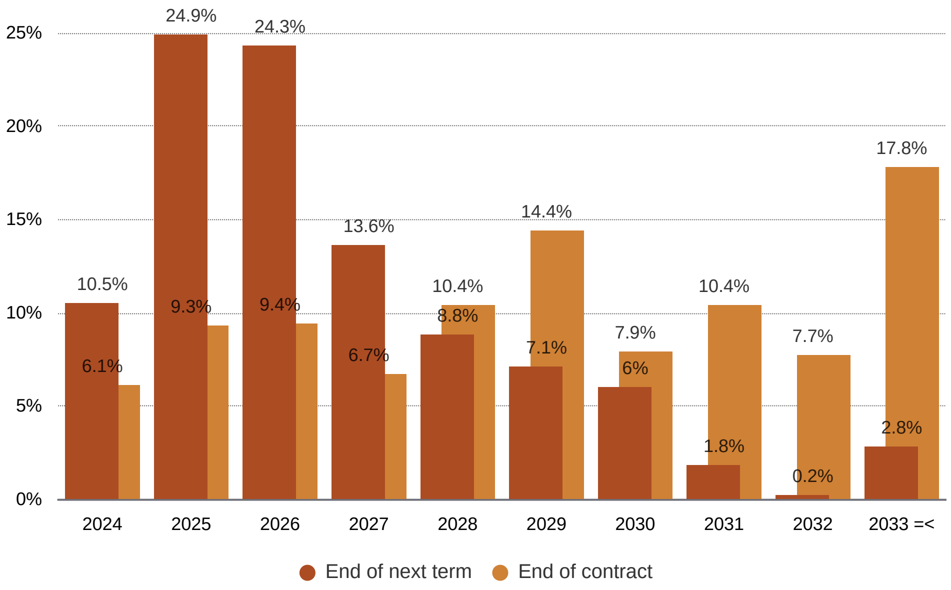
Average duration of leases

Concerning the expiration of commercial leases, Vastned makes a distinction between the next termination option for the tenant (end of next term) and the option at the end of the lease (end of contract). The table below lists the expiry dates by category.

Average lease duration year-end 2023

	End of next term	End of contract
Total	3.0	6.2

Lease expirations year-end 2023



In total, 10.5 % of the commercial leases, representing € 7.2 million in gross rental income, could be terminated or renewed in 2024.

Lease expirations

The durations of the leases vary depending on specific agreements, statutory regulations and local customs. Vastned operates in four countries, with different types of leases in each.

Customary lease durations and indexations

	Lease duration	Indexation
Netherlands	Generally, leases have a five-year duration, whereby the tenant has one or more options to renew the lease by another five years.	Based on the Consumer Price Index (CPI) 'all households'
France	Leases are normally concluded for a period of at least nine or twelve years, whereby the tenant has the option of renewing or terminating the lease every three years.	Based on the cost-of-construction index (ICC), or a mix of the cost-of-construction index, the cost-of-living index and the retail price index (ILC)[1].
Belgium	Leases are normally concluded for a period of nine years, with an early termination option after three and six years.	Based on the health index (derived from the CPI)
Spain	Leases are normally concluded for a minimum period of five years.	Based on the cost-of-living index (CPI)

[1] In France, ever fewer leases are subject to ICC indexation, because new legislation prescribes that as of September 2014 rents concluded in leases must be indexed based on the ILC index.

Appraisal methodology

Larger properties, with an expected value of at least € 2.5 million, make up approximately 88% of Vastned's property portfolio. However, 91% of our portfolio is appraised every six months by reputed external international appraisers. This difference is due to regulations in Belgium, which require that all properties there be appraised every quarter. Smaller properties, with an expected value of below € 2.5 million, are appraised externally once a year. Vastned ensures that the external appraisers have all the relevant information needed to arrive at a well-considered assessment. The appraisal methodology employed by these appraisers adheres to international appraisal guidelines, including the RICS Appraisal and Valuation Standards. This methodology is explained in more detail in the financial statements.

Vastned makes use of the services of the following internationally reputed appraisers:

- CBRE in Amsterdam, Brussels, Madrid and Paris
- Cushman & Wakefield in Amsterdam, Brussels, Madrid and Paris

Portfolio value movements

The value of the property portfolio, excluding capital expenditure, acquisitions, and divestments, but including assets held for sale, decreased by € 44.4 million during 2023, or 3.1% compared with year-end 2022. This decrease was primarily due to higher yields taken into account by the appraisers. However, this downward valuation was somewhat mitigated by an increase in actual rents and market rents observed in various locations. Without this mitigating factor, the impact of the increased yields would have led to a more significant devaluation. The devaluation mainly occurred in assets with previously low yields, which are no longer justifiable in the current economic climate. Considering capital expenditure, revaluations of properties sold during 2023, and movements in accruals and lease liabilities, the total decrease in value was € 47.5 million.

Vastned is confident that its distinctive portfolio, prominently featured in historic city centres, will continue to perform well, even in challenging market conditions. These areas remain popular for shopping, living, working, and leisure, which is reflected in our high occupancy rates. Vastned remains committed to enhancing its portfolio, focusing on real estate in the heart of dynamic cities.

	Like-for-Like Value movement inc. assets held for sale		
	Portfolio value (€ million)	Value movement (€ million)	Value movement (%)
Total	1,373	(44.4)	(3.1)

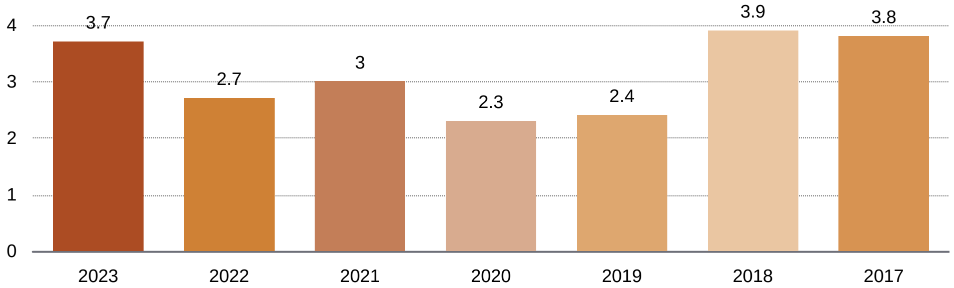
Acquisitions

No acquisitions were made in 2023.

Capital investments

Capital investments have a limited impact on Vastned's portfolio. Unlike shopping centres, high street shops do not necessitate comprehensive renovations every five to ten years to maintain their appeal to retailers and consumers. For us, capital investments are restricted to activities that enhance value. This encompasses, whenever feasible, expanding retail space, connecting adjacent retail properties to create larger leasable areas, and undertaking the development or renovation of residential spaces and offices above shops.

Besides that, it's important to note that our capital expenditures are also frequently allocated towards sustainability improvements within our properties. These efforts include implementing energy-efficient technologies and enhancing the overall environmental footprint of our buildings. Such investments not only contribute to the longevity and attractiveness of our properties but also help us further reduce their carbon footprints.



Capital investments

Divestments

As part of its strategy to reduce the Loan-to-Value of the company, in 2023 Vastned sold non-strategic assets in the Netherlands and Belgium. The divested properties had a total book value of € 2.9 million at the time of sale and a total sale price of € 3.2 million, resulting in a sales result of € 0.3 million. Divesting specific parts of our portfolio at the right price will remain important for Vastned in the coming year, as it will unlock immediate value for all our stakeholders.

Vastned sold the following properties in 2023:

Divestments

Country	City	Address
The Netherlands	Almelo	Grotestraat 32 / Hof van Gülick 51
The Netherlands	Almelo	Grotestraat 97B / Koornmarkt 3-5 & 9-11
The Netherlands	Almelo	Grotestraat 83-85
The Netherlands	Almelo	Grotestraat 36
The Netherlands	Haaksbergen	Spoorstraat 45 and 45A
Belgium	Mons	Grand Rue 19

Profit

Madrid is Spain's capital and largest city, and it has historically attracted people from many regions and countries due to its economic opportunities, cultural amenities and overall quality of life. In the past decade, Madrid has experienced strong economic and population growth as well as ongoing urban development. The city has several prominent shopping areas that cater to different preferences and styles. Vastned possesses nearly 3,000 m2 of prime historical inner-city real estate in Spain, of which 2,100 m2 is situated in Madrid. Consistently maintaining full occupancy over the years represents a distinct achievement in the sector.

Luis Vila Barrón, Strategic Retail Real Estate Advisor

Madrid: a jewel in the Vastned portfolio

Luis Vila: "Madrid is a major economic hub in Spain, with a diverse economy that includes finance, technology, and services. Job opportunities and business activities in the city attract people seeking employment and career advancement. It contains businesses and headquarters for the total Iberian Peninsula. Tourism, with over 10 million visitors annually and 18% growth last year, is one of the main economic drivers of the city's economy."

Madrid's cultural scene, including museums, theatres, and educational institutions, is a significant draw for both residents and newcomers. The theatre community is world-renowned. Spanish versions of well-known international musicals attract huge crowds from Latin America and the USA. The city's cultural riches contribute to its appeal as well. Furthermore, Madrid is known for its relatively high quality of life, with many parks, cultural events, and recreational opportunities.

High-end shopping areas

'The city is best known for its shopping,' continues Luis Vila. 'There are several high-end areas in the city centre: Gran Vía, the Salamanca District (Barrio de Salamanca), with its main shopping streets Calle José Ortega y Gasset and Calle Serrano, and the world-famous Calle de Fuencarral. The last three areas are where Vastned's properties are located. The Salamanca District, known for its elegant architecture, upscale residential areas and luxury boutiques, is one of the most exclusive shopping areas in Madrid. It is home to high-end fashion brands, designer stores and luxury shopping. Calle de Fuencarral is trendy and has a youthful vibe. The street is located in the high-end Malasaña and Chueca neighbourhoods and has become a popular destination for fashion-forward individuals and people looking for unique and alternative styles, including Spanish and international fashion brands, independent boutiques and concept stores, as well as smaller but attractive omni-channel stores. This street has transformed in recent years, evolving into a pedestrianised shopping area that enhances the overall shopping experience. The atmosphere is vibrant, and you will find a mix of high-end fashion stores, shoe shops, accessories, and more. The variety of available styles makes it a great place for both mainstream and alternative fashion.'

Tenants

'Vastned owns four properties in Calle de Fuencarral, occupied by brands like New Balance (athletic footwear and fitness apparel), Dr. Martens (boots), and Birkenstock (trendy slippers). On Calle Serrano, Vastned houses fashion brand store Sephora, a French multinational chain of beauty and cosmetics stores owned by Louis Vuitton Moët Hennessy (LVMH). Sephora is known for offering a wide range of beauty products. Calle José Ortega is renowned for its high-end and luxury shopping, featuring a variety of upscale boutiques, designer stores, and exclusive brands. Number 36, owned by Vastned, is home to Jimmy Choo, a luxury fashion brand specialising in shoes, handbags and accessories,' Luis Vila explains.

Fully occupied

'Our properties are so attractive that they have been fully occupied for years, which is pretty unique in our market. This is primarily because of the quality of the locations, but - Luis Vila adds modestly - also because we know the market inside out. I have been working for Vastned in Spain for almost 20 years and I know precisely what goes on and how to respond to market trends. Our focus is on attractive and solvent brands seeking premium locations in key areas of our attractive city centre. In addition, regulations on leases in Spain are flexible, allowing for tailor-made solutions that satisfy the needs for both landlords and tenants. This way we can always meet the specific demands of customers and therefore negotiate good lease conditions.'

Sustainability is not easy, but we have made great progress

Vastned focuses on leases in which the tenant is partly responsible for dealing with operational sustainability matters, such as sustainable lighting, eco-friendly air conditioning, special doors that keep the heat in. Luis Vila: 'We are on top of this and have one of the best energy performances in Madrid. And that's the way it should be!'

Key figures 2023

Direct result per share
(in €)

2023		2022
2.01	<	2.05

Collection rate
(in %)

2023		2022
99.1	>	98.2

Like-for-like rental growth
(in %)

2023		2022
8.6	>	7.5

Loan-to-value
(in %)

2023		2022
44.4	>	43.4

Direct result

(€ thousand)	2023	2022
Gross rental income	72,138	66,377
Other income	714	409
Net service charge expenses	(113)	(61)
Operating expenses	(7,934)	(7,033)
Net rental income	**64,805**	**59,692**
Financial income	12	13
Financial expenses	(16,967)	(12,018)
Net financing costs	**(16,955)**	**(12,005)**
General expenses	(7,338)	(6,890)
Direct result before taxes	**40,512**	**40,798**
Current income tax expense	(1,359)	(855)
Movement deferred tax assets and liabilities	195	(144)
Direct result after taxes	**39,348**	**39,798**
Direct result attributable to non-controlling interests	(4,920)	(4,621)
Direct result attributable to Vastned Retail shareholders	**34,428**	**35,177**

Indirect result

(€ thousand)	2023	2022
Value movements in property in operation	(47,491)	(19,457)
Total value movements in property	**(47,491)**	**(19,457)**
Net result on divestments of property	309	635
Value movements in financial derivatives	(7,543)	16,319
Abortive purchase costs	-	(719)
Indirect result before taxes	**(54,725)**	**(3,222)**
Current income taxes	(202)	-
Movement deferred tax assets and liabilities	365	(231)
Indirect result after taxes	**(54,562)**	**(3,453)**
Indirect result attributable to non-controlling interests	873	(379)
Indirect investment result attributable to Vastned Retail shareholders	**(53,689)**	**(3,832)**

Total result attributable to Vastned Retail Shareholders

(€ thousand)	2023	2022
Direct result attributable to Vastned Retail shareholders	**34,428**	**35,177**
Indirect investment result attributable to Vastned Retail shareholders	**(53,689)**	**(3,832)**
Result attributable to Vastned Retail shareholders	**(19,261)**	**31,345**

Per share (€)	2023	2022
Direct investment result attributable to Vastned Retail shareholders	2.01	2.05
Indirect investment result attributable to Vastned Retail shareholders	(3.13)	(0.22)
Result per share	**(1.12)**	**1.83**

The direct result attributable to Vastned Retail shareholders consists of net rental income less net financing costs (excluding value movements in financial derivatives), general expenses, taxes on the above items and the portion of this income and expenditure attributable to non-controlling interests.

The indirect result attributable to Vastned Retail shareholders consists of the value movements and the net result on divestments of property, the value movements in financial derivatives, the abortive purchase costs, the current income taxes and the movements in deferred tax assets and liabilities, less the portion of these items attributable to non-controlling interests.

Notes on the financial results

Financial results (€ million)	2023	2022
Direct result	34.4	35.2
Indirect result	(53.7)	(3.8)
Result attributable to Vastned Retail shareholders	**(19.3)**	**31.3**
Result attributable to non-controlling interests	4.0	5.0
Result after taxes	**(15.2)**	**36.3**

Result attributable to Vastned Retail shareholders

The split of the direct and indirect results in 2023, compared with 2022, is as follows:

	2023			2022		
Total (€ thousand)	**Direct result**	**Indirect result**	**Total result**	**Direct result**	**Indirect result**	**Total result**
Net rental income	64,805	-	64,805	59,692	-	59,692
Total value movements in property	-	(47,491)	(47,491)	-	(19,457)	(19,457)
Net result on divestments of property	-	309	309	-	635	635
Total net income from property	**64,805**	**(47,182)**	**17,623**	**59,692**	**(18,822)**	**40,870**
Net financing costs	(16,955)	(7,544)	(24,499)	(12,005)	16,319	4,314
General expenses	(7,338)	-	(7,338)	(6,890)	-	(6,890)
Abortive purchase costs	-	-	-	-	(719)	(719)
Total expenditure	**(24,293)**	**(7,544)**	**(31,837)**	**(18,895)**	**15,600**	**(3,295)**
Result before taxes	**40,512**	**(54,726)**	**(14,214)**	**40,797**	**(3,222)**	**37,575**
Total income taxes	(1,164)	164	(1,000)	(999)	(231)	(1,230)
Result after taxes	**39,348**	**(54,562)**	**(15,214)**	**39,798**	**(3,453)**	**36,345**
Result attributable to Vastned Retail shareholders	**34,428**	**(53,689)**	**(19,261)**	**35,177**	**(3,832)**	**31,345**
Result attributable to non-controlling interests	4,920	(873)	4,047	4,621	379	5,000
Result after taxes total	**39,348**	**(54,562)**	**(15,214)**	**39,798**	**(3,453)**	**36,345**
Result attributable to Vastned Retail shareholders	**2.01**	**(3.13)**	**(1.12)**	**2.05**	**(0.22)**	**1.83**

The result attributable to Vastned Retail shareholders, which comprises the direct and indirect results, was € 19.3 million negative in 2023 (2022: € 31.3 million positive). The main factor in this lower result was the decrease in the indirect result from € 3.8 million negative for 2022 to € 53.7 million negative for 2023. Within the indirect result, the decrease in value of the property portfolio in 2023 amounted to € 47.5 million (2022: decrease of € 19.5 million). As a result of the changed market interest rates and the shorter remaining term of duration of the interest rate derivatives, the value movements of the interest rate derivatives were € 7.5 million negative (2022: € 16.3 million positive).

The direct result decreased from € 35.2 million in 2022 to € 34.4 million in 2023. Compared to 2022, the gross rental income increased by 8.7% to € 72.1 million (2022: € 66.4 million), the net rental income came out 8.6% higher (€ 64.8 million versus € 59.7 million).

Result per share

The result per share attributable to Vastned Retail shareholders was € 1.12 negative for 2023 (2022: € 1.83 positive). The result comprises the direct result per share of € 2.01 (2022: € 2.05) and the indirect result per share of € 3.13 negative (2022: € 0.22 negative). In the table below, the like-for-like development is shown:

Development in direct result per share (€)	
Direct result 2022	2.05
Like-for-like growth in net rental income	0.30
Decrease in net rental income due to divestments	0.00
Decrease in financing costs due to lower average interest-bearing debt	0.00
Increase in finance costs due to change in average interest rate	(0.29)
Increase in general expenses	(0.02)
Increase in income tax	(0.01)
Increase in the result attributable to non-controlling interests	(0.02)
Direct result 2023	**2.01**

Development in net rental income 2023

	Netherlands	France	Belgium	Spain	Total	In % of 2022 amounts (2022 = 100)
Gross rental income 2022	**30,581**	**14,782**	**17,921**	**3,093**	**66,377**	**100**
Acquisitions	84	-	-	-	84	0.1
Divestments	(20)	-	(3)	-	(23)	0.0
Like-for-like rental growth[1]	2,365	1,335	1,159	841	5,700	8.6
Gross rental income 2023	**33,010**	**16,117**	**19,077**	**3,934**	**72,138**	**108.7**
Other income	11	331	372	-	714	
Operating expenses[2]	(4,952)	(1,243)	(1,520)	(332)	(8,047)	
Net rental income 2023	**28,069**	**15,205**	**17,929**	**3,602**	**64,805**	**108.6**
Net rental income 2022	26,839	13,605	16,439	2,809	59,692	100
Operating expenses as % of gross rental income 2023	15.0	7.7	8.0	8.4	11.2	
Operating expenses as % of gross rental income 2022	12.2	10.2	8.7	9.2	10.7	

1 Percentage calculated based on the standing portfolio - gross rental income 2022 minus the effect of divestments.
2 Including net service charge expenses.

The table 'Development in net rental income 2023' shows the growth in gross rental income of the properties that were in operation and not under renovation or development during the two preceding full periods. For the calculation of the like-for-like rental growth, properties acquired or sold during the two preceding periods are excluded.

Net income from property

Gross rental income

The gross rental income was € 72.1 million in 2023 compared with € 66.4 million in 2022. These movements are broken down per country in the table on the previous page.

Acquisitions

In 2023, no acquisitions were made. In 2022, Vastned acquired a property located at the Zuidplein Hoog 827 in Rotterdam. As a result of this acquisition, gross rental income increased by € 84 thousand.

Divestments

In 2023, Vastned sold € 3.2 million worth of properties (book value at the time of divestment). In 2022, properties with a book value of € 1.6 million were sold. These divestments caused the gross rental income for 2023 to fall by € 23 thousand compared with 2022 and were from the Dutch and Belgian property portfolios.

Like-for-like gross rental growth

The like-for-like rental growth of the gross rental income was € 5.7 million positive compared to 2022. The like-for-like gross rental growth in the Netherlands, France, Belgium and Spain was € 2.4 million, € 1.3 million, € 1.2 million and € 0.8 million respectively, mainly as a result of rental indexations and a higher occupancy rate during 2023. The like-for-like growth of the gross rental income was 8.6% positive for the total property portfolio in 2023.

Operating expenses (including net service charge expenses)

The total operating expenses increased from € 7.1 million in 2022 to € 8.0 million in 2023. Higher maintenance costs and other operating expenses mainly caused the increase of € 0.9 million. The operating expenses expressed as a percentage of the gross rental income in 2023 was 11.2% (2022: 10.7%).

Value movements in property

The value movements in property in 2023 totalled € 47.5 million negative (2022: € 19.5 million negative). The value decreases in the French, Dutch, Spanish and Belgian property portfolios were € 28.9 million, € 15.7 million, € 2.8 million and € 0.1 million respectively.

Net result on divestments of property

The net result on the divestments realised in 2023 after the deduction of sales costs was € 0.3 million positive.

Expenditure

Net financing costs

The net financing costs including value movements of financial derivatives decreased from € 4.3 million positive in 2022 to € 24.5 million negative in 2023. The development of the net financing costs is shown in more detail in the table below.

Development of net financing costs

(€ million)	
Net financing costs 2023	(4.3)
Decrease due to lower average interest-bearing debts	(0.1)
Net increase due to higher average interest rate and changes in fixed/floating interest rates and working capital	5.0
Increase due to negative value movements in financial derivatives	23.9
Net financing costs 2023	**24.5**

The net financing costs decreased by € 0.1 million due to lower average interest-bearing debts resulting from divestments and changes in working capital. The ratio of fixed/floating interest within the loan portfolio at year-end 2023 is 69.9%/30.1%. Due to the higher market interest rate, the average interest rate increased by 80 basis points from 1.91% in 2022 to 2.71% in 2023, pushing the interest expenses up by € 5.0 million. As a result of the changed market interest rates and the shorter remaining term of the interest rate derivatives, the value movements of the interest rate derivatives were € 7.5 million negative (2022: € 16.3 million positive).

General expenses

General expenses were € 7.3 million in 2023 compared with € 6.9 million in 2022. The increase of € 0.4 million is mainly due to higher consultancy, legal and audit costs, amongst other matters related to the strategic reorientation, price indexations, governance matters and the (consequences of the) intended abolishment of the FII regime as of 2025.

Current income tax expense

In 2023, income tax payable on the reporting period for the regularly-taxed entities in the Netherlands, Belgium and Spain was € 1.6 million (2022: € 0.9 million).

Movement in deferred tax assets and liabilities

The movement in deferred tax assets and liabilities was € 0.6 million positive in 2023 (2022: € 0.4 million negative). The decrease in the provision for deferred tax in 2023 was mainly due to value decreases of assets in Spain that are held by regularly-taxed entities.

Taxes

Vastned fully complies with tax regulations in the countries where we are based and we strongly believe that aggressive tax planning should be avoided. Although some countries have special tax regimes for property investments, such as the FII regime in the Netherlands, the GVV regime in Belgium and the SIIC regime in France, Vastned understands that our tax contribution is an important contribution to the countries in which we operate. Vastned's total expenditure includes corporate income tax (regular taxed entities) but also wage tax, non-reclaimable VAT, local taxes, dividend tax and energy tax. More information on this is presented in Vastned's tax policy. Please see Tax Policy, starting on page 56 . This policy was defined in consultation with stakeholders, such as shareholders and interest groups.

Accounts receivable and other receivables

As at 31 December 2023, Vastned had a total accounts receivable position of € 11.4 million (31 December 2022: € 11.7 million), of which € 2.0 million was provided for (31 December 2022: € 1.9 million). The limited decrease is a result of a lower total amount of overdue accounts receivable. 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:

31 December 2023 (€ thousand)	Gross amounts	Provision for expected credit losses	Net amounts
Overdue accounts receivable	3,527	(1,972)	1,555
Accounts receivable for which a deferment has been granted	192	-	192
Accounts receivable regarding pre-invoiced rent	7,709	-	7,709
Other receivables	7	-	7
Total	**11,435**	**(1,972)**	**9,463**

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.

Financing structure

Financing is a key pillar of Vastned's strategy. Vastned aims for a conservative financing structure, with an internal long-term loan-to-value ratio of below 40%. The company also strives to diversify its financing sources; for example, by placing long-term bond loans with institutional investors, such as 'private placements'. With these private placements, Vastned has extended the duration of the long-term loan portfolio and is able to realise a better financing spread across lenders.

Sustainability is a key part of Vastned's mission, strategy and organisation. To anchor sustainability in Vastned's financing, the company has developed a Green Finance Framework. The aim of the framework is to (re)finance energy-efficient commercial and residential property that contributes to the preservation of historic city centres. Within this framework, Vastned can issue a range of green financing instruments.

In July 2023, a € 15.0 million expired term loan within Vastned Belgium was repaid; in December 2023 a Green RCF Facility of € 40.0 million expired; the amount drawn on this facility, being € 10.0 million, was repaid.

Together with existing lenders, Vastned has been able to secure new financing arrangements in both Belgium and at holding level.In Belgium all the existing facilities of € 125 million have been extended with the existing lenders for new periods of 3 and 5 years. At holding level, the cooperative stance of two of our relationship banks has enabled Vastned to come to an arrangement for a bridge loan. Subject to future divestments, the bridge loan can be used to repay the € 240 million loan maturities in 2024 and provide Vastned with the flexibility it requires to execute the strategic reorientation, while keeping existing financing at attractive rates in place.

In 2023, the existing interest rate policy to fix the interest rate of approximately two-thirds of the loan portfolio was continued.

As at 31 December 2023, Vastned's balance sheet showed a financing structure with a loan-to-value of 44.4% (year-end 2022: 43.4%) and a solvency ratio, being Group equity plus deferred tax liabilities divided by the balance sheet total, of 55.4% (year-end 2022: 55.4%).

As at year-end 2023, the loan structure had the following features:

- The outstanding interest-bearing loans totalled € 607.7 million (year-end 2022: € 613.6 million).

- The total non-bank loans amounted to € 214.9 million (35.4%) of the total outstanding interest-bearing loans, significantly above the internal target of minimum 25%.
- 60.2% of the outstanding loans were long-term, with a weighted-average duration based on contract expiry dates of 2.3 years.
- Long-term loans totalling € 241.6 million (39.8%) will expire in 2024. This amount is partly related to the syndicated credit facility and private placements with AXA and Barings. Vastned arranged a € 240.0 million bridge loan to cover these maturities.
- 69.9% of the outstanding loans had a fixed interest rate, principally due to the use of interest rate derivatives and private placements. The rent review dates have a weighted average duration of 1.4 years.
- The average interest rate in 2023, taking account of the interest rate derivatives agreed upon and the private placements, was 2.7%. The average interest rate based on the outstanding interest-bearing debt at year-end 2023 was 2.9%.
- 30.1% of the outstanding loans had a floating interest rate.
- Due to changes in the interest rate curve and the shorter duration of the interest rate derivatives, the value of the interest rate derivatives decreased to € 7.6 million positive (year-end 2022: € 15.1 million positive).
- The unused credit facilities amounted to € 76.2 million (€ 124.8 million at year-end 2022).

With a solvency ratio of 53.9% and an interest coverage ratio of 3.8, Vastned was compliant with all bank covenants as at year-end 2023. All financing contracts stipulate a 45% minimum solvency ratio and usually require a 2.0 interest coverage ratio. Most financing agreements include a negative pledge clause, with a limited threshold for putting up security.

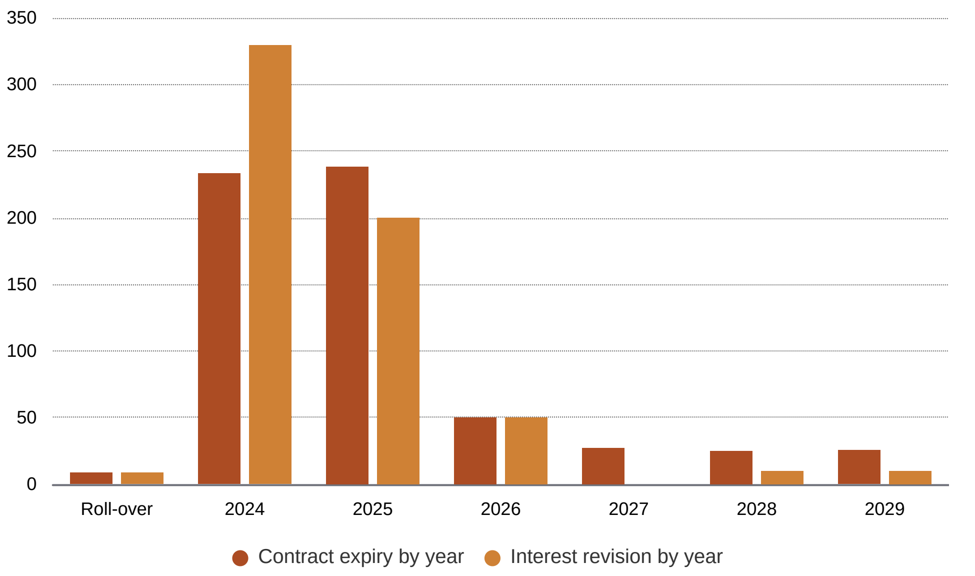
The unused credit facilities of € 76.2 million as at year-end 2023 provide ample liquidity to fulfil short-term payment obligations.

Loan portfolio as of 31 December 2023

(€ million)	Fixed interest[1]	Floating interest	Total	% of total
Long-term debt	309.9	56.2	366.1	60.2
Short-term debt	115.0	126.6	241.6	39.8
Total	**424.9**	**182.8**	**607.7**	**100.0**
% of total	69.9	30.1	100.0	

1 Taking account of interest rate derivatives.

Contract and interest-rate revision dates of the loan portfolio as at 31 December 2023.



Development of net asset value per share

As a result of the combined direct and indirect result per share of € 1.12 negative, the other movements of € 0.04 negative, the 2022 final dividend distribution of € 1.26 per share and the 2023 interim dividend distribution of € 0.57 per share, the net asset value decreased from € 41.74 per share at year-end 2022 to € 38.75 at year-end 2023.

The EPRA NRV per share as at 31 December 2023 was € 44.55 per share compared with € 46.79 at year-end 2022.

Planet

ERM has been supporting Vastned since early 2021 to make the organisation CSRD compliant by 2026. ERM is a leading global provider with more than 8,000 people in 35+ countries and territories specialising in environmental, health, safety, risk, social consulting services and sustainability-related services. In 2022, ERM and Vastned conducted a materiality assessment, from which six highly material topics emerged. For these topics, we determined KPIs and objectives and made significant strides on the topics during 2023, which will be the focus points for the coming period.

Cedric Bodart, Sustainability Advisor at ERM

Sustainability at the core

Cedric Bodart: "In 2021, we analysed the desired Corporate Sustainability Reporting Directive (CSRD) direction and activities based on the CSRD requirements for real estate companies like Vastned. We supplemented this with our expert knowledge and looked at what Vastned's peers were doing in specific areas. This provided the basis for animated discussions with Vastned's Executive Committee. It's remarkable to see the ExCo members' strong determination to achieve substantial progress. They not only show an ability to listen to each other but also demonstrate a willingness to consider opposing opinions and work towards a compromise."

Sustainability is in Vastned's DNA

Cedric Bodart: I advise over a dozen clients every year, and to me, Vastned is a great example of how sustainability should be discussed and approached. I see a lot of ambition to take steps when it comes to sustainability, but Vastned seems to be facing the so-called sustainability paradox. They actively exploring ways to enhance sustainability within its portfolio, but is at the same time facing the challenges presented by the unique nature of its business. While striving to meet European environmental standards, including energy efficiency, Vastned experiences practical limitations due to the historical significance of its properties. Achieving an EPC A rating across the entire portfolio can be an economic and logistical challenge, particularly when dealing with facades of 300-year-old buildings that must be preserved. The key question, of course, is how to deal with this. To make these properties truly sustainable would effectively require them to be demolished and rebuilt. That would destroy the monumental facades, which would dramatically change the overall cityscape. As a historian by trade, demolishing centuries-old buildings without a good reason is unthinkable for me. Furthermore, I believe that the mere existence of these buildings today stands as the ultimate testament to sustainability. This situation presents a rare example in the market, where the organisation must skilfully navigate the delicate equilibrium between environmental responsibility and the preservation of its historical assets.

Vastned's business and materiality

Vastned's materiality assessment concluded in quite a few unique material topics, connected specifically to Vastned's business. This resulted, for example, in the topic of "Preservation and improvement of cultural heritage" which is an excellent demonstration of Vastned's balancing exercise. The preservation and improvement part are in constant conflict with one another, as preservation of existing structures and features often mean the inability to execute renovations and improve the casco of the building. This is inextricably linked to another highly material topic of Vastned, 'Energy-efficient buildings'. Vastned addresses this topic conscientiously using the Carbon Risk Real Estate Monitor (CRREM) method. This is a comprehensive and internationally-recognised method to benchmark the energy consumption of buildings against the 1.5 degrees Celsius global warming benchmark from the Paris Climate Agreement. Improving energy efficiency is a key strategic focus for Vastned, but should always be balanced out by taking into account the cultural aspect that a building has on the cityscape. Vastned does not only try to do this in its own investment approach and way of working but extends this responsibility to its tenants as well. The material topic 'Responsible Rent and Lease Management' exemplifies Vastned's commitment to sharing the responsibility of preservation and improvement with its tenants. One of the KPIs linked to this topic is that leases require tenants to provide their sustainability data to Vastned. This way Vastned can assess energy performance of its entire portfolio and adjust CapEx plans accordingly. At the same time, Vastned wants tenants to take explicit sustainability measures themselves. This is because the organisation takes its supply chain responsibility seriously.

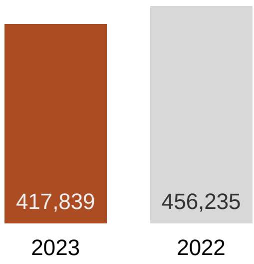
Robust and coherent package

There is definitely a robust set of well-connected material topics and KPIs that fits the purpose and uniqueness of the organisation. These offer a clear view of their ambitions, objectives and elaborations. The next step will be to continue building on the groundworks laid in this year's extensive exercise, to make impacts, risks and opportunities in the chain more visible, and to continue our work on the EU Taxonomy, Cedric Bodart concludes. Step by step, we are preparing Vastned to be CSRD compliant.

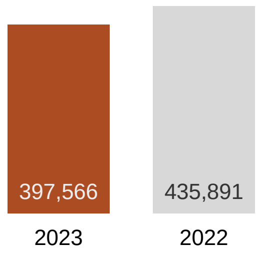
Key figures 2023

Portfolio

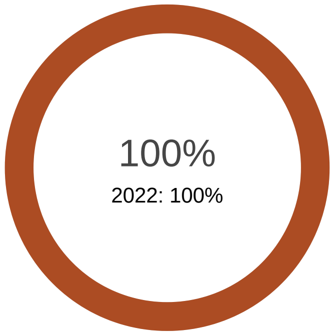
Total consumption of electricity
(in kWh)



Total consumption of natural gas
(in kWh)

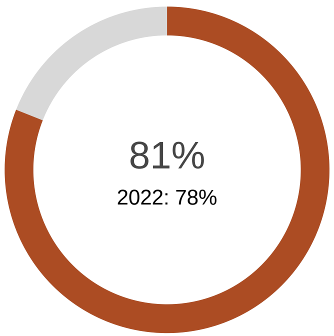


Use of renewable electricity
(in properties under our control)

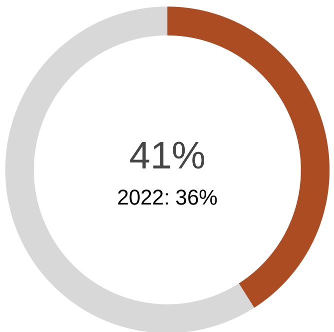


EPRA Gold Awards

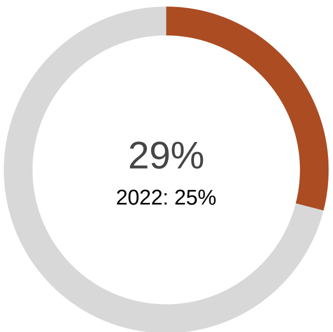
Properties with EPC label
(% of units)



EPC label C or better
(% of total asset value)



Market value of portfolio eligible for green financing



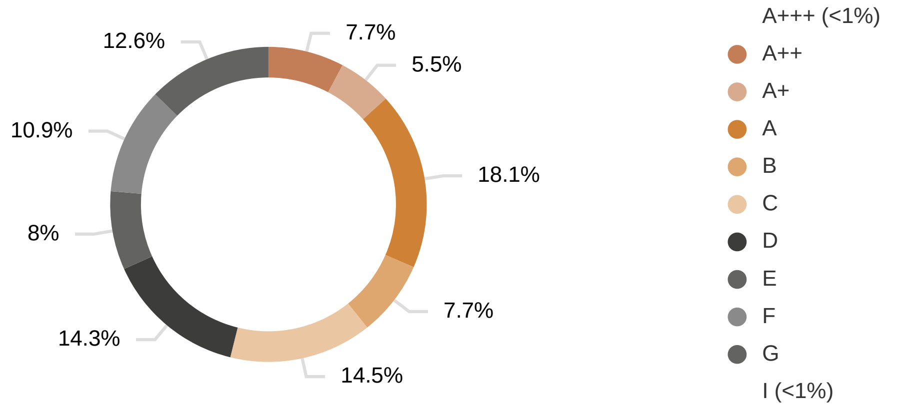
Sustainability in the real estate sector

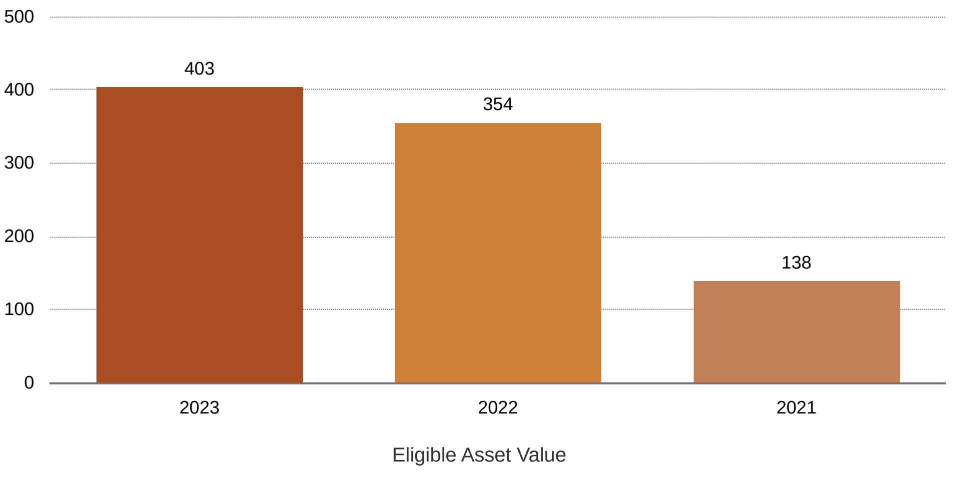
The real estate sector is a major contributor to global greenhouse gas emissions, responsible for approximately 40% of energy-related CO_2 emissions*. This contribution is split between two main sources: operational emissions from properties, and emissions from construction and renovation activities. Operational emissions, primarily due to heating, cooling, and lighting, make up nearly 28% of the total. Vastned recognises this issue and is committed to enhancing sustainability in the sector. A key focus for Vastned is improving the energy efficiency of our properties, a measure that is crucial for reducing CO_2 emissions and minimising the environmental impact associated with both property operations and renovation processes.

The importance of energy-efficient properties

One of the key material topics in our value creation model is the pursuit of energy-efficient properties. Vastned recognises that, although we let our properties as shells and our tenants are responsible for energy consumption, there is still significant scope for the company to enhance energy efficiency. Vastned aims to augment the sustainability of our properties wherever feasible. We assess our property's energy efficiency primarily through Energy Performance Certificates (EPC) or energy labels. By the end of 2023, 81% of our properties carried an EPC label, a rise from 78% in 2022. The distribution of EPC labels across different countries is as follows: the Netherlands at 96%, Belgium at 18%, France at 91%, and Spain at 100%.

The acquisition of EPC labels in Belgium has lagged behind the rest of our portfolio, mainly due to the staggered implementation of EPC requirements in different regions. For instance, the mandate for non-residential properties to obtain an EPC in Flanders was only introduced in 2023. Consequently, Vastned is actively working on acquiring these certifications. In contrast, Wallonia and Brussels currently have no EPC requirements for such properties. Nevertheless, Vastned is proactively preparing for potential future regulations by continuing the process of acquiring all necessary EPCs. The figure below illustrates the distribution of different labels within our portfolio, based on asset value. Over the past year, we have executed multiple sustainable renovation projects and implemented various energy-saving measures to enhance the efficiency of our commercial properties. Our earlier goal was to achieve at least an EPC-label C for all our properties. We continue to offer transparency and consistency by reporting on EPC-labelling. However, with our updated objectives and results, we have broadened our focus. In addition to maintaining our commitment to the EPC-label goal, we are now also aiming to gain insight into our scope 1, 2, and 3 emissions. Our ultimate goal is a strategic evolution in our approach to sustainability, looking beyond traditional labelling metrics and setting future reduction targets. See 'Sustainability reporting, starting on page 165' for more information on our sustainability projects.





*Source: https://www.unepfi.org/

Our CSRD approach: Insights and goals for Scope 1, 2, and 3 emissions

Given Vastned's current characteristics, we will be required to report on it's sustainability activities under the Corporate Sustainability Reporting Directive (CSRD) for the first time in the annual report of 2025. This new regulation requires companies, including those in the real estate sector, to provide comprehensive and transparent information about their environmental, social, and governance practices. For Vastned, this entails a detailed emphasis on greenhouse gas emissions for Scopes 1, 2 and 3. Consistent with our objectives and results, our 2024 goal is to thoroughly understand Scope 1 and 2 emissions, which encompass the company's direct emissions and indirect emissions from purchased energy. In 2025, our focus will shift to comprehending Scope 3 emissions. These represent other indirect emissions not directly controlled by the company, such as those related to transport and logistics, outsourced maintenance, and tenant emissions.

By the end of 2025, Vastned plans to establish targets for reducing these emissions. This will require a strategic approach to data collection and reporting, with a focus on accuracy and transparency. Implementing CSRD will enable Vastned not only to report transparently on our emissions but also to contribute to the reduction of our ecological footprint. To help us track our own progress, we partnered with Scaler in 2023, a company that has built a state-of-the-art ESG platform. This platform is instrumental for collecting data, facilitating reporting, and creating dashboards. It enables us to gain clear insights into our progress regarding our sustainability goals and CRREM pathways (see next paragraph).

CRREM: Reducing emissions using a science-based method

As described above, reporting on Scope 1 & 2 emissions is a key component of CSRD. Vastned has also set the goal to establish a reduction target for these emissions in 2025. The CSRD encourages achieving this reduction using science-based methods. Vastned's Scope 1 and 2 emissions mainly consist of energy consumption (electricity and gas) in our properties, which is where the most gains can be made. Although EPC labels indicate the energy efficiency of our properties, they do not provide information on the actual emissions from the use of these properties. Moreover, this method is not well-suited to predicting the reduction that will be achieved when certain measures are taken. Therefore, Vastned has decided to start using the Carbon Risk Real Estate Monitor (CRREM) within our real estate portfolio.

CRREM is an initiative focused on reducing the carbon footprint in the real estate sector. It provides scientifically substantiated pathways for real estate companies to align their emissions with the Paris Agreement's objectives. CRREM enables Vastned to monitor ongoing efforts to decrease the energy intensity of its properties. It also encourages both Vastned and our tenants to operate as energy-efficiently as possible.

In 2023, Vastned, in collaboration with Colliers, carried out the CRREM project to establish a baseline within our Dutch portfolio. Of the energy connections in the Dutch properties, about 25% is under the control of Vastned. The other connections are 'tenant controlled', and Vastned does not have direct access to the data on energy consumption for these. Colliers requested this data from our tenants via a survey; however, not all tenants provided their data. For properties lacking data, we used benchmark analysis. Interestingly, Vastned's findings revealed that properties evaluated with actual data tended to perform better in the CRREM analysis compared to those assessed with estimated data. Overall, the CRREM analysis has provided Vastned with an initial insight into the CRREM pathways of its Dutch portfolio. In 2024, we plan to perform a similar baseline analysis in its French and Spanish portfolios. For Belgium, we will review the consideration to perform this in 2025.

Preservation and improvement of cultural heritage

Another important material topic for Vastned is the preservation and improvement of cultural heritage. Given the unique mix of properties primarily located in historic city centres, Vastned is aware of our crucial role in maintaining and enhancing this historical heritage. Some of the properties have existed for hundreds of years, making them very sustainable assets. Our goal is to maximise the functional lifespan of these properties.

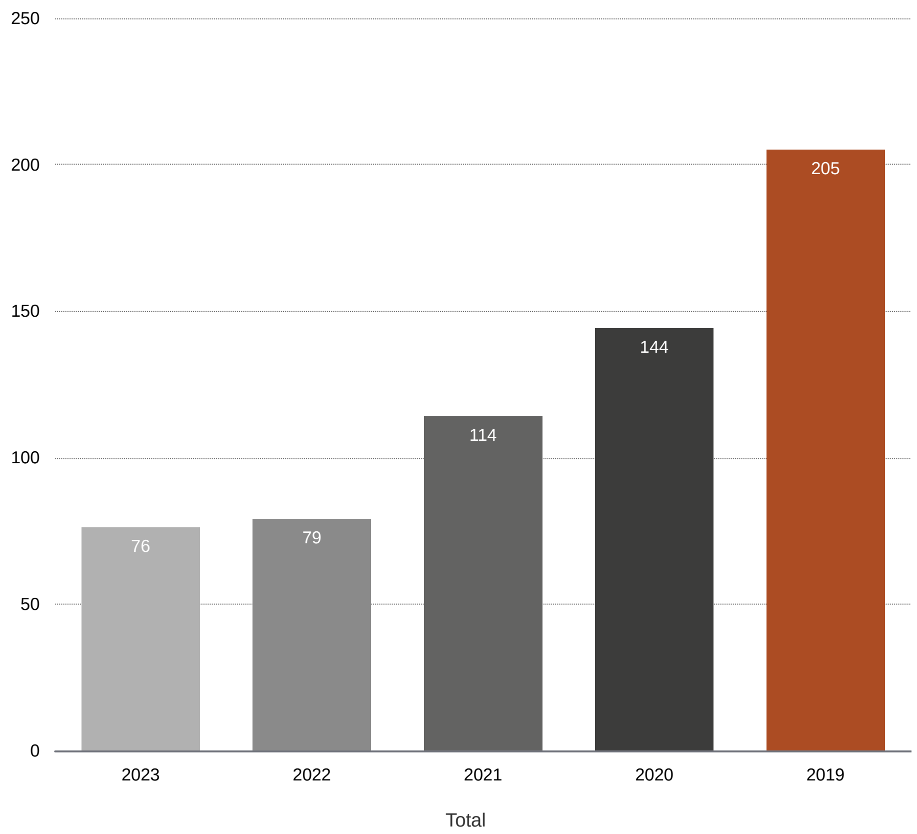
The EU Taxonomy is a classification system that defines which economic activities are considered environmentally friendly. Designed to guide investments towards more sustainable activities, it is a key part of the European Green Deal. The EU Taxonomy aids investors and companies in identifying projects and activities that significantly contribute to the transition to a low-carbon, sustainable economy, and that do not cause significant environmental harm. This promotes transparency and long-term investments in sustainable growth.

Vastned aims to combine the preservation and improvement of cultural heritage with investing in sustainable activities. The rental of shops is in scope of the EU Taxonomy, requiring these activities to be evaluated for sustainability within the EU Taxonomy framework. Therefore, Vastned has set a goal for 2024 to gain insight into the percentage of CapEx spending that can be labelled as EU Taxonomy aligned, with a view to aligning this in the future with the reduction targets mentioned in earlier sections.

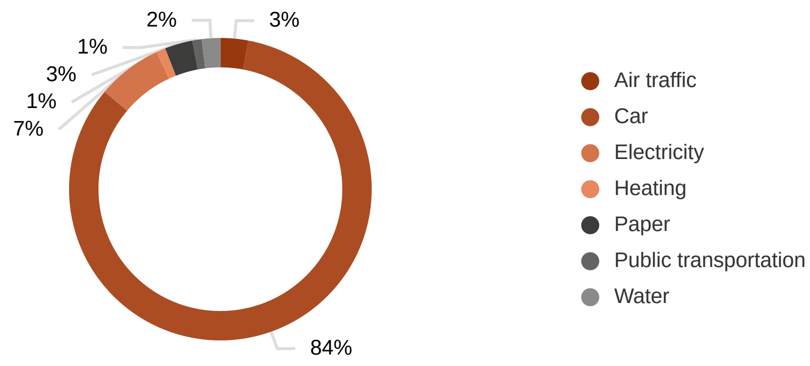
Vastned's own offices

Vastned actively worked to reduce our CO_2 footprint by using electricity from European wind power and green gas, and, where possible, stopped using natural gas for heating. Vastned's total CO_2 emissions from heating, electricity, water, and paper usage in our offices, as well as our employees' travel by air, train, and car, are shown in the graph below. The next graph displays the distribution across these different categories. We will continue to search for the most sustainable options in each category. The CO_2 emissions associated with these activities are offset as much as possible upon the acquisition of the services. For more information about the consumption in our own offices, we refer you to EPRA own offices, starting on page 171.

Emissions in tonnes CO_2e



Distribution of CO_2 emissions



People

Vastned has a tight process in place for financial forecasting and crystal-clear calculation of the impact of rent renewals, investments, divestments and other movements on the income statement and balance sheet. In this process, the Budget & Planning Manager interacts with almost everyone within the organisation. As such, he acts as the financial 'glue' between all teams.

Jaco Euser, Budget & Planning Manager

In control!

'I am, as the saying goes, one of the Vastned veterans. I have been with the company for over 23 years,' Jaco Euser starts the interview. 'Some people call me 'the company's conscience', and it is true that I know a lot about Vastned. But there are more colleagues with longer employment contracts, after all we are a close-knit of people. But the great thing is that we also have quite a few younger colleagues. The combination of veterans and 'young blood' gives an extra dimension to working at Vastned and keeps us sharp.'

Financial all-rounder

'After obtaining several degrees in finance I started my career at the Chamber of Commerce before moving to Coca Cola. In 2000, I joined Vastned as Controller. The company was still based in Rotterdam, and operated a broad property portfolio that included offices, shopping centres on the periphery of cities, residential properties, and inner-city retail properties. At the time, the company consisted of several funds; after selling one of the funds, several shopping centres in Spain and France and the properties in Turkey, Vastned has focused entirely on inner-city retail properties. Since I have a broad background as a financial expert, I had my work cut out in all these changes, detailing a range of financial scenarios as controller to help take the company to the next stage. They were very exciting times,' Jaco adds.

Robust systems

Jaco: 'Vastned is a decentralised company and in the past, the financial IT systems were also decentralised. About five years ago, however, we opted for a single financial IT system. It makes our work more efficient, makes profit analyses more straightforward and improves the overall robustness of the system. Checks by our auditors back this up, as they rarely recommend adjustments. It turns out that we are simply in control, and I am quite proud of that.'

Tight financial forecasting process

'We have a tight process in place for our financial forecasting,' Euser says. 'It starts with the net rental income of all our properties. Of course, portfolio managers in the various countries are responsible for the management of their own portfolios. They tell us whether the same tenant will stay after a lease expires, and whether the lease conditions will change in any way. Or if a new tenant comes in with specific requirements, which could mean refurbishments or additional sustainability measures and what this means for the new leases. As we work with minimum notice periods of a full year, the risks in this area are modest. We know well in advance what is going to happen, except for unforeseen circumstances. We conduct comprehensive quarterly analyses, which also detail general expenses, financing expenses and current income taxes. They give a fairly good sense of the results we can expect and how the balance sheet and balance sheet ratios are developing. This then culminates in an annual financial plan and business plan, which also addresses the future financing of the business. So, it's not about the numbers alone, but rather what they mean and what is behind them. Of course, I work closely with the financial experts in all countries in this process.'

High occupancy rates and stable and predictable operational results

'With our inner-city retail properties, we are in a unique niche in the market. Vastned's portfolios have high occupancy rates and deliver stable and predictable operational results, every quarter. They continue to attract a high level of tenant interest, even in relatively uncertain market circumstances.

We have conducted a strategic reorientation, based partly on changes in the Dutch tax regime. Ultimately, we've determined that selling off certain segments of our portfolio at an appropriate value is a wise decision, as it generates fresh dynamics within various financial contexts. We are always looking to ensure the best possible result. As Budget & Planning Manager I oversee the finances and manage our cash flows, focusing mainly, together with our Manager Treasury & IR, on securing a robust financial future. Vastned is a great company to work for,' Jaco Euser concludes.

Key figures 2023

Employees

Number of employees

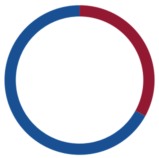
Female: 20
Male: 13

Employment (FTE)

Fulltime — Female: 12, Male: 13
Parttime — Female: 5.9, Male: 0

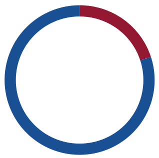
Gender diversity

Supervisory Board



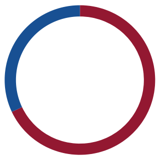
FEMALE 33% MALE 67%

Executive Committee



FEMALE 20% MALE 80%

Other employees



FEMALE 68% MALE 32%

Job vacancies filled

1

Sickness absence rate

2.4%

Employee training hours

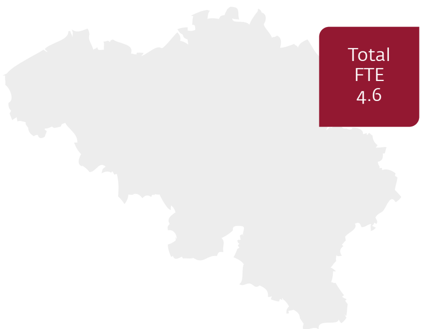
726

Employees per country

The Netherlands

France

Belgium



Spain

People and society

Revitalising city centres: Vastned's approach to local value creation

The centres of major European cities such as Paris, Amsterdam, Madrid and Antwerp, attract large numbers of tourists and serve as hubs for people from the surrounding communities. With a large population living within an hour's drive of these city centres we see significant footfall in the main shopping streets and various parts of these cities. This is the primary reason why retailers seek the best locations in these areas. Vastned's properties are mostly situated in prime locations where people meet, work, live, shop, and relax. Tenants strategically select these locations to reach consumers, residents, and visitors, as evidenced by our high occupancy rate.

Through years of experience, Vastned has developed a deep understanding of how inner-city areas operate and what mix of tenants provides the most beneficial experience for residents and visitors. By developing and maintaining high-quality properties, we can deliver a pleasant shopping and leisure experience, significantly contributing to value creation for the local community. We acknowledge that city centres, particularly in historic cities, serve purposes beyond mere shopping and recreation. With an awareness of the potential, it is clear that there is an opportunity for enhancing the utilisation of square metres on the upper floors of properties. Vastned focuses on making these square metres available to the local community for mixed-use purposes, such as housing or office space. In 2023, Vastned added six homes to its portfolio on main shopping streets, primarily through the redevelopment of storage space. Consequently, a major objective in the upcoming years is to identify remaining opportunities in our portfolio and conduct feasibility studies to maximise value creation for the local community.

Organisation

Streamlining value creation with efficient organisation and diverse teams

Vastned highly values diversity, recognising our critical role in ensuring dynamic, balanced perspectives and experiences across our teams at all levels. Our workforce is diverse not only in terms of gender, with a female-to-male ratio of 60.6/39.4, but also in terms of education, age and cultural backgrounds. Vastned's daily management is carried out by an Executive Committee consisting of people with different expertise and backgrounds. As at year-end 2023, Vastned operates with 30.9 FTEs or 33 people, maintaining a lean organisational structure. In 2023, three valued colleagues moved on to new opportunities outside the company and we welcomed one new colleague.

Our operations span local offices in Hoofddorp, Antwerp, Paris, and Madrid. These country teams handle various functions ranging from management, asset management, property management, and financial control to technical project management. Despite their autonomy, all teams align with Vastned's overarching vision and receive support from the head office. The Hoofddorp office hosts most of our finance, secretarial, tax, and legal affairs staff.

Vastned is committed to supporting employees' professional development and offers a range of training opportunities. In 2023, we accumulated 726 hours for training programmes and education, including fraud and cybersecurity training for all our employees. Besides that, we have a strong focus on the work-life balance of our employees, providing flexible work arrangements. Additionally, we take care of the well-being of employees, providing health insurance contributions, a sports budget and a bicycle plan. The Dutch team can also use the in-house gym. We promote social cohesion, providing weekly free team lunches and encouraging teams to work together at the office on the same day

Moreover, we engage in annual social projects, fostering team building and community impact. In 2023, our Dutch team participated in 'De Spelen' at the Olympic stadium in Amsterdam, providing children from lower socio-economic backgrounds with an Olympic experience. This initiative reflects our commitment to contribute to the local community.


SÉZANE

Materiality and stakeholder engagement

Materiality assessment

In 2022, Vastned performed a materiality assessment. The assessment began with a list of 17 relevant topics. A material topic is defined as a subject that represents the organisation's most significant impacts on the economy, the environment, and people, including on human rights. These topics were selected through desk research. The analysis took into account sector information (for example, sector-specific international sustainability frameworks), as well as company-specific information (for example, strategic plans and identified risks and opportunities). Based on a thorough analysis, a shortlist of 17 relevant material topics was compiled for Vastned, including links with the EU Taxonomy for sustainable activities and the Corporate Sustainability Reporting Directive (CSRD), as well as a definition of each topic.

As a first step towards creating the materiality analysis, the 17 listed topics were validated by a selection of relevant stakeholders during interviews. A detailed explanation of the stakeholders involved is included in the section Stakeholder engagement, starting on page 51. As a second step, members of Vastned's Executive Committee prioritised the list of topics through a survey based on the assessment of Vastned's potential impact (positive or negative) with regard to the economy, the environment and people. The collected stakeholder input was shared with the Executive Committee to enable the prioritisation of topics. This prioritisation resulted in six highly material topics.

Other material topics

Topics such as 'Support for biodiversity', 'Waste management' and 'Water management' are not considered highly material topics for Vastned by its management or its stakeholders. However, topics that were identified as less material for Vastned may still be relevant to society at large and are increasingly becoming part of mandatory non-financial reporting in Europe. Please note that Vastned also considers these material topics to be important given the broader societal context and the company's purpose of connecting real estate to society. In light of this, we also recognise our obligation to have a positive impact or reduce our negative impact with respect to all material topics wherever possible.

Double materiality approach

In accordance with the double materiality approach, stakeholders were also asked to indicate the expected financial materiality of the material topics. Stakeholders were asked which topics can be considered opportunities or risks for Vastned's financial value. Their input, together with the weighting of Vastned's Executive Committee, shows a significant overlap between these topics and the highly material topics as already defined.

The company's core qualities and purpose, in combination with its value creation model and a well-formulated strategy, strengthen its ability to have an impact with regard to the following six highly material topics:

Stable and predictable long-term returns

Maintaining strong financial performance to provide shareholders with dividends and maintain long-term financial stability.

Preservation and improvement of cultural heritage

Safeguarding cultural heritage by extending the functional lifespan of properties and optimising their use while also contributing to the attractiveness of city centres.

Energy-efficient buildings

Improving the sustainability performance of buildings by making them more energy-efficient.

Responsible rent and lease management

Keeping tenants informed and supported regarding sustainability issues through measures such as tenant engagement and including green and ethical clauses in new commercial leases.

Ethical and transparent business practices

Conducting business in an ethical and transparent manner by actively complying with laws and regulations, using codes of conduct, and continuously working towards transparent, fair and ethical communication with stakeholders regarding activities and ambitions.

Local value creation for communities

Supporting community development, stimulating social cohesion and supporting livelihood in city centres (for example, by focusing on tenants that meet the needs of local residents).

Top-6 highly material topics

1. **Stable and predictable long-term returns**
2. **Preservation and improvement of cultural heritage**
3. **Energy-efficient buildings**
4. **Responsible rent and lease management**
5. **Ethical and transparant business practices**
6. **Local value creation for communties**

- Environmental
- Social
- Governance

#	Our material topics	
	Stable and predictable long-term returns	Highly Material topics
	Preservation and improvement of cultural heritage	Highly Material topics
	Energy-efficient buildings	Highly Material topics
	Responsible rent and lease management	Highly Material topics
	Ethical and transparant business practices	Highly Material topics
	Local value creation for communities	Highly Material topics
7	Climate resilient portfolio	Medium Material topics
8	Healthy and safe portfolio	Medium Material topics
9	Employer of choice	Medium Material topics
10	Data protection and privacy	Medium Material topics
11	Diversity & inclusion	Medium Material topics
12	Sustainable procurement and reuse of materials	Low Material topics
13	Digitisation and services	Low Material topics
14	Low-carbon business operations	Low Material topics
15	Waste management	Low Material topics
16	Support for biodiversity	Low Material topics
17	Water management	Low Material topics

Vastned's approach to ESG is to move towards total integration of the core business with Vastned's ESG pillars. Therefore, starting in 2024 the materiality assessment will be updated according to the latest guidance by the European Commission on the CSRD aligned double materiality assessment.

Stakeholder engagement

Vastned operates in collaboration and dialogue with a range of stakeholders. In 2023, the Executive Board held discussions with shareholders, employees, financiers and tenants about how Vastned can continue to create sustainable long-term value. Parties that impact Vastned's value chain or are impacted by Vastned's activities are considered the most relevant. Vastned has identified the following stakeholder groups as being of particular importance to its sustainable long-term value creation and value chain approach.

Shareholders

Vastned is a property company that enables its investors to jointly invest in property in the centres of selected European cities. Shareholders provide equity capital which, in conjunction with additional sources of finance such as bank loans and other loan agreements, enables Vastned to maintain its property portfolio and make new investments. Many of Vastned's shareholders are long-term investors, including both institutional and private investors. The company's Annual General Meeting is the most important channel for holding dialogues with shareholders. In addition,we participate in investor relations events and meetings to reach new and existing investors. In addition to communicating externally via press releases, equity research analysts provide Vastned with an important link to the financial markets within the wider external communication process. Vastned is currently being followed by analysts from four reputable parties.

Employees

Vastned promotes a collaborative 'family' culture in which every employee contributes to the effective implementation of the company's strategy. Expanding and actively managing the portfolio requires a hands-on, proactive and pragmatic organisation, for which close cooperation, good contacts and a strong local network are indispensable. As at year-end 2023, 33 individuals were employed by Vastned across our Hoofddorp, Antwerp, Paris and Madrid offices.

Financiers

Loan capital providers and equity providers enable Vastned to invest in properties. Vastned has a conservative financing policy and aims to spread its financing over different banks and other financing sources, including ABN AMRO, Belfius, BNP Paribas, ING, KBC and Rabobank. Pricoa Capital Group, AXA Real Estate and Barings have provided non-bank loans to Vastned.

Tenants

Tenants of Vastned's properties include leading international and domestic retail brands, as well as local retailers. These organisations lease from Vastned because of the quality and uniqueness of the properties and their valuable city-centre locations. A great number of our properties have offices or residential space on the floors above the retail units, which are highly popular with private tenants who want to work and live in city centres.

Stakeholder dialogue

Stakeholder group	Shareholders Frequency: Quarterly Responsibility: Investor Relations and Executive Board	Employees Frequency: Daily Responsibility: Human Resources	Financiers Frequency: Quarterly Responsibility: Treasury; Investory Relations & Executive Board	Tenants Frequency: Daily Responsibility: Portfolio managers
Communications	• Press releases • Annual General Meeting (AGM) • Website • Social media (LinkedIn) • Webcast and presentations • Conferences • One-on-one meetings • Surveys	• Feedback opportunities • Sharing knowledge and experience • Team building events	• Regular meetings • Seminars • Surveys • One-on-one meetings • Banker's meetings	• Regular meetings • Seminars • Surveys
Discussion points	• Strategy and results • Portfolio optimalisation • Efficient organisation • Conservative financing • Trends and developments • Risks and opportunities • ESG/Sustainability • Corporate governance • Remuneration • Other AGM agenda items	• Personal development • Communication and feedback • Effort and commitment	• Financial strategy • Risks • Sustainability	• Sustainability and efficiency of buildings • Complaints and advice • Lease conditions
Follow-up	• Annual Report • Trading statements • Other periodical updates • Strategy updates	• Talent programme • Coaching and education • Remuneration system • Promoting health and well-being of employees	• Adjusting operational or strategic goals • Hedging risks	• Operational improvements • Investing in lettable units

Corporate Governance

Vastned strives for the highest standards regarding compliance with the provisions of the Dutch Corporate Governance Code ('Code') and the principles and best-practice provisions contained within the Code throughout 2023.

The full text of the Code can be inspected on: https://mccg.nl

Governance structure

The main Corporate Governance points can be downloaded from the Vastned corporate website: https://vastned.com/governance/

Given the size of its workforce, Vastned does not qualify as a '*structuurvennootschap*' in the Netherlands. A list of subsidiaries and an explanation are provided in the chapter Subsidiaries.

Vastned has a two-tier board system consisting of a Supervisory Board and an Executive Board. Integrity, transparency and accountability are key elements of the company's corporate governance and business operations. These elements ensure that Vastned pursues effective risk management, complies with legislation and regulations, and provides full transparency to stakeholders.

Composition and tasks of the Executive Board, Executive Committee and Supervisory Board

Based on Vastned's Articles of Association, the Executive Board consists of one or more members. At the Annual General Meeting on 15 April 2021, Reinier Walta was appointed as Managing Director (CEO). Mr Walta is the single member of the Executive Board and Chair of the Executive Committee.

The Executive Board is the company's statutory managing board (*statutair bestuur*) and is entrusted with the management of the company and the business associated with it. It is responsible for determining the company's mission, vision, strategy, policy and objectives, and for achieving those objectives. The Executive Board is guided in the performance of its duties by the interests and continuity of the company and the undertakings connected with it. It makes a balanced assessment of the interests of all relevant stakeholders, including tenants, financiers, shareholders, employees and society at large.

Key officers have been appointed to oversee the day-to-day management of the company together with the Executive Board. The single member of the Executive Board and these Executives together constitute the Executive Committee. The members of the Executive Committee, with the exception of the Chair, are appointed by the Executive Board with the approval of the Supervisory Board. The Executive Committee's aim is to contribute to long-term value creation for Vastned's stakeholders. As at 31 December 2023, the Executive Committee comprises Reinier Walta (sole member of the Executive Board), Maurice van Dongen (Finance Director), Thierry Fourez (Head of Asset Management), Peggy Deraedt (Director Legal) and Raymond Kramer (Director ESG and Company Secretary).

The Executive Board has installed one committee: the Disclosure Committee. This committee's principal role is to advise and assist the Executive Board in ensuring that adequate procedures, systems and controls are maintained to enable Vastned to comply with its obligations regarding the timely and accurate identification and disclosure of all information to meet the legal and regulatory obligations and requirements arising under the Dutch Financial Supervision Act, the EU Market Abuse Regulation and the requirements of Euronext Amsterdam.

The Supervisory Board oversees the Executive Board and Executive Committee and the general course of events in the company, and the business connected with it, and assists the Executive Board by providing advice. In performing their duties, the members of the Supervisory Board are guided by the interests of the company and the undertaking connected with it, and make a balanced assessment of the interests of the stakeholders. As at 31 December 2023, the Supervisory Board comprises Jaap Blokhuis (Chair), Désirée Theyse and Ber Buschman.

The Supervisory Board has installed two committees: the Audit and Compliance Committee, and the Remuneration and Nomination Committee.

More information about the Supervisory Board and its activities can be found in the Report of the Supervisory Board, starting on page 75.

For an extensive description of the duties of the Executive Board, the Executive Committee and the Supervisory Board of the company and the regulations with respect to appointments, suspensions and dismissals of the members of these Boards, please refer to the Articles of Association, the Regulations of the Executive Board and Executive Committee and the Regulations of the Supervisory Board. These documents are available on the Vastned corporate website: https://vastned.com/governance/

The curricula vitae of the members of the Executive Board, Executive Committee and the Supervisory Board can be found here: Composition of the Executive Committee, starting on page 59 and Composition of the Supervisory Board, starting on page 61.

Remuneration of the Executive Board and the Supervisory Board

The 2023 Remuneration Report for the Executive Board and the Supervisory Board is presented in the following sections of this report: Remuneration of the Executive Board, starting on page 87 and Remuneration of the Supervisory Board, starting on page 94.

Shareholding of the Executive Board and the Supervisory Board

An overview of the shareholdings of the members of the Executive Board and the Supervisory Board is presented in the following section of this annual report: Share ownership, starting on page 186

Members of the Executive Board and Supervisory Board will only hold shares in Vastned as a long-term investment and must purchase these shares at their own cost. When purchasing and selling shares, they must act in compliance with the Private Investment Transactions and Prevention of Insider Trading Policy. The full text of this Policy is available on the Vastned corporate website: https://vastned.com/governance/ Transactions must also be reported to the Authority for the Financial Markets (AFM) as appropriate.

Supervisory Board retirement schedule

The retirement schedule of the members of the Supervisory Board may be inspected on the Vastned corporate website: https://vastned.com/supervisory-board/ The retirement schedule is also included in this annual report and can be found in the section Report of the Supervisory Board, starting on page 75

Independence and conflicting interests

During the 2023 reporting year, the members of the Executive Board and the Supervisory Board were independent and there were no conflicts of interest within the meaning of the Code or applicable laws and regulations.

Stakeholder engagement

In 2023, Vastned strengthened its corporate reporting, building on our materiality assessment from 2022. We introduced concrete, measurable objectives and results, alongside key performance indicators (KPIs), addressing both financial and non-financial aspects. This renewed approach ensures a holistic evaluation of our performance against defined ESG objectives, demonstrating our commitment to transparency and accountability in assessing the broader impact of our activities on stakeholders, such as society and the environment. For a more in-depth explanation, please refer to the chapters Strategy, starting on page 14 and Materiality and stakeholder engagement, starting on page 49.

Technology oversight and risk mitigation

In our pursuit of technological advancements and evolving business models, Vastned diligently addresses the associated risks, particularly cyber threats. These aspects receive heightened attention in the deliberations of Executive Committee, the Audit and Compliance Committee and the Supervisory Board. During these sessions, we assess internal controls through the Risk and Control Framework, augmented by dedicated internal IT audits. For further details, please refer to chapter Risk management and internal control, starting on page 62.

Regulations

Vastned attaches significant value to good corporate governance and is always striving for compliance with the provisions in the Dutch Corporate Governance Code and the principles and best-practice provisions contained in it. Vastned's Compliance Statement and this annual report elaborate on our compliance with the Code and its principles and best-practice provisions.

Vastned's key compliance documents are:

The **Articles of Association** is the charter document that establishes the legal existence of Vastned. The Articles of Association describe the rules and procedures as applicable to Vastned.

The **Code of Conduct** clearly describes the behaviour that is expected of Vastned emplyees and serves as a guideline for how they should do their work with integrity and care. It covers various areas, including bribery and corruption, cybercrime, data protection and privacy, the use of social media and conflicts of interest.

The **Regulation on Incidents** forms an extension of the Code of Conduct and facilitates the reporting of (alleged) incidents to the compliance officer. It describes the steps to be followed in the event of an incident at Vastned and the business associated with it, or if such an incident is suspected. The Regulation on Incidents helps to support ethical awareness as part of Vastned's company culture.

The **Speak Up Policy** is an extension of the Code of Conduct. The policy describes the steps that are followed when (alleged) incidents are reported to a trusted person by a staff member.

The **Private Investment Transactions and Prevention of Insider Trading Policy** ensures that Vastned and its group entities conduct their business with integrity and that employees do not take advantage of confidential information or inside information obtained during the execution of Vastned's business activities and that staff members do not engage in market manipulation. The policy ensures that Vastned complies with the EU Market Abuse Regulation and fully reflects the governance structure.

The **Policy on Bilateral Contacts with Shareholders** is required under best-practice provision 4.2.2. of the Dutch Corporate Governance Code and provides a framework for bilateral contact with shareholders.

The **Conflict of Interest Policy** provides detailed guidance on how to deal with conflicts of interest, including accepting and offering gifts and entertainment, accepting outside business activities, and upholding Vastned's zero-tolerance position on bribery and corruption.

The **Customer Due Diligence (CDD) Policy** provides rules and procedures that must be adhered to before establishing new business relationships and for regularly reviewing existing business relationships.

The purpose of the **ESG Policy** is to elaborate on Vastned's management approach and practices regarding sustainability topics. In this way, the document functions as a guide for employees to take various sustainability elements into account when implementing activities for Vastned. Vastned's approach to ESG is presented in section Our approach to ESG, starting on page 17 of this annual report.

Vastned's compliance documents and compliance statement can be downloaded from the website: https://vastned.com/governance/.

Diversity and Inclusion Policy and objectives

Diversity ensures dynamism, different perspectives, and balance within the team, which is vital to achieving the best results. Diversity for Vastned means more than just the gender ratio in the organisation. Different backgrounds, in terms of education, age and culture, also play a key role. Vastned's **Diversity and Inclusion Policy** sets out the concrete objectives concerning diversity and inclusion and the aspects thereof that are relevant for the company, such as nationality, age, gender and background in terms of education and professional experience. Vastned encourages equality, diversity and inclusion among its workforce, and eliminating unwanted discrimination. We recognise our talented and diverse workforce as a key competitive advantage.

Regarding gender diversity, to ensure the gender diversity in Vastned's Supervisory Board, Executive Board and Executive Committee, we have set a target whereby at least 30% of these boards and this committee, respectively, should consist of the underrepresented gender.

Vastned's Statutory Executive Board consists of one person (M) as at 31 December 2023.

At the end of 2023, the Supervisory Board consisted of one woman and two men, a composition that is in line with Vastned's gender objectives. A schematic overview of the desired competencies within the Supervisory Board, including the specific expertise of each member, is presented in section Report of the Supervisory Board, starting on page 75 of this annual report.

Vastned's Executive Committee was reduced from six to five members in 2023 to enable the management of the organisation to be more effectively implemented. The Executive Committee consists of one female and four male members. Therefore, the composition of the Executive Committee is not yet in line with Vastned's gender objectives. There is diversity within the Executive Committee in terms of age, education and professional background.

In general, the aspect of gender diversity will be included as one of the objectives in making appointments to the Executive Board, the Supervisory Board and the Executive Committee and; the selection of the most suitable candidate based on all selection criteria will remain paramount.

The Diversity and Inclusion policy can be downloaded from the Vastned website: https://vastned.com/governance/.

Indemnity

The conditions attached to the indemnity of the members of the Executive Board and the Supervisory Board from liability claims from third parties are laid down in the Articles of Association. In 2023, the members of the Executive Board and the Supervisory Board were adequately insured for directors' liability and external liability.

Tax Policy

Vastned complies with all relevant rules and regulations with respect to tax transparency. The company has a Tax Policy and reports quarterly to the Executive Board and the Supervisory Board on the execution of the policy. The full text of Vastned's Tax Policy can be downloaded from the corporate website: https://vastned.com/governance/

Annual General Meeting and voting rights

In April of each year, Vastned convenes the Annual General Meeting (AGM) of shareholders, during which the following matters are discussed:

- a detailed report by the Executive Board on the previous financial year, including an explanation of the long-term strategy, the vision for long-term value creation and the strategy to realise this, and the state of affairs.
- the Dividend and Reservation Policy.
- any new corporate governance developments within Vastned and matters related to compliance with the Code.
- the remuneration report for the past financial year. The remuneration report for 2023 will be put to the AGM on 25 April 2024 for an advisory vote.

Other important matters that must be brought to the attention of the Annual General Meeting include:

- Material changes to Vastned's Articles of Association.
- Adoption of the financial statements for the past financial year.
- Proposals concerning the appointment of members of the Executive Board and Supervisory Board.
- The Dividend and Reservation Policy.
- Proposals to distribute dividends.
- Adoption of the Remuneration Policy for the Executive Board (at least once every four years).
- Adoption of the Remuneration Policy for the Supervisory Board (at least once every four years).
- Decisions concerning the issue or repurchase of Vastned shares.
- Approval of the policy conducted by the Executive Board (discharge of the members of the Executive Board).
- Approval of the supervision exercised by the Supervisory Board (discharge of the members of the Supervisory Board).
- Substantial changes in the governance structure of the company and in compliance with the Code.
- Appointment of the external auditor.

Financial reports are drawn up in accordance with internal procedures. The Executive Board and the Supervisory Board are jointly responsible for ensuring that the financial reports are accurate and complete and are published on time. The external auditor is involved in reviewing the contents of the half-year results report and the auditing of the annual financial statements. The external auditor attends the AGM in order to answer any questions from shareholders and to clarify their audit opinion concerning the fairness of the financial statements when requested during the AGM. The external auditor is invited to all the meetings of the Supervisory Board and/or the Audit and Compliance Committee in which the annual financial statements are discussed.

For further details of the proposals that the Executive Board and/or the Supervisory Board may submit to the AGM and the relevant procedure, please refer to the Company's Articles of Association on the Vastned corporate website: https://vastned.com/governance/.

Participation and votes

A high degree of shareholder participation in the Annual General Meetings is considered to be of the greatest importance. Vastned encourages shareholders to take part in the meetings and to use the opportunity to ask questions (in advance). Shareholders may vote in person or, if they cannot personally attend the meeting, may (electronically) grant a voting proxy and voting instructions to an independent party. The meeting documents, minutes and presentations are made available on Vastned's website. Vastned has no shares with special controlling rights. Every share entitles the holder to one vote in the AGM. More information about exercising voting rights can be found in the Articles of Association of the company and in the convening notices for meetings which are published on the Vastned corporate website https://vastned.com/governance/ and https://vastned.com/annual-general-meeting/.

External auditor

The external auditor performs the audit on the consolidated and standalone financial statements of Vastned and the statutory financial statements of the company's subsidiaries. In this role, the external auditor attends meetings of the Audit and Compliance Committee and is present during the AGM.

As part of the audit engagement, the external auditor reports to the Executive Board, and the Audit and Compliance Committee of the Supervisory Board, regarding recommendations for potential improvements relating to the adequacy and effectiveness of the governance, risk and control framework.

The AGM held on 25 June 2020, re-appointed Ernst & Young Accountants LLP as the external auditor, for Vastned for the audit of the annual accounts for the financial years 2020-2023.

The Supervisory Board intends to recommend the accountancy firm Deloitte for appointment to the AGM, following a selection process conducted by the Audit and Compliance Committee. The proposal for the appointment of Deloitte as the new external auditor for the audit of the annual accounts from 2024 to 2027 is expected to be presented at the AGM on 25 April 2024, and will take effect retroactively as of 1 January 2024.

Internal auditor

BDO provides services as Vastned's internal audit department. Specifically, BDO provides independent advice to the Executive Board, the Supervisory Board and the Audit and Compliance Committee on the quality and effectiveness of Vastned's internal control, risk management, governance and implemented systems and processes. BDO supports Vastned in accomplishing its mission and strategic business objectives through a systematic, documented risk-based audit approach to examine, evaluate and improve the effectiveness of our governance, control, and risk management processes.

Overview of protection measures

Vastned has no outstanding or potentially available protection measures against any takeover of control of the company.

Art 10. EU Takeover Directive

Pursuant to Article 10 of the EU Takeover Directive, companies whose securities are admitted to trading on a regulated market must include information in their annual reports concerning, among other things, the capital structure of the company and the existence of any shareholders with special rights. In this context, Vastned discloses the following information:

- The company's capital structure, the composition of the issued capital and the Dividend Policy are set out in the section Shareholder Information, starting on page 184 of this annual report. The rights vested in these shares are laid down in the company's Articles of Association, which may be inspected on Vastned's website. Briefly, these rights with regard to ordinary shares consist of the right of shareholders to attend the Annual General Meeting, to speak and vote at this meeting, and the right to payment of what remains of the company's profit after allocations to the reserves. As at year-end 2023, the issued capital consisted entirely of ordinary (bearer) shares;
- The company has not placed any restrictions on the transfer of ordinary shares;
- For participations in the company subject to a disclosure obligation under Articles 5:34, 5:35 and 5:43 of the Financial Supervision Act, reference is made to the section Share ownership, starting on page 186. This section lists shareholders holding an interest of 3% or more that were known to the company at year-end 2023;
- There are no shares in the company in which special controlling rights are vested;
- The company does not have any arrangements in place granting employees the right to subscribe for or acquire new shares in the capital of the company or any of its subsidiaries;
- Neither the voting rights vested in the shares in the company nor the periods for exercising the voting rights are in any way restricted;
- To the extent the company is aware, there are no agreements with shareholders that could result in restrictions on the transfer of shares or on the voting right;
- The provisions for appointing and dismissing members of the Executive Board and members of the Supervisory Board and for amending the Articles of Association are laid down in the company's Articles of Association and the Regulations of the Executive Board and Executive Committee and the Regulations of the Supervisory Board;
- The general powers of the Executive Board are listed in the Articles of Association of the company. At year-end 2023, the Executive Board was not entitled to issue or repurchase shares;
- Various loan agreements between the company and external financiers contain change of control clauses; and the company has made no agreements with members of the Executive Board or employees that provide for remuneration upon the termination of employment resulting from a public bid within the meaning of Article 5:70 of the Financial Supervision Act.

Corporate governance statement

This is a statement pursuant to Article 2a of the Decree on Additional Requirements for Annual Reports dated 10 December 2009 ('Decree'). For the disclosures in this statement as defined in Articles 3, 3a and 3b of the Decree, please see the relevant sections of this annual report. The following announcements should be considered as having been included and repeated here:

- The disclosure concerning compliance with the principles and best practices of the Code, as included in the Corporate Governance, starting on page 53 of this annual report;
- The notifications regarding the main features of the management and control system relating to the financial reporting process of the company and the Group, as included in the section Risk management and internal control, starting on page 62 of this annual report;
- The notifications regarding the functioning of the shareholders' meeting and its main powers and the rights of the shareholders and how they may be exercised, as included in the section Corporate Governance, starting on page 53 of this annual report;
- The statements regarding the composition and functioning of the Executive Board, as included in section Report of the Executive Board, starting on page 12 and in the section Composition of the Executive Committee, starting on page 59 of this annual report;
- The statements regarding the composition and functioning of the Supervisory Board and its committees, as included in the chapter Report of the Supervisory Board, starting on page 75
- The statements regarding (the objectives of) the Diversity and Inclusion Policy and the manner in which this policy has been implemented, as included in the section Corporate Governance, starting on page 53 of this annual report; and
- The statements are pursuant to Article 10 of the EU Takeover Directive, as included in the section Corporate Governance, starting on page 53 of this annual report.

Composition of the Executive Committee

Reinier Walta (M)
Managing Director, single member of the Executive Board and Chair of the Executive Committee

Year of birth
1974

Nationality
Dutch

In current position since
15 April 2021

Other positions as at 31 December 2023
Member board of directors at Vastned Belgium
Treasurer at Association for the representation of the joint interests of listed real estate investment institutions

Education
Tax law at the Erasmus University Rotterdam and Master of Studies in Real Estate (MSRE) at the Amsterdam School of Real Estate

Number of Vastned shares
9,975

Previous positions
2020 – 2022: Interim CEO at Vastned Belgium
2016 – 2022: CFO at Vastned Belgium
2014 – 2021: CFO at Vastned Retail N.V.
2011 – 2014: Senior Transaction Manager at Abu Dhabi Investment Authority
2008 – 2011: Director Investor Relations at ING Real Estate Investment Management
2004 – 2008: Senior Tax Manager at ING Real Estate
1999 – 2003: Real estate tax consultant at PWC

Thierry Fourez (M)
Head of Asset Management, Country manager France and member of the Executive Committee

Year of birth
1966

Nationality
French

In current position since
12 September 2012

Other positions as at 31 December 2023
Board Member at The FACT (Fédération des Acteurs du Commerce dans les Territoires)
Board Member at Institut Ville et Commerce (IVC)

Education
Deug sciences économiques
Dut Techniques de commercialisation

Previous positions
Vice President Store Development at Starbucks EMEA
International Development Director at PAUL bakeries
Real Estate Director at McDonald's Southern Europe
Various positions on Real Estate team at McDonald's France

Peggy Deraedt (F)
Director Legal, member of the Executive Committee

Year of birth
1970

Nationality
Belgian

In current position since
1 April 2004

Other positions as at 31 December 2023
Member board of directors Vastned Belgium

Education
Master of Dutch law at Erasmus University
Master of Business Administration at Erasmus University
Dutch Bar Association's vocational training programme

Previous positions
Lawyer at NautaDutilh

Maurice van Dongen (M)
Finance Director, member of the Executive Committee

Year of birth
1983

Nationality
Dutch

In current position since
1 March 2021

Education
- Executive Programme 'Strategy for Listed Real Estate' at INSEAD Business University
- Practical program RA (Dutch chartered accountant) at the Nederlandse Beroepsorganisatie van Accountants (NBA)
- Master Accounting & Control and Post-Master Accountancy (Dutch chartered accountant - RA) at Vrije Universiteit Amsterdam
- Post-bachelor program Business Economics at Nyenrode Business Universiteit
- Hospitality Management (Bachelor in Business Administration) at Hoge Hotelschool The Hague

Previous positions
2019 - 2021: Finance Manager at Vastned
2009 - 2019: financial auditor at Deloitte (Audit Senior Manager in 2018-2019)
2008 - 2009: Accountant at the Boston Consulting Group
2007 - 2008: Financial at Hotel de l'Europe Amsterdam (subsidiary of Heineken N.V.)

Raymond Kramer (M)
Director ESG, Company Secretary and member of the Executive Committee

Year of birth:
1987

Nationality
Dutch

In current position since
1 November 2021

Other positions as at 31 December 2023
Supervisory Board Woningstichting Putten
Supervisory Board Monumentenwacht Utrecht

Education
Master of Laws (LLM) at Maastricht University

Previous positions
Various positions as Secretary of housing corporations in the Netherlands (latest: Ymere).

Composition of the Supervisory Board

Jaap Blokhuis (M)
Chair of the Supervisory Board

Year of birth:
1958

Nationality
Dutch

Appointments
2019, 2022 (current term ends 2025)

Committees
Remuneration and Nomination Committee

Other positions as at 31 December 2023
Chair of the Supervisory Board at Vesteda
Member of the Supervisory Board at Heembouw
Member of the Advisory Committee at Egeria Real Estate

Previous positions
CEO at Multi Corporation (2014 – 2017)
CEO at Redevco (1999 – 2012)
Various positions at Nationale-Nederlanden Vastgoed/ING Real Estate (1983 – 1999)

Number of Vastned shares
1,000

Désirée Theyse (F)
Chair of the Audit and Compliance Committee

Year of birth:
1968

Nationality
Dutch

Appointments
2022 (current term ends 2026)

Committees
Audit and Compliance Committee

Other positions as at 31 December 2023
Group CFO at DO IT ORGANIC

Previous positions
CFO at DPA N.V. (2018 – 2021)
Member of the Supervisory Board at Nedap N.V. (2010 – 2018)
Managing Director at Aevitas Property Partners (2015 – 2017)

Number of Vastned shares
-

Ber Buschman (M)
Chair of the Remuneration and Nomination Committee

Year of birth:
1961

Nationality
Dutch

Appointments
2022 (current term ends 2024)

Committees
Remuneration and Nomination Committee
Audit and Compliance Committee

Other positions as at 31 December 2023
Independent director and change manager of international investment-oriented companies with a real-estate focus
Board member Tulip Turkey Management Luxemburg S.a.r.L

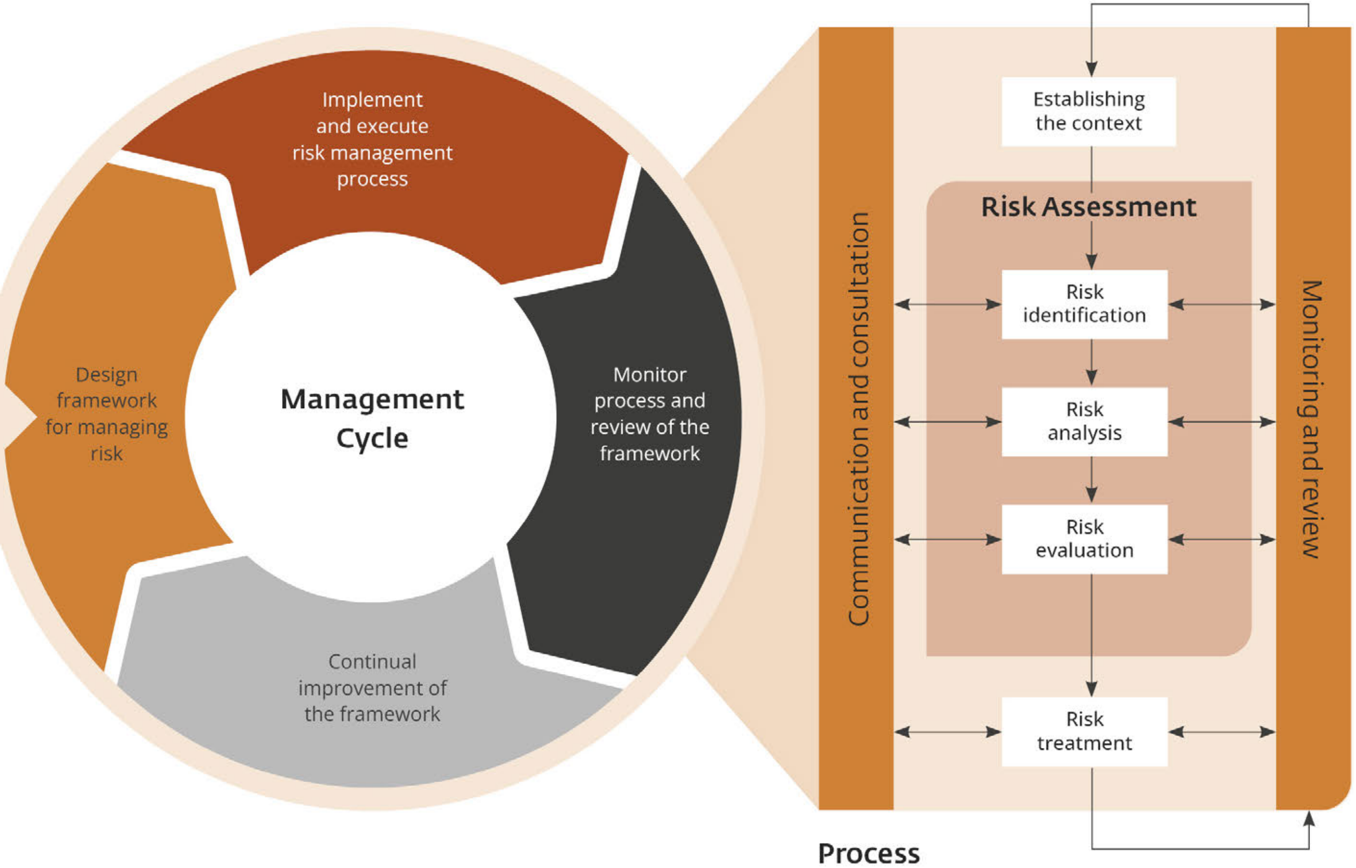
Previous positions
Ber Buschman managed the restructuring of the back office and commercial rental department of the Van Herk Groep and was Chief Executive Officer and owner of Safelinq USA (2009-2010).

Number of Vastned shares
-

Risk management and internal control

This section provides an overview of Vastned's risk management and control system. The risk management and control system forms an integral part of Vastned's business operations and reporting. It aims to ensure, with a reasonable degree of certainty, that the risks to which the company is exposed are adequately identified and controlled within the context of a conservative risk profile.

Risk management framework and process



Policy

Vastned's risk management framework consists of policy setting at the start, which mandates and requires the right level of commitment. This is followed by a Management Cycle, which entails implementing the designed framework and executing the risk management process, monitoring and reviewing it, and ensuring continual improvement. This process aims to ensure that risks are adequately identified, analysed and evaluated, and treated with sufficient mitigating measures.

Overview of risk management at Vastned

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

Finance
- 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'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 aims to realise stable and predictable long-term results and contribute to the liveability and safety of these historic centres. In 2021, following the publication of its 2020 annual results, Vastned announced a strategy update, outlining its ambition to optimise and concentrate the current portfolio on a mixed user profile and to increase the cost efficiency of the organisation.

To achieve this objective, Vastned has 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 involves risks. However, from a strategy perspective, the company's risk appetite is conservative, which is borne out by the focus on high-quality properties in selected cities. Furthermore, long-term value creation is preferred over the growth of the property portfolio, and improving the sustainability of the company and portfolio is an integral part of Vastned's strategy. In operational terms, risks must be minimised. Vastned's operational processes are therefore based on best practices.

Vastned's financial policy may be characterised as conservative. With respect to compliance, the risk appetite is nil: all applicable laws and regulations must be fully complied with. Vastned has formulated clear principles in this area, which have been outlined in various codes and regulations and are in line with the Dutch Corporate Governance Code ('the Code').

In conclusion, Vastned's overall risk appetite may be described as conservative, which is both in line with and based on the company's objective to generate stable and predictable long-term results. Vastned has specified the risk appetite, including the qualification of the risk appetite per risk category. These qualifications are as follows: nil, zero tolerance; nil to low tolerance; conservative; measured; and expedient. The risk appetite per risk category adds an additional standard to the risk and control framework against which risks are assessed. This standard provides the framework within which the organisation operates.

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. In this context, close management of risks is naturally essential, and this approach is clearly communicated within the company. In addition, management organises 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 and procedures

Vastned has 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 relates to how companies are managed and how the management is supervised. Vastned considers proper corporate governance to be one of the key enabling factors in the successful execution of the strategy. As a publicly listed company, Vastned has translated the corporate governance requirements into internal rules and standards. An extensive description of Vastned's corporate governance is presented in the Corporate Governance, starting on page 53 of this report.

Code of Conduct and related regulations

The Code of Conduct is a foundational document for Vastned, as it contains the principles that Vastned considers 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 serves to make employees aware of the need to act honestly and transparently by recording what is deemed to be acceptable behaviour and what is not. In addition to the Code of Conduct, a Regulation on Incidents and a Speak Up Policy are in force. These regulations are an extension of the Code of Conduct and facilitate the reporting of (alleged) incidents, either anonymously (Speak Up Policy) or otherwise. These regulations describe the procedure for reporting (alleged) incidents.

The regulations contribute to ethical awareness within Vastned's company culture. The texts of these regulations and codes may be inspected on Vastned's website. https://vastned.com/governance/.

Risk areas

An overview and detailed description of the main risks to which Vastned is exposed 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
	ESG: decrease in investor base. At some point, large capital expenditures may be needed to improve assets. Other risk areas are limited possibilities to (re)finance, undesirable credit ratings, pressure from the chain and non-compliance with sustainability reporting requirements.	Low tolerance - conservative	Medium	Medium	2, 3	1.3
	Physical climate risk: the risk of loss of value of properties as a result of damage caused by climate change; for example, due to extreme precipitation, natural fires or flooding.	Low tolerance - conservative	Medium	Medium	1	1.3
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'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.	Zero	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.	Zero	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.	Zero	Medium	High	1, 4, 5	4.1
	Laws and regulations: deviating from the Code of Conduct and not acting ethically. Non-compliance with the GDPR, the MAR, the CSRD and the EU Taxonomy.	Low tolerance – conservative	Low	High	1, 4, 5	4.2
	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

Legenda:
Highly material topics: 1- Stable and predictable long-term returns 2- Energy-efficient buildings 3- Preservation and improvement of cultural heritage 4- Ethical and transparent business practices 5- Responsible rent and lease management 6- Local value creation for communities

Strategic risks

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

1.1 Stable and predictable results

The objective of Vastned's strategy is to generate stable and predictable long-term results. There is a general strategic risk that the choice of investee country, the type of investment, or the relative size and timing of investments (and divestments) do not lead to stable and predictable results. The risk appetite in this area is conservative. To mitigate this risk, Vastned invests in high-quality assets with attractive and stable returns and is diversifying its rental income by adding more non-fashion tenants. Additionally, Vastned follows a diligent acquisition procedure that clearly identifies how each property fits into the portfolio and how it contributes to the company's long-term results. The current portfolio is under constant scrutiny; and properties that no longer fit the Vastned profile are sold when possible.

To generate stable and predictable results, a strategic choice has been made on a conservative financial policy, with a view to working towards a long-term target of loan capital financing of a maximum of 40%. In principle, no more than a third of the loan portfolio should have a floating interest rate. In 2023, loan capital financing remained below 45% throughout the year and stood at 44.4% as at 31 December 2023. 30.1% of the loan portfolio had a floating interest rate as at 31 December 2023. The increased interest rates have made it even more important to lower the LTV in the coming period.

1.2 External factors

Another strategic risk is that Vastned is unable to respond adequately to external factors. There is 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 impact 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 is conservative. Potential external changes are followed closely during annual strategy sessions and by monitoring developments as they happen, which enables Vastned to respond quickly and effectively.

1.3 Approach to ESG, including climate risk

A clear trend is that of large institutional investors shifting their investments to companies or sectors that have less exposure to climate change or can be considered green and capable of reaching net zero by 2050. The company's approach to ESG and, among other things, its contribution to reducing greenhouse gas emissions will be scrutinised by investors. These activities will become an important investment consideration, if not already the case.

Given the current portfolio of unique but often historical properties with sometimes limited energy efficiency potential, Vastned considers climate risk to be a key risk despite its continuous efforts to improve the energy efficiency of its property portfolio. If, over time, tenants show increasing interest in the most sustainable properties and investors shift their focus to real estate companies that own a larger proportion of sustainable properties, Vastned is likely to be at a strategic disadvantage. This is because its current portfolio includes a number of historical properties that offer limited potential for improving their sustainability performance. In this scenario, asset valuations may develop less favourably compared to other assets with superior sustainability performance characteristics.

Another potential risk in relation to the wave of new sustainability regulation is that Vastned, given its limited resources and organisational size, would not be ready in time to comply with the various sustainability reporting requirements associated with EU regulations. The EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD) and the (proposed) Corporate Sustainability Due Diligence Directive (CSDDD) requirements are mandatory for (listed) companies in Vastned's size category and require a significantly higher level of sustainability governance, reporting, monitoring and due diligence. This requires detailed disclosures, data availability, new indicators and assurance from auditors. In the case of Vastned, this is also likely to present data gathering and quality challenges, for example when relying heavily on data from tenants and other external sources.

Finally, physical climate-related risks are also considered by Vastned. These physical risks can cause the loss of value of certain properties as a result of damage caused by climate change; for example, due to extreme precipitation, natural fires or flooding.

The risks mentioned above may lead to reputational damage, an inability to attract new investors or lenders, the loss of existing investors or lenders, pressure from the chain, corrective measures and/or fines from regulators, and/or higher operational costs.

Control measures to mitigate these risks include a proactive investor or tenant, and a broader stakeholder approach whereby dialogue and new action plans in the area of sustainability are key. Vastned aims to involve tenants in some of these plans and, if possible, the sustainability managers of tenant companies as a means of fast-forwarding Vastned's energy-efficiency programmes and gathering data collectively. At the same time, Vastned seeks to stay abreast of developments in the area of policies, laws and regulations and reporting requirements (EU Taxonomy, CSRD and CSDDD) and adjust its (automated) processes to optimise data collection and processing possibilities and further embed ESG in its organisation and way of doing business.

Operational risks

Operational risks are risks that arise from potentially inadequate processes, people, systems and/or (external) events. The main operational risks for Vastned relate 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 is 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 mitigates this risk through a proactive HR policy that contains 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.

In 2023, Vastned appointed one highly skilled, well-educated and trained professional to fill a vacant position. As at 31 December 2023, Vastned had one vacancy. This vacancy was filled as of the first week of January 2024.

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

2.2 Size of the organisation

Due to its small size, the organisation is 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 is deemed more efficient and cost effective compared with having certain specific expertise and experience in-house. An inherent risk is that Vastned is dependent on certain external parties including their measures to ensure the quality of staff, cyber security 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 is 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 is absent for a longer period of time, the Finance Director will take over on an interim basis for three months during which the Supervisory Board will decide on a solution. Furthermore, Vastned agrees detailed service levels agreements (SLAs) with external service providers. These parties are monitored on an ongoing basis, whereby certain reports indicating the quality of the internal organisation, including processes on which Vastned is dependent, are 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 is 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 is low to conservative.

Vastned follows careful acquisition and divestment procedures to mitigate the related risks listed above, which consist 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 state that investments and divestments above a specific amount, as determined annually by the Supervisory Board (in 2023: € 15 million), require the approval of the Supervisory Board.

2.4 Quality of the property valuations

There is an inherent risk that the properties in Vastned's portfolio are 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 is low to conservative. This risk is mitigated by preparing all property valuations in accordance with an internal appraisal policy and is executed by internationally reputed external appraisers, which are rotated every three years. In these appraisals, the bigger properties with an expected value of at least € 2.5 million are 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) are appraised externally once a year.

Vastned'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 the estimation uncertainty and assign the correct value to Vastned'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 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.

In 2023, Vastned's operating expenses and normalised general expenses were within the margins of the targeted levels. Vastned's expense levels are considered to be low, mainly due to cost-savings relating to general expenses, in line with Vastned's strategy to be cost-efficient.

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. 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 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 2023.

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 is insured based on conditions that are 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 2023, no catastrophes resulting in physical damage to properties occurred.

Financial risks
The main financial risks are 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 is nil. The treasurer of Vastned monitors the cash flow policy and prepares daily cash flow forecasts. The principles of the cash flow policy are outlined in the Treasury Charter, which is 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.

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. Considering the rapidly changing financing market and the required refinancing of Vastned's portfolio in 2024 and 2025, the probability of this risk increases. 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 is nil.

Interest rate risks are caused by interest rate fluctuations, which may result in rising financing costs, in turn leading to a lower direct result. Although only a limited part of Vastned's loan portfolio was subject to variable rates in 2023, the impact of the higher interest rates has been considerable. Vastned anticipates the interest rates to remain stable at a higher level and therefore further impact on its results.

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

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

- Financing with loan capital is limited to a maximum of 40% of the market value of the property;
- The share of short-term loans is limited to a maximum of 25% of the loan portfolio;
- Where possible, financing is 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 has a floating interest rate;
- Internal monitoring takes 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 are periodically discussed with the Audit and Compliance Committee and the Supervisory Board.

In 2023, Vastned complied with all bank covenants and internal control measures were followed at all times.

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 is conservative. To mitigate debtor risk, Vastned screens tenants before concluding leases. In addition, the financial status and payment behaviour of tenants are 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 takes a tailor-made approach to examining its individual arrangements with tenants. Payment arrangements and behaviour by tenants are monitored systematically. Additional control measures are also in place, including increasing the frequency of consultation with debtors by the property management teams. Through effective communication with and between the company's commercial teams, tenants, financial teams and the Executive Committee, Vastned has achieved high collection rates (above 99%), compared with retail real estate sector averages.

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 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;
- The usage of a proven advanced Disclosure Management System to prepare financial reports which includes ESEF tagging possibilities based on a periodically updated ESEF taxonomy, maintained by the supplier (ESG taxonomies will also be available in the future);
- Periodic management consultation on external audit results; and
- Discussion of external audit results with the Audit and Compliance Committee and the Supervisory Board.

In 2023, no material events occurred regarding reporting. The use and further development of the company's property management system, Yardi, at the various Vastned 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 is nil. Effective control of compliance risks, led by Vastned's compliance officer is of crucial importance for a property company such as Vastned, given the property sector's traditional approach to conduct risk.

In 2023, no material events occurred regarding compliance.

4.1 Tax laws and regulations risk

As a result of its FII status (Dutch: "FBI"), Vastned has to abide by specific rules with regard to tax. As such, the company follows a conservative approach to tax risks and has implemented measures to secure compliance and minimise the risk of adverse tax-related matters. Vastned has 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 is nil.

Vastned 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. Vastned currently expects the negative impact to be close to 10% of the direct result on the current portfolio.

4.2 Laws and regulations / Codes and regulations

As previously described, Vastned has 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 is nil.

Vastned 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 are explicitly asked to confirm they have complied with the Code of Conduct.

In 2023, 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's instructions creates a potential risk of doing business with parties that are harmful to Vastned'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 is 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 are set out in the due diligence report submitted to the Executive Board as part of the decision-making process.

Sensitivity analysis

The following table sets out the sensitivity of the direct result, the indirect result and the loan-to-value ratio in relation to a number of external conditions and variables, based on the position at year-end 2023 (ceteris paribus).

Movement	Effect
100 basis point interest rate increase	Direct result per share € 0.10 down
25 basis point increase of net initial yield used in appraisals	Indirect result per share € 3.82 down, loan-to-value ratio 245 basis points up
100 basis point decrease of the occupancy rate	Direct result per share € 0.04 down

Risk and control framework

The integrated risk and control framework is divided into four risk areas: (i) strategic, (ii) operational, (iii) financial, and (iv) compliance risks. The framework then indicates the probability of a risk occurring and its potential impact. Finally, internal owners have been identified for each risk, who are responsible for the implementation of the related control measures.

The Executive Board carries out an annual analysis of the potential risks that may jeopardise the realisation of Vastned's strategic goals and other objectives. This analysis forms part of the annual business plan and is discussed with the Supervisory Board. The risk and control framework is adjusted annually based on the outcome of these discussions.

Each quarter, the Supervisory Board is updated on the progress of the control of the improvement measures based on a dashboard.

Supplementary to the risk and control framework, fraud risk factors have also been assessed. The identified fraud risks relate to the following risk areas:

- Quality of staff and advisers;
- Execution of transactions;
- The quality of property valuations;
- Controlling costs;
- Controlling the IT environment;
- Reporting risks;

and
- Third parties and conflicts of interest.

Vastned considers the measures taken to control the risks mentioned above as sufficient and adequate to control any fraud risks.

Representation letters
At least once a year, the most senior Vastned manager in each country signs a representation letter in which they declare that, to the best of their knowledge:

- They have taken all reasonable measures to ensure that both they and their subordinates have complied with Vastned's Code of Conduct and administrative organisational procedures and that there are no conflicts in this area;
- The system of internal controls functions adequately and effectively;
- The reports and financial accounts reflect the transactions fully, fairly and accurately, and do not contain any material misstatements or are otherwise misleading;
- They have brought all events that may materially impact the financial statements to the attention of the Executive Board and that these have been included in the reports;
- All contractual obligations that may impact present and future activities have been complied with;
- There are no claims that have not yet been brought of which their lawyer has advised them that they might be justified and should be explained;
- That the country organisation in no way provided loans or guarantees to employees or their families; and
- There have not been any events after the balance sheet date that require an adjustment or explanation in the financial statements.

Monitoring and audits

Monitoring
In 2023, the control measures implemented within Vastned 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 has procedures in place to report incidents, either anonymously or otherwise. No notable incidents were reported in 2023.

Internal audit
Each year, the Audit and Compliance Committee discusses how the internal audit function within Vastned should be shaped.

The internal audit function has been subcontracted to BDO Consultants B.V. since 2016. In 2022, BDO Consultants B.V. was instructed 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 is active. No material findings were noted during the audits executed in 2023; however, Vastned received valuable recommendations. Vastned took note of these recommendations, and procedures were adjusted when deemed necessary.

Outlook

The following year will be one of transition. Therefore, Vastned does not provide guidance on the direct result for the 2024 full year at this stage.

Responsibility statement

In line with best-practice provision 1.4.3 of the Dutch Corporate Governance Code and Article 5.25c of the Financial Supervision Act, the Executive Board states that, to the best of its knowledge:

- The consolidated financial statements provide a true and fair view of the assets and liabilities, financial position and profit of Vastned and its consolidated subsidiaries;
- The Report of the Executive Board provides a true and fair view of the state of affairs, at the balance sheet date and during the 2023 financial year, of Vastned and the affiliated companies whose figures have been included in its annual financial statements, and that the material risks facing the issuing institution are described in the report of the Executive Board;
- The Report of the Executive Board provides sufficient insight into shortcomings in the functioning of the internal risk management and control systems (see chapter Risk management and internal control, starting on page 62);
- These systems provide a reasonable degree of certainty that Vastned's financial reporting does not contain any material inaccuracies (see chapter Risk management and internal control, starting on page 62);
- Based on the current state of affairs, it is justified that the financial reporting has been drawn up on a going concern basis (see chapter Financial Statements, starting on page 95); and
- The Report of the Executive Board describes the material risks and uncertainties that are relevant to the anticipation of the continuity of the company for a period of 12 months following the preparation of the report (see chapter Risk management and internal control, starting on page 62).

Hoofddorp, 14 February 2024

The Executive Board of Vastned Retail N.V.

Reinier Walta, CEO

Dividend policy and proposal

Dividend policy

The dividend policy stipulates that Vastned will distribute at least 75% of the direct result of the financial year per share as a dividend. In principle, no stock dividend is distributed. The dividend policy therefore prevents share dilution caused by stock dividend. The annual dividend distribution is undertaken customarily by means of an interim and a final dividend. After the publication of the half year results, an interim dividend is paid out of 60% of the direct result per share for the first half year.

Vastned believes that a dividend distribution of at least 75% of the direct result leaves sufficient room for acquisitions, while striving for a conservative financing strategy that aims to limit, from a long-term perspective, the loan capital financing to below 40% of the market value of the property. At the same time, its dividend policy generates a stable return for its shareholders. In this way, the dividend policy contributes to long-term value creation by the company. In addition, Vastned declares its dividend taking account of the conditions attaching to the status of a fiscal investment institution within the meaning of Section 28 of the 1969 Corporation Tax Act.

Dividend distribution for 2022 and dividend proposal for 2023

The Annual General Meeting of 20 April 2023 declared a dividend for the 2022 financial year of € 1.85 per share, which was charged to the freely distributable reserves. As an interim dividend of € 0.59 per share was paid in August 2022, the final dividend for 2022 amounted to € 1.26 per share.

In the Annual General Meeting of 25 April 2024, Vastned will propose to declare a dividend for the 2023 financial year of € 1.85 per share and charge it to the freely distributable reserves. Taking the interim dividend of € 0.57 into account that has already been distributed in August 2023, a final dividend for 2023 will be declared of €1.28 per share, if this proposal is adopted by the meeting. The final dividend for 2023 will be made payable on 3 May 2024.

Report of the Supervisory Board

Report of the Supervisory Board

As we reflect on the dynamic landscape of the past year, Vastned navigated a series of challenges and triumphs in 2023. Continuing to build on the resilience shown in the previous year, the company is actively navigating through ongoing global uncertainties, while adapting to the dynamic economic landscape.

2023 witnessed the outcome of a strategic reorientation that unfolded with divestments and the successful resolution of financial challenges through a bridge financing solution, the initial results of which were evident at the start of 2024. Against this backdrop, the Supervisory Board closely monitored the developments, ensuring commitment to safeguarding the interests of Vastned and its stakeholders.

In the face of external uncertainties, Vastned's operational performance remained robust, a testament to the company's strategic agility and the enduring strength of its high-quality portfolio. The locations where Vastned operates experienced substantial footfall, driven by increased demand for well-located retail space. Remaining high inflation numbers which form the basis for the rent indexations further contributed to the company's rental income.

However, this period was not without its complexities. Economic headwinds, rising interest rates, and higher energy prices created a challenging environment. Additionally, the decision to abolish the fiscal investment institution (FII) regime by January 2025, added another layer of anticipation and strategic consideration.

Against the backdrop of these challenges, the Supervisory Board acknowledges the proactive measures taken by the Executive Board. The outcome of the strategic reorientation, initiated in response to the evolving market context, aims to unlock value for Vastned and all its stakeholders. This process, taking place in a challenging investment market, has been marked by a continuous strive for the optimal result for all stakeholders. This resulted in divestments and the arrangement of a bridge loan, covering the September 2024 loan maturities. These achievements underscore the commitment to adaptability and long-term sustainable value creation.

Throughout the year, the Supervisory Board diligently fulfilled its duties and responsibilities, emphasising compliance with the Corporate Governance Code. This report offers a detailed overview of our supervision, emphasising the outcome of the strategic reorientation and the operational robustness of the company. A comprehensive analysis of the policies implemented and the objectives achieved can be found in the Report of the Executive Board, starting on page 12.

As we continue to navigate an ever-changing landscape, the Supervisory Board remains committed to ensuring the prudent governance and strategic vision necessary for Vastned's sustainable long-term success.

Annual General Meeting

The Annual General Meeting (AGM) of shareholders was held on 20 April 2023 in Amsterdam. The Supervisory Board was pleased with the successful adoption of all resolutions, with a substantial majority of 91% or more in shareholder support. Shareholders endorsed the financial statements for the 2022 fiscal year and approved a dividend of € 1.85 per share. With € 0.59 per share already distributed as interim dividend in August 2022, the final dividend for 2022 was set at € 1.26 per share.

The proposal to grant discharge to the sole member of the Executive Board and the members of the Supervisory Board for the 2022 financial year received significant approval. Shareholders' positive advisory vote on the 2022 Remuneration report reflects confidence in the company's remuneration policies. No changes were proposed or adopted regarding the composition of the Supervisory Board, ensuring stability and continuity.

The Supervisory Board extends gratitude to shareholders for their active participation and support during the AGM. The adopted resolutions reflect a shared commitment to the company's strategic direction and financial well-being. The Supervisory Board remains dedicated to transparent communication, effective governance, and delivering sustained value to shareholders.

Strategy

The Supervisory Board supports the outcome of the strategic reorientation, which was unveiled in July 2023 in response to shifting market dynamics. This strategic initiative aims to unlock value and enhance resilience in light of evolving economic landscapes.

After an exhaustive analysis, the Executive Board identified divesting specific assets as the optimal strategy. This approach is anticipated to generate immediate value, improve the balance sheet, and enhance financial ratios, providing flexibility for future market opportunities and securing stable returns for shareholders.

The divestment process has commenced with a tailored approach. Simultaneously, Vastned is exploring structural adjustments to align with its size and nature, emphasizing a preferred singe listing and addressing the impact of the FII regime abolishment.

Acknowledging recent governmental changes and potential legislative uncertainties, Vastned remains prudent in preparation for the future. The Supervisory Board supports these decisions, emphasizing the importance of divestments at optimal prices and sound financial management in navigating uncertainties. This approach positions Vastned to optimally create long-term value for its stakeholders in the near future.

Sustainable long-term value creation (ESG)

The Supervisory Board acknowledges the Executive Board's ESG approach, structured around Environmental Impact, Urban Liveability, and Consumer and Tenant Satisfaction. The adoption of the CRREM methodology in tackling environmental challenges within our unique real estate portfolio exemplifies a pragmatic and sustainability-focused strategy.

Vastned's efforts in enhancing urban liveability through the preservation of heritage in city centers align with our strategic objectives. This approach contributes positively to both cultural preservation and community engagement.

On the aspect of Consumer and Tenant Satisfaction, Vastned's ethical business practices are integral to our long-term strategy, reinforcing our commitment to sustainable business operations. The upcoming Double Materiality assessment reflects a significant step towards deeper ESG integration within our core business, aligning with the latest CSRD guidelines.

Performance

The Supervisory Board is satisfied with the operational performance in 2023, particularly noting the strong collection rate of 99.1%, outstanding financial occupancy rate of 97.7%, and strong like-for-like rental growth of 8.6%.

The Supervisory Board is satisfied with the operational performance in 2023, particularly noting the strong collection rate of 99.1%, outstanding financial occupancy rate of 97.7%, and strong like-for-like rental growth of 8.6%

The valuations have decreased, which is not surprising in an environment of increasing interest rates. At the same time, the Supervisory Board expects the quality of the portfolio to ensure a stable value trend in the future.

Financing

Vastned has a conservative financing structure. The long-term target for the loan-to-value ratio is a maximum of 40%. We are pleased that the collaborative efforts of two of our relationship banks has enabled Vastned to secure a bridge loan. This bridge loan will be used to meet the € 240 million loan maturities in 2024, affording us the flexibility needed and maintaining our financing at attractive rates for the coming years.

Business plan

Every year, the Supervisory Board discusses the business plan for the next three years with the Executive Board, including a detailed financial plan, and subsequently approves it. Progress on the targets set out in the business plan and progress on the strategy are monitored at least once per quarter.

Executive Board (Mr Reinier Walta)

The proposal to appoint Reinier Walta as the sole statutory director of Vastned was adopted at the 2021 AGM, resulting in the statutory Executive Board consisting of only one member, namely the CEO and Managing Director, Reinier Walta. This structure is deemed appropriate for the organization's size. In addition, three supplementary measures were implemented in 2021 to bolster a balanced corporate governance framework, aiming to provide a sufficient counterweight to the sole director. These measures include the establishment of an Executive Committee to support the CEO, enhancing decision-making through countervailing power, reducing authorization matrix thresholds to involve the Supervisory Board more frequently in financial decisions, and introducing an escalation option from the Executive Committee to the Supervisory Board. Furthermore, the Executive Board maintains regular bilateral communication with the Chairman of the Supervisory Board to ensure effective oversight and governance.

For an overview of the remuneration of the Executive Board, please refer to section Remuneration of the Executive Board, starting on page 87

Risk management

The company's risk management and risk appetite are key issues for the Supervisory Board. For this reason, during all regular meetings in 2023, attention was devoted to the main risks involved in the business operations of the company based on the Risk and Control Framework (RCF). The framework was updated and revised as a result of the risk analysis that was carried out. Climate-related and environmental risks, along with relevant ESG factors in data collection and reporting, are incorporated in this RCF. The set-up and functioning of the corresponding internal risk management and control systems were also periodically evaluated and discussed with the Supervisory Board. Examples of risks discussed included those in the realms of ESG, the valuation process, interest and financing, maintaining rent levels, occupancy rate, and debtors, among other areas. For a comprehensive overview of risk and internal control, we refer to the chapter Risk management and internal control, starting on page 62.

Evaluation of the external auditor

On 25 June 2020, the AGM resolved to (retrospectively) reappoint Ernst & Young Accountants LLP (EY) as of 1 January 2020 as the external auditor for a term of four financial years. The Chair of the Supervisory Board and the Chair of the Audit and Compliance Committee consult at least once a year with the external auditor regarding the latter's performance. In the opinion of the Supervisory Board, the collaboration with EY during the 2023 financial year was fit for purpose.

Deloitte auditor appointment for 2024-2027 at AGM

The Supervisory Board intends to recommend external auditor Deloitte for appointment to the AGM, following a selection process conducted by the Audit and Compliance Committee. The proposal for the appointment of Deloitte as the new external auditor for the audit of the annual accounts from 2024 to 2027 is expected to be presented at the AGM on 25 April 2024, and will be retroactive to 1 January 2024.

Tax

In accordance with the provisions in its Tax Policy, in 2023 Vastned again provided quarterly reports to the Supervisory Board on the execution of the Tax Policy and complied with all relevant rules and regulations regarding tax transparency.

2023 annual results and management letter

In 2023, the results of the 2022 financial year and the 2022 financial statements were discussed. At the end of 2023, EY's management letter for 2023 was discussed with the Supervisory Board. No issues were raised in the management letter that warrant mention in this report.

Internal auditor (BDO)

In 2023, the Supervisory Board convened multiple meetings as part of the Audit Compliance Committee's agenda to deliberate on the findings from internal audits executed by BDO. These sessions form a crucial aspect of our governance framework, focusing on the evaluation of different operational facets. The internal audit function is charged with verifying the efficacy of the internal control measures established within Vastned's risk and control framework. During the year, BDO carried out three audits across several key sectors, underscoring our dedication to thorough internal oversight and accountability. In 2023, BDO issued reports on the following subjects;

1. Full review of IT Outsourcing
2. Review of Risk Management
3. Review of Compliance

The findings from these audits did not reveal any significant issues, indicating the robustness of Vastned's internal control systems.

Diversity and Inclusion

Vastned seeks to ensure diversity within the company in the broadest sense. The Supervisory Board concludes that the Supervisory Board and the Executive Board are a good mix in terms of gender, age, expertise, national and international experience, and background. Vastned's aim is for the Supervisory Board, Executive Board and Executive Committee to each consist of at least 30% women and at least 30% men.

At the end of 2023, the sole statutory director was male.

The Supervisory Board consists of two men and one woman and therefore complies with Vastned gender objectives whereby the underrepresented gender should make out at least 30% of the Board.

The Executive Committee consists of five individuals, including four men and one woman. The composition of the Executive Committee is diverse when it comes to age as well as educational and professional background and heritage. Moreover, with 61% female and 39% male employees, Vastned is a diverse organisation when it comes to gender.

The Supervisory Board is of the opinion that a mixed composition of the Supervisory Board, Executive Board and Executive Committee in terms of gender, age, expertise, national and international work experience and background can contribute significantly to the effective functioning of these bodies. The profiles of both the Executive Board and the Supervisory Board ensure that both bodies are composed appropriately. More detailed information on the individual members of the Executive Board, the Executive Committee and the Supervisory Board is provided in this annual report, in the sections Composition of the Executive Committee, starting on page 59 and Composition of the Supervisory Board, starting on page 61.

Supervisory Board profile

The Supervisory Board consists of three individuals. Given the size of the organisation, this is considered appropriate. The diversity profile for the Supervisory Board, including the specific expertise of each member, is listed below.

	Year of Birth	Gender	International Experience	Management experience	Property	Digitalisation	Finance & Investments	Retail	Social / Governance	Sustainability
Jaap Blokhuis	1958	m	X	X	X		X		X	X
Désirée Theyse	1968	f	X	X		X	X		X	X
Ber Buschman	1961	m	X	X	X		X	X		

Vastned's full Diversity and Inclusion Policy can be downloaded from Vastned's website: https://vastned.com/governance/

Independence Supervisory Board members

All Supervisory Board members are considered to be independent in the sense of the Dutch Corporate Governance Code. Nevertheless, it should be noted that Mr Buschman has a business relationship with Mr van Herk of Van Herk Investments, the largest minority shareholder of Vastned as at 31 December 2023.

Self-evaluation by the Supervisory Board

The Supervisory Board conducted its annual self-evaluation, a key practice in ensuring the Board's effectiveness and commitment to long-term value creation for all stakeholders. This evaluation was significantly enhanced by a comprehensive professional review conducted by an external party in February 2024, with preparatory steps such as interviews initiated at the end of 2023.

The outcomes of this thorough evaluation revealed a effective and professional collaboration within the Board. There was unanimous recognition of each member's interests, with a strategic focus on aligning our actions with the needs of our primary stakeholders. The Supervisory Board has proven its ability to collaboratively guide Vastned towards sustainable, long-term value creation for all stakeholders involved.

These findings affirm our commitment to maintaining a balanced and effective governance structure. They also underscore our dedication to aligning the interests and perspectives of all our stakeholders, thus ensuring a coherent and robust approach to our supervisory responsibilities. This process of reflection and evaluation positions us to continue making impactful contributions to Vastned and its stakeholders in the future.

Resignation schedule Supervisory Board

	Appointment	End-Date	Term
Jaap Blokhuis	2019, 2022	2025	3 years
Désirée Theyse	2022	2026	4 years
Ber Buschman	2022	2024	2 years

2023 financial statements

The Supervisory Board is pleased to present the annual report of Vastned Retail N.V. for the 2023 financial year, as prepared by the Executive Board. The financial statements have been audited by Ernst & Young Accountants LLP, which issued an unqualified audit opinion. In accordance with the proposal of the Executive Board and the recommendations of the Audit and Compliance Committee, the Supervisory Board advises the Annual General Meeting on 25 April 2024:

1. To adopt the financial statements for the 2023 financial year in the form as presented in accordance with Article 26 of the company's Articles of Association;

2. To discharge the member of the Executive Board from liability for the performance of its sole duties in the financial year 2023;

3. To discharge the members of the Supervisory Board from liability for the performance of their duties in the financial year 2023.

Dividend policy

Vastned's dividend policy is to distribute at least 75% of the direct investment result per share as dividends. In principle, stock dividends will not be distributed.

Dividend proposal

The total dividend Vastned proposes to its shareholders accumulates to € 1.85 per share, representing a payout of 92% of the direct result of 2023. Following the interim dividend of € 0.57 per share paid in August 2023, the final dividend is set at € 1.28 per share. On 29 April 2024, the Vastned share is expected to quote ex-dividend, and the final dividend will be made payable on 3 May 2024.

Acknowledgements

The Supervisory Board wishes to express its gratitude to the shareholders and other stakeholders for their confidence in Vastned. The Supervisory Board would like to take this opportunity to thank the Executive Board, Executive Committee and all Vastned employees for their dedication and efforts during the most recent reporting year.

Hoofddorp, 14 February 2024

The Supervisory Board of Vastned Retail N.V.

Jaap Blokhuis, Chair

Désirée Theyse

Ber Buschman

Members and attendance

Supervisory Board meetings 2023	Regular	Extra meetings	Total
Jaap Blokhuis	6/6	5/5	11/11
Désirée Theyse	6/6	5/5	11/11
Ber Buschman	6/6	5/5	11/11

Other parties attending meetings of the Supervisory Board, either partly or in full, were the CEO, the Head of Asset Management, the Finance Director, Portfolio Managers, the Managing Director Vastned Belgium, the Company Secretary, the external auditor, EY, and the internal auditor, BDO.

In 2023, 11 Supervisory Board meetings took place. All members were present at each of these meetings.

Supervisory Board committees and tasks

The Supervisory Board encompasses two committees, namely the Audit and Compliance Committee and the Remuneration and Nomination Committee. Each of these committees operates under its own regulations that elucidate their procedures. The regulations governing the Supervisory Board and its committees are available for download on Vastned's website https://vastned.com/governance . The Report of the Audit and Compliance Committee, starting on page 82 and Report of the Remuneration and Nomination Committee, starting on page 84 provide valuable insights into the respective activities and recommendations of these two committees

General and working methods

During the regular meetings (six in 2023), regular recurring subjects were discussed and evaluated. These included the financial results and operational state of affairs, as well as the reporting of these issues in press releases, financing, feedback on legal, tax and compliance-related matters and risk management.

During the meetings, the Supervisory Board considered positive and negative developments concerning the business.

In addition to the regular meetings of the Supervisory Board, frequent ad-hoc meetings took place, as well as frequent consultations between individual members of the Supervisory Board and the sole member of the Executive Board (CEO). The CEO and the Chair of the Supervisory Board discussed current events and the general state of affairs within the company on an ongoing basis and held frequent consultations.

The Chair of the Audit and Compliance Committee also had extensive contact with the CEO and Finance Director on financing options and other relevant topics.

The Supervisory Board is supported by the Company Secretary.

His duties include:

- Following correct procedures and acting in accordance with all obligations imposed by applicable law and regulations, including Dutch law, and the Articles of Association (including the obligations under these Regulations);
- Facilitating the provision of information to the Executive Board, the Supervisory Board and the Executive Committee;
- Assisting the Chair of the Supervisory Board with the actual organisation of the Supervisory Board (information, agenda, minutes, evaluation, lifelong learning programme).

2023 Highlights

- Solid results: evidence of high-quality portfolio
- Progress on objectives of 2023-2025 business plan
- Strategic reorientation, outcome and execution

Priorities for 2024

- Monitoring implementation of 2024-2026 business plan
- Ongoing promotion of long-term value creation
- Oversee the execution of the outcomes of the strategic reorientation
- Provide strategic oversight to the sales strategy implementation
- Provide strategic oversight of the refinancing process

Report of the Audit and Compliance Committee

Members and attendance

Audit and Compliance Committee meetings 2023

	Regular: 4
Désirée Theyse (Chair)	4/4
Ber Buschman	4/4
Jaap Blokhuis (guest)	4/4

As at 31 December 2023, the Audit and Compliance Committee had two members: Désirée Theyse (Chair) and Ber Buschman. It has been common practice for Jaap Blokhuis to join the Audit and Compliance Committee meetings as a guest. The complete Supervisory Board was therefore present at all Audit and Compliance Committee meetings in 2023.

Other parties fully or partially attending meetings of the Audit and Compliance Committee were the CEO, the Finance Director, the Company Secretary, the external auditor EY and the internal auditor BDO.

Highlights 2023

- Monitoring of risk and control framework
- Monitoring the effects of the announced abolishment of the FII regime
- Monitoring of follow-up actions following the Yardi implementation
- Preparation of process leading to the selection of Deloitte as the proposed new external auditor, effective 2024 and subject to the appointment of the auditor at the Annual General Meeting in April 2024.

Priorities for 2024

- Monitoring the effects of the announced abolishment of the FII regime.
- Monitor impact of economic developments on the development of Vastned's portfolio
- Monitoring of risk and control framework
- Evaluation of the Internal Audit Plan for 2023 and formulation and implementation of the Internal Audit Plan for 2024
- Oversee successful onboarding of new external auditor

Duties

The Audit and Compliance Committee is tasked with supervising the Executive Board, in particular, on financial and compliance issues and with providing advice in this area to the Supervisory Board. The Committee supervises, amongst others:

- The financial reporting process
- The statutory audit of the annual accounts and the consolidated annual accounts
- The company's risk management system
- Compliance with laws and regulations and the functioning of the codes of conduct

The Audit and Compliance Committee reports its deliberations and findings to the Supervisory Board on a quarterly basis.

Furthermore, the Committee reports to the Supervisory Board at least once a year on developments in the relationship with the external auditor. The performance of the external auditor is evaluated every year. The regulations of the Audit and Compliance Committee can be downloaded from Vastned's corporate website: https://vastned.com/governance/

Explanation of meeting topics and other information

The Audit and Compliance Committee held four meetings in 2023.

During the reporting year, one meeting was held with EY in the absence of the Executive Board.

In the various meetings, many regular topics were discussed in detail, including:

- The 2022 annual accounts
- The (interim) financial reporting for the 2023 financial year
- The executed internal audits in 2023
- The Risk and Control Framework
- Cyber security
- Fiscal matters
- Letting risks
- Financing, interest management and liquidity of the company
- Insurance matters
- Calamities and liability risks
- The company's tax and legal position
- The intended abolishment of the FII status for companies such as Vastned
- Internal control and administrative organisation
- Integrity and publicity risks
- IT risks
- Compliance with relevant legislation and regulations
- Risk management

Report of the Remuneration and Nomination Committee

Members and attendance

Remuneration and Nomination Committee meetings 2023

	Regular: 2
Ber Buschman (Chair)	2/2
Jaap Blokhuis	2/2
Désirée Theyse (guest)	2/2

As at 31 December 2023, the Remuneration and Nomination Committee had two members: Ber Buschman (Chair) and Jaap Blokhuis. It has been common practice for Désirée Theyse to join the Remuneration and Nomination Committee meetings as a guest. The complete Supervisory Board was therefore present at all Remuneration and Nomination Committee meetings in 2023. Other parties fully or partially attending meetings of the Remuneration and Nomination Committee were the CEO and the Company Secretary.

In 2023, the Remuneration and Nomination Committee concentrated on its core tasks. This included setting objectives for the sole member of the Executive Board, evaluating his performance, and preparing for the upcoming Annual General Meeting (AGM).

Supervisory Board and Executive Board succession planning

The Supervisory Board faces a staggered expiration of appointment terms: Mr Ber Buschman in 2024, Mr Jaap Blokhuis (Chair) in 2025, and Ms Désirée Theyse in 2026. In anticipation of this, the Supervisory Board proposed the reappointment of Mr. Ber Buschman for another two-year term, a recommendation that will be presented for approval at the AGM in April 2024. The Supervisory Board recognises the upcoming situation in 2025, when the terms of both the sole member of the Executive Board and the Chair of the Supervisory Board are scheduled to expire. With this foresight, the year 2024 will be strategically utilised to engage in a thorough and thoughtful deliberation process. This process will revolve around several considerations.

Firstly, there will be an in-depth evaluation and contemplation regarding the proposed appointments for 2025. This will involve a careful analysis of the roles, responsibilities, and the overarching impact these appointments are likely to have on Vastned's future.

Secondly, the execution and realisation of the outcomes from the strategic reorientation will be a significant area of focus. This phase will be critical in ensuring that the decisions and actions taken align with the long-term vision and objectives of Vastned, effectively steering it towards its desired future state.

Lastly, the strategic future of Vastned will be a central theme in these deliberations. In navigating this aspect, the foremost principle will be the consideration of the interests of all stakeholders. This guiding principle will ensure that the decisions and actions taken are not only in alignment with the organisational goals but also resonate with and support the needs and expectations of the wider stakeholder community.

Benchmarking and updated RTSR peers list

In accordance with the Remuneration Policy for the Executive Board and Remuneration Policy for the Supervisory Board, the Supervisory Board ensures periodic updating of the peers in the Labour Market Reference Group and the peers of the Relative Total Shareholder Return (RTSR) test. As of January 2023, the Supervisory Board adjusted the two peer groups to keep them relevant within the framework of the remuneration policy. Subsequently, a benchmarking of the Labour Market Reference Group took place. The calculation of the Long-Term Variable Remuneration ('LTI') incentive, based on Relative Total Shareholder Return ('RTSR') for the financial year 2023, has been conducted using the newly revised composition of the RTSR peer group. For an in-depth understanding, please refer to the Remuneration Policy for the Executive Board, available at Vastned's website: https://vastned.com/governance/.

Remuneration Report

The 2023 Remuneration Report for the Executive Board and the Supervisory Board is included in the next section of this annual report. The Remuneration Report will be submitted to the Annual General Meeting on 25 April 2024 for an advisory vote.

2023 Highlights

- Updating the peers list for the Labour Market Reference Group and RTSR Reference Group
- Benchmarking Labour Market Reference Group
- Monitoring of Business Health test, including an ESG target, as part of LTI
- Execution of 360-degree evaluation of the Executive Board
- Determination of STI for 2023 and LTI for the 2021-2023 period
- Preparation of Self-evaluation of the Supervisory Board
- Preparation for the nomination at the AGM for the reappointment of Ber Buschman

Priorities for 2024

- Setting the 2024 STI targets
- Incorporation of ESG target within the Business Health test as part of LTI of the Executive Board
- Execution of 360-degree evaluation of the Executive Board
- Succession planning for the Supervisory Board
- Succession planning for the Executive Board
- Self-evaluation of the Supervisory Board

Duties

The duties of the Remuneration and Nomination Committee include:

- Preparation of the decision-making process for recruitment and selection, including drawing up selection and appointment criteria
- Periodic evaluation of the Executive Board and Supervisory Board
- Periodic assessment of the size of the Supervisory Board
- Preparation of the decision-making process for the Remuneration Policy for the Executive Board and Supervisory Board
- Preparation of the annual accounting for the Remuneration Policy conducted in the Remuneration Report and its submission to the AGM for an advisory vote

The regulations of the Remuneration and Nomination Committee can be downloaded from Vastned's corporate website:
https://vastned.com/governance/

Remuneration Report 2023

Remuneration Report 2023

This remuneration report consists of two sections: the first part outlines the remuneration for the sole member of the Executive Board in 2023, while the second part focuses on the remuneration for the members of the Supervisory Board in the same year.

With regard to the Annual General Meeting (AGM) held on 20 April 2023, all resolutions received significant majority support of 91% or more. Furthermore, the advisory vote for the 2022 Remuneration Report was favourable, with 98.2% of valid votes in favour. In light of this positive vote, the Supervisory Board has chosen to maintain the same structure in the 2023 Remuneration Report as in the 2022 report.

Remuneration of the Executive Board

Vastned's current Executive Board Remuneration Policy was adopted during the Annual General Meeting on 14 April 2022 and took retrospective effect as of 1 January 2022. The Remuneration Policy is available in full on Vastned's website: https://vastned.com/governance/

Policy at a glance

The Remuneration Policy contributes to the company's strategy, long-term interests and sustainability through:

- The establishment of a clear and transparent remuneration policy, which complies with the most recent (also international) corporate governance standards.
- Alignment of the remuneration policy with the Vastned strategy, aimed at stimulating predictable and stable results;
- The further strengthening of the relationship between the Executive Board's performance and remuneration;
- The alignment of interests of the Executive Board with shareholder interests by further stimulating long-term shareholding;
- The ability to attract, motivate and retain executives of the highest level.

The policy and its implementation are shaped in such a way that members of the Executive Board receive remuneration that is in line with Vastned's identity as a European listed property company of which the main focus is to create long-term value for all stakeholders. Within this ambition, special attention is given to the social context and the society to which Vastned belongs, with due observance of the business' necessary competitiveness. The principle in this regard is that the total remuneration of the Executive Board, also in view of the weight of the position and the responsibilities associated with a listed property company, must be in reasonable proportion to the salaries and employment conditions of Vastned's employees at all times, and in line with the pay ratios in place within the company.

Employment agreement of the Executive Board

Duration of the agreement

Since 1 December 2020, Reinier Walta has held the position of interim CEO. The proposal for the appointment of Mr Walta as the sole statutory director (CEO) of Vastned was adopted during the Annual General Meeting on 15 April 2021. Mr Walta's appointment is for a four-year term, starting on 15 April 2021 and ending after the AGM held in 2025. For the sole member of the Executive Board, Vastned must observe a termination period of six months; the member himself three months. The employment contract of the sole member of the Executive Board complies with the Dutch Corporate Governance Code.

Dismissal payments

Dismissal payments are limited to 12 months' fixed remuneration.

Share ownership guidelines

Based on the share ownership guidelines in the Remuneration Policy, the sole member of the Executive Board must build up a position in Vastned shares equal to 300% of the most recently adopted fixed remuneration, whereby the Executive Board should strive to build up the minimum shareholding within five calendar years.

Position at year-end 2023

As at year-end 2023, Mr Walta had accumulated a Vastned shareholding of 9,975 shares at his own personal expense. At a closing share price of € 20,10 this represented 51.4% of Mr Walta's fixed remuneration as at 31 December 2023. As such, Mr Walta has yet to meet the minimum shareholding requirement. According to the share ownership guidelines outlined by Vastned, the sole member of the Executive Board is obliged to use the cash payment under the LTI plan to acquire Vastned shares until the share ownership guidelines are met.

Fixed remuneration

As of 2022, the fixed remuneration of the CEO is € 390,000 per annum, excluding social security contributions and pension. No annual inflation adjustment has been applied to the CEO's fixed remuneration in 2023.

The following diagram presents the fixed remuneration, including social security contributions, of the Executive Board during the period 2019 to 2023.

Total fixed remuneration Executive Board

€ thousand	2023	2022	2021	2020	2019
CEO	405.5	403.7	397.2	427.4	470.8
CFO	0.0	0.0	0.0	303.2	332.8
Total	**405.5**	**403.7**	**397.2**	**730.6**	**803.7**
diff. EURO	1.7	6.6	(333.4)	(73.1)	14.6
diff. %	0.4	1.6	(45.6)	(9.1)	1.8

Variable remuneration

In alignment with our established Remuneration Policy, Vastned maintains a structured approach to variable remuneration, which is capped at 100% of the fixed remuneration excluding social security contributions . This variable remuneration is divided into two key components: 40% is allocated to short-term variable remuneration (STI), and 60% is reserved for long-term variable remuneration (LTI).

Short-term incentives

The Short Term Incentive (STI) is designed to reflect and support the operational and strategic ambitions of Vastned as outlined in our business plan. Each year, the Supervisory Board proactively sets the STI targets in advance, ensuring they are closely aligned with Vastned's business objectives.

These STI targets comprise three quantitative objectives and one qualitative objective, each carrying an equal weight of 25% towards the total STI. For the quantitative objectives, a defined threshold and a maximum award limit are set. The threshold represents the minimum performance level required for any STI to be granted, corresponding to a 15% weight of the total STI. Conversely, the 'maximum' award carries a weight of 25% of the total STI. The allocation of STI between these two markers is carried out on a pro-rata basis, offering a fair and transparent mechanism to evaluate and reward executive performance. While establishing the targets for variable remuneration, scenario analyses were taken into account, adding depth to our overall methodology.

This framework is a reflection of our commitment to a remuneration structure that is not only competitive but also responsible and aligned with the long-term interests of all our stakeholders, ensuring that executive compensation is directly linked to the company's success.

Like-for-like gross rental growth (STI 1)

The first quantitative STI target in 2023 concerned the goal of achieving a like-for-like gross rental growth of 6%. This target was chosen as a key indicator of the company's ability to enhance and optimise the value of its existing property portfolio, reflecting our commitment to sustainable growth in a competitive market. The lower bound for this target was set at 5% (awarding 15% of the total STI), and the upper bound was 7% (awarding 25% of the total STI). The like-for-like gross rental growth amounted to 8.6% at year-end 2023. In 2023, the significant like-for-like gross rental growth demonstrates our proficiency in effectively passing on inflation-driven cost increases through rental adjustments.

Financial occupancy rate (STI 2)

The second quantitative STI target was to achieve a financial occupancy rate of at target 97%. This target was chosen as a key indicator of Vastned's operational efficiency and its capacity to maximise revenues from its property portfolio. The threshold for this target was set at 96% (with a corresponding STI award of 15% of the total STI), while the upper bound was established at 98% (granting 25% of the total STI). The financial occupancy rate at year-end 2023 was 97.7% The achievement of this target is a testament to Vastned's focus on property optimisation and tenant engagement, ensuring that the properties not only attract but also retain high-value tenants.

Pop-up contracts (STI 3)

The third quantitative STI target for 2023 was a focused initiative to reduce the proportion of short-term, 'pop-up' lease contracts within our total rental income, thereby enhancing revenue predictability and stability. To assess our progress against this target, the following benchmarks were set: threshold: 0.7% of gross rental income, qualifying for a 15% STI award, and Upper Limit Target: 0.3% of gross rental income, qualifying for a 25% STI award. At year-end 2023, 1.1% of our total rental income stream was attributed to short-term 'pop-up' contracts. While this outcome did not meet the criteria for the STI award, it nonetheless signifies a significant stride towards our pre-set objective. This achievement indicates an effective portfolio management and a strategic shift towards securing longer-term lease agreements, which is essential for our long-term financial health and stakeholder value.

Long-term value creation (STI 4)

In 2023, the Executive Board adeptly executed the 2023 - 2025 Business Plan and strategic initiatives for Vastned, with a strong focus on long-term value creation. This included the successful management of financing processes, even under challenging market conditions, and the achievement of successfully selling various assets. Key performance indicators for the year included the progress towards refinancing, significant strategic decision-making, and the effective execution of these asset sales. The Supervisory Board's evaluation recognises that the actions taken in 2023 were strategically sound, ensuring the company remained aligned with its planned trajectory. In light of these accomplishments, especially the proficient handling of financing and asset sales in a challenging market environment, the Supervisory Board decided on a 20% STI award. This decision reflects the Supervisory Board's confidence in the Executive Board's strategic management and his continuous commitment to fostering long-term sustainable value creation.

This brings the CEO's total STI to 68.5% (25% + 23.5% + 0% + 20% realisation of the STI targets) * 40% (weight of STI in total calculation) * annual salary (€ 390,000) = € 106,860

Schematically, the structure of the Executive Board's STI can be represented as follows:

#	Test	Weight of total STI	Threshold	Maximum	Realisation	STI award %	STI award absolute
1	Like-for-like gross rental growth	25%	5%	7%	8.6%	25%	€ 39,000
2	Financial Occupancy Rate	25%	96%	98%	97.7%	23.5%	€ 36,660
3	Pop-up contracts	25%	0.7%	0.3%	1.1%	0%	€ 0,-
4	Qualitative STI target	25%	-	-	80%	20%	€ 31,200
Total		**100%**				**68,5%**	**€ 106,860**

Long-term incentives 2021-2023

The LTI can range from 0% to a maximum of 60% of the fixed remuneration, and in each year covers a three-year period. The 2023 LTI covers the period 2021-2023. The LTI scheme has the following three elements:

- A Relative Total Shareholder Return (RTSR) test (40%);
- An Absolute Total Shareholder Return (ATSR) test (30%);
- A Business Health Test (30%)

Relative Total Shareholder Return (RTSR)

The RTSR test accounts for 40% of the total LTI. The RTSR-test allocation is determined by Vastned's ranking within its reference group, based on the total shareholder return of the Vastned share at the end of the three-year performance period, in accordance with the following scale: 1: 100%, 2: 86%, 3: 72%, 4: 58%, 5: 44%, 6 :30%, 7-12: 0%. In the designated peer group, Vastned ranked 9th according to the year-end 2023 data, resulting in a 0% award from the RTSR test. It should be noted that for the 2021-2023 and 2022-2024 LTI grant periods, the performance of Deutsche EuroShop and Shaftesbury will continue to be indexed despite their removal from the peer group as of 1 January 2023; consequently, Vastned's ranking is positioned at 9th place out of 14. For a full description of the test and the peer group, please refer to Paragraph 4.3.2.2 of the Remuneration Policy for the Executive Board, which can be consulted on the Vastned website https://vastned.com/governance/

Absolute Total Shareholder Return (ATSR)

The ATSR test sets 30% of the total LTI. The threshold for the realisation of the ATSR is 10% ATSR and realisation above 25% ATSR results in the maximum award. As at 31 December 2023, the total shareholder return for the period 1 January 2021 up to and including 31 December 2023 was + 5.85%. Given that, at the reference date, the ATSR for the period 1 January 2021 up to and including 31 December 2023 was not above 10% at year-end 2023, 0% LTI is payable based on the ATSR test. For a full description of the test, please refer to Paragraph 4.3.2.3 of the Remuneration Policy for the Executive Board, which can be consulted on the Vastned website https://vastned.com/governance/.

Business Health Test (including an ESG target)

The Business Health Test determines 30% of the total LTI. The purpose of the test is to ensure, to the extent possible, that short-term incentives are not predominant in determining the policy and that the Executive Board keeps the long-term strategy in mind at all times. As a starting point for the test's evaluation process, the impact of the annual STI targets over a three-year period is measured. Other, non-financial performance indicators are also considered, including strategic leadership, 'tone at the top', employee satisfaction, implementation of the strategy and corporate social responsibility. A quantitative environmental, social and/or governance (ESG) target represents at minimum 1/3 of the Business Health Test (representing 10% of total LTI) and a maximum of 2/3 of the Business Health Test (representing 20% of total LTI).

Long-term value creation

The Supervisory Board has evaluated the Executive Board's strategic leadership, the tone at the top (important also in the context of risk management), employee satisfaction and the implementation of the strategy. The Remuneration and Nomination Committee has also taken these aspects into account in its deliberations. This formed part of an extensive 360-degree evaluation of the sole member of the Executive Board, for which several discussions were held with staff, members of the Executive Committee and country managers. In these interviews, questions are asked about the prevailing culture within Vastned. This verifies the extent to which behaviour and actions are aimed at long-term value creation. In the view of the Supervisory Board, the CEO's attitude and behaviour are aimed at creating long-term value for Vastned and its stakeholders. The culture within Vastned can be described as open, informal, professional and aimed at serving the interests of all stakeholders. The 360-degree review resulted in a positive evaluation of Mr Walta.

ESG target

The ESG target is a significant driver within the Business Health Test, accounting for a third of its weight and contributing 10% to the total LTI. In 2023, the quantitative ESG target focused on integrating the CRREM (Carbon Risk Real Estate Monitor) analysis for the Netherlands into our forward-planning. Achievement of the full ESG score was contingent upon the incorporation of this analysis into explicit objectives, including a capital expenditure (capex) budget for 2024 and beyond. Although this specific, measurable ESG target was not met, we did make significant progress with the CRREM baseline study in the Netherlands, which is a testament to our commitment to sustainable long term value creation. This foundational work sets the stage for an analogous CRREM study scheduled in France for 2024. The collective insights from these studies will inform the development of comprehensive sustainability goals. This is particularly pertinent as Vastned advances towards the formulation of its Scope 1 and 2 emissions reduction targets in 2025.

Business Health Test Score outcome

The Business Health Test, encapsulating a holistic view of long-term value creation, including leadership dynamics, strategic execution, and ESG objectives, has been evaluated by the Supervisory Board, culminating in a discretionary award of 20% for the overall LTI score.

For a full description of the Business Health Test, please refer to Paragraph 4.3.2.4 of the Remuneration Policy for the Executive Board, which can be inspected on the Vastned website https://vastned.com/governance/.

This brings the CEO's total LTI to 20% (0% + 0% + 20% realisation of the LTI targets) * 60% (weight of LTI in total calculation) * annual salary (€ 390,000) = € 46.800

Schematically, the structure of the sole member of the Executive Board's LTI for the period 2021-2023 can be represented as follows:

#	Test	Weight of total LTI	Realisation test	LTI award %	LTI award absolute	Comments
1	Relative Total Shareholder Return test ('RTSR')	40%	9th	0%	€ 0	Vastned finished in 9th position within the reference group
2	Absolute Total Shareholder Return test ('ATSR')	30%	+5.85%	0%	€ 0	No payment because the minimum was not achieved
3	Business Health test	30%	66.6%	20%	€ 46,800	The Business Health Test resulted in a 20% payout
Total		**100%**		**20%**	**€ 46,800**	

Total variable remuneration

The total variable remuneration (STI + LTI) amounts to € 153,660, which equates to 39.4% of the fixed remuneration.

Incentives Executive Board 2022

The Supervisory Board has not availed itself of its right to adjust or recover the incentives awarded to the sole member of the Executive Board during the 2022 reporting year or earlier.

Pension

The sole member of the Executive Board does not pay his own contributions to his pension schemes; these contributions are paid by Vastned. Mr Walta's pension was based on a defined contribution scheme as of 1 January 2020. Based on the Pension Agreement, the expected retirement age for Mr Walta is 68 years and 3 months.

Pension compensation

Mr Walta participates in Vastned's pension scheme. On 1 January 2015, the tax relief on pension accrual was adjusted based on new tax legislation, with the effect that only the maximum pensionable salary in any year is now pensionable. It has been agreed with Mr Walta that he is compensated for this adjustment up to the level of the pension contribution which Vastned no longer has to pay in.

The pension contribution for Mr Walta in 2023 was € 30,675 for the part up to the maximum pensionable salary in that year. For the part above the maximum pensionable salary, Mr Walta received compensation of € 35,625 in 2023. This pension compensation does not qualify as part of the fixed remuneration. The total compensation was € 66,300 (17% * € 390,000; fixed remuneration). Based on tax legislation, the partner pension under the pension scheme that is in effect at Vastned is also limited.

Loans

Vastned did not provide any loans or guarantees to the sole member of the Executive Board in 2023.

Total remuneration

The table below presents the total remuneration awarded to the Executive Board in 2023 (€):

	Fixed remuneration	Social security contributions	Pension[1]	Other benefits[2]	STI	LTI	Total
Reinier Walta	390,000	15,454	70,899	20,408	106,860	46,800	650,421

1 Including WIA top-up premiums.
2 Concerns expenses relating to company car.

The following table presents a comprehensive overview of the remuneration and operating results for Vastned, showcasing key financial metrics including turnover, average remuneration of directors and employees, as well as the pay ratio, over a five-year period from 2019 to 2023:

Remuneration and operating results	2023	2022	2021	2020	2019
Operating result					
Turnover (x € 1,000)	72,138	66,378	62,216	64,916	69,288
Direct result (x € 1,000)	34,428	35,177	33,058	31,727	35,041
Average remuneration (on full-time basis)					
Directors of the company (x € 1,000)	630	681	705	502	628
• CEO[1]	630	681	705	585	734
• CFO[1]	-	-	-	419	521
Employees of the company (x € 1,000)	117	108	104	108	106
Pay ratio	5.4	6.3	6.8	5.4	6.9

1 Including social insurance contributions and pension, excluding other benefits. Further context is required regarding remuneration paid with respect to the CFO and CEO positions during the period 2019-2023. Specifically, the CFO remuneration figures presented in the table for the years 2019 to 2020 inclusive relate to remuneration paid to Vastned's former CFO (and current CEO), Reinier Walta. The CEO remuneration figures for the years 2019-2020 inclusive relate to remuneration paid to Vastned's former CEO, while the CEO remuneration figures presented for the years 2021-2023 relate to remuneration paid to Mr Walta. The CEO remuneration figures presented for 2021-2023 include the period Mr Walta spent as interim CEO before taking up the CEO position on a permanent basis on 15 April 2021.

Pay ratios within Vastned

In accordance with the best-practice provisions in the Dutch Corporate Governance Code, Vastned reports on the pay ratios of the Executive Board in comparison to those of a 'representative reference group' defined by the company. Vastned has elected to compare the remuneration of the CEO Mr Walta for the whole of 2023 with that of the average employee.

The total financial remuneration (i.e., excluding non-financial remuneration elements such as travel expenses, but including pension charges) of all Vastned employees (excluding the remuneration of the CEO) for the relevant tax year was used as the reference point. To calculate the ratio, the salaries of employees who, as at 31 December 2023, had not yet been employed for a full year were annualised as if the relevant employee had been employed throughout the year. Adjustments in this calculation were made in case his/her predecessor was employed part of the remaining period of the year. Vastned applies the Code best practice provision 3.4.1. in calculating the pay-ratio, except for the other benefits that are not included in the CEO's remuneration to calculate this ratio. This is done to realize consistency with earlier reports. The ratio of the CEO's remuneration, as depicted in the table on the preceding page, to that of an average employee for the 2023 tax year stood at 5.4:1 (2022: 6.3: 1, 2021: 6.8: 1, 2020: 4.6: 1, 2019: 5.9: 1).

Outlook for 2024

The primary focus areas for remuneration for the Executive Board in 2024 are expected to encompass several key objectives. Firstly, we will continue to focus on the financial occupancy rate, with a more ambitious goal than in 2023, underscoring our persistent commitment to operational efficiency and property optimisation.

Another significant aspect is the disposition target, which centres on the completion of property sales by the end of 2024. This target is not just about the volume of sales but also includes specific stipulations for sales agreements and conditions, ensuring that we achieve the optimal result for all stakeholders. For Vastned it is important that each sale aligns with the overall strategic direction and long term value creation.

Qualitative targets will also play a vital role, involving the implementation of strategic plans and initiatives geared towards long-term value creation. This includes a focus on various business aspects such as restructuring, especially in light of the abolishment of the FII regime as per January 2025. This approach reflects a more holistic view of business performance and strategic direction.

Lastly, the Long-Term Incentive (LTI) - Business Health Test will incorporate the ESG target as a significant component. This aspect will particularly emphasise the integration of the CRREM analysis into concrete ESG objectives. Goals such as CO2 emissions reduction and capital expenditure budgeting for 2025 and beyond will be central to this target, aligning long-term incentives with broader sustainability objectives.

Remuneration of the Supervisory Board

Policy at a glance

The remuneration system applicable to the Supervisory Board was adopted at the Annual General Meeting on 14 April 2022 with retroactive effect from 1 January 2022. The policy aligns with the company's strategy, long-term sustainability, and the aim to compete with leading European companies. It emphasises clear and transparent governance practices and aims to ensure stable results. Supervisory Board remuneration does not include performance-related elements, promoting independent oversight of the company's long-term interests. The policy ensures appropriate compensation relative to time and responsibilities while considering internal and external benchmarks and the company's values and social context in Europe's listed property market.

Remuneration Supervisory Board

The remuneration of the Supervisory Board as at 31 December 2023 is as follows (€):

Chair	52,750
Member (not being Chair)	36,000
• Supplement Chair Audit and Compliance Committee	7,750
• Supplement Chair Remuneration and Nomination Committee	6,750
• Expense allowance[1]	1,250

[1] All members received a fixed expense allowance for travel and accommodation of € 1,250 per year, excluding VAT.

Overview of the remuneration granted to the Supervisory Board in 2023

The table below presents the remuneration awarded to the Supervisory Board in 2023 (€):

	Supervisory board	Chair Audit and Compliance Committee	Chair Remuneration and Nomination Committee	Expense Allowance	Total
Jaap Blokhuis	52,750	-	-	1,250	54,000
Désirée Theyse	36,000	7,750		1,250	45,000
Ber Buschman	36,000		6,750	1,250	44,000
Total	**124,750**	**7,750**	**6,750**	**3,750**	**143,000**

Overview of the remuneration granted to the Supervisory Board during 2023 - 2019

The table below presents the remuneration awarded to the Supervisory Board in 2023 – 2019 (€):

	2023	2022	2021	2020[1]	2019
Marc van Gelder		15,750	54,000	48,000	53,000
Charlotte Insinger			13,000	39,000	44,000
Jaap Blokhuis	54,000	51,375	47,500	38,000	
Marieke Bax				20,000	43,000
Jeroen Hunfeld					12,000
Désirée Theyse	45,000	31,875			
Ber Buschman	44,000	31,167			
Total	**143,000**	**130,167**	**114,500**	**145,000**	**181,000**

[1] Including a 15% voluntary waiver over the months of May to December 2020 in connection with COVID-19.

Financial Statements

Consolidated profit and loss account

Net income from property (€ thousand)	Note	2023	2022
Gross rental income	4, 25	72,138	66,377
Other income	4	714	409
Net service charge expenses	4	(113)	(61)
Operating expenses	4	(7,934)	(7,033)
Net rental income		**64,805**	**59,692**
Value movements in property in operation	5	(47,491)	(19,457)
Total value movements in property		**(47,491)**	**(19,457)**
Net result on divestments of property	6	309	635
Total net income from property		**17,623**	**40,870**
Expenditure			
Financial income	7	12	13
Financial expenses	7	(16,967)	(12,018)
Value movements in financial derivatives	7	(7,544)	16,319
Net financing costs		**(24,499)**	**4,314**
General expenses	8	(7,338)	(6,890)
Abortive purchase costs	9	-	(719)
Total expenditure		**(31,837)**	**(3,295)**
Result before taxes		**(14,214)**	**37,575**
Current income tax expense	10	(1,560)	(855)
Movement deferred tax assets and liabilities	10, 19	560	(375)
Total income tax		**(1,000)**	**(1,230)**
Result after taxes		**(15,214)**	**36,345**
Result attributable to Vastned Retail shareholders		(19,261)	31,345
Result attributable to non-controlling interests	28	4,047	5,000
		(15,214)	**36,345**

Per share (€)		2023	2022
Result	11	(1.12)	1.83
Diluted result	11	(1.12)	1.83

Consolidated statement of comprehensive income

(€ thousand)	Note	2023	2022
Result after taxes		(15,214)	36,345
Items not reclassified to the profit and loss account			
Remeasurement of defined benefit obligation	20	(521)	2,163
Other comprehensive income after taxes		**(521)**	**2,163**
Total comprehensive result		**(15,735)**	**38,508**
Attributable to:			
Vastned Retail shareholders		(19,782)	33,508
Non-controlling interests		4,047	5,000
		(15,735)	**38,508**

Consolidated balance sheet as at 31 December

Assets (€ thousand)	Note	2023	2022
Property in operation	14	1,348,746	1,419,335
Accrued assets in respect of lease incentives	14	3,059	3,580
Total property		**1,351,805**	**1,422,915**
Intangible fixed assets		343	318
Tangible fixed assets		870	759
Rights-of-use assets		376	531
Financial derivatives	23	7,308	14,979
Total fixed assets		**1,360,702**	**1,439,502**
Assets held for sale	15	23,937	-
Financial derivatives	23	470	154
Debtors and other receivables	16, 23	12,631	12,730
Cash and cash equivalents	17	1,016	723
Total current assets		**38,054**	**13,607**
Total assets		**1,398,756**	**1,453,109**

Equity and liabilities (€ thousand)	Note	2023	2022
Paid-up and called-up capital	18	95,183	95,183
Share premium reserve		468,555	468,555
Other reserves		120,232	120,796
Result attributable to Vastned Retail shareholders	11	(19,261)	31,345
Equity Vastned Retail shareholders		**664,709**	**715,879**
Equity non-controlling interests	28	80,175	80,072
Total equity		**744,884**	**795,951**
Deferred tax liabilities	19	8,888	9,449
Provisions in respect of employee benefits	20	4,080	3,644
Long-term interest-bearing loans	21	366,135	585,362
Long-term lease liabilities	21, 25	2,953	3,213
Financial derivatives	23	188	-
Guarantee deposits and other long-term liabilities		4,956	4,541
Total long-term liabilities		**387,200**	**606,209**
Payable to banks	21	8,627	3,344
Redemption of long-term interest-bearing loans	21	233,008	24,937
Short-term lease liabilities	21, 25	298	278
Income tax		322	35
Other liabilities and accruals	22	24,417	22,355
Total short-term liabilities		**266,672**	**50,949**
Total equity and liabilities		**1,398,756**	**1,453,109**

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 2022	95,183	468,555	134,929	14,405	713,072	78,927	791,999
Result	-	-	-	31,345	31,345	5,000	36,345
Other comprehensive income	-	-	2,163	-	2,163	-	2,163
Comprehensive income	**-**	**-**	**2,163**	**31,345**	**33,508**	**5,000**	**38,508**
Final dividend for previous financial year in cash	-	-	-	(20,582)	(20,582)	(3,855)	(24,437)
Interim dividend 2022 in cash	-	-	(10,119)	-	(10,119)	-	(10,119)
Contribution from profit appropriation	-	-	(6,177)	6,177	-	-	-
Balance as at 31 December 2022	**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**

Consolidated cash flow statement

Cash flow from operating activities (€ thousand)	Note	2023	2022
Result after taxes		(15,214)	36,345
Adjustments for:			
Value movements in property	5	47,491	19,457
Net result on divestments of property	6	(309)	(635)
Net financing costs	7	24,499	(4,314)
Income tax	10	1,000	1,230
Cash flow from operating activities before changes in working capital and provisions		**57,467**	**52,083**
Movement in current assets		326	116
Movement in short-term liabilities		687	547
Movement in provisions		(229)	(308)
Cash flow from operating activities after changes in working capital and provisions		**58,251**	**52,438**
Interest received		12	13
Interest paid		(14,841)	(11,459)
Income tax paid		(1,274)	(1,656)
Cash flow from operating activities		**42,148**	**39,336**
Cash flow from investing activities			
Property acquisition		-	(1,947)
Capital expenditure on property		(3,292)	(3,028)
Divestments of property		3,224	2,280
Cash flow from property		**(68)**	**(2,695)**
Movement in other fixed assets		(200)	166
Cash flow from investing activities		**(268)**	**(2,529)**

Cash flow from financing activities	Note	2023	2022
Dividend paid	12	(31,388)	(30,700)
Dividend paid to non-controlling interests	28	(3,944)	(3,855)
Interest-bearing loans drawn down	21	18,586	62
Interest-bearing loans redeemed	21, 25	(25,256)	(2,992)
Movements in guarantee deposits and other long-term liabilities		415	629
Cash flow from financing activities		**(41,587)**	**(36,856)**
Net increase/(decrease) in cash and cash equivalents		**293**	**(49)**
Cash and cash equivalents as at 1 January	17	723	772
Cash and cash equivalents as at 31 December		**1,016**	**723**

Notes on the consolidated financial statements

1. General information

Vastned Retail N.V. (hereinafter also referred to as 'the company' or 'Vastned' or the Group'), with its registered office in Amsterdam and principal place of business in Hoofddorp, 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. Properties are located in the Netherlands, France, Belgium and Spain.

Vastned is filed in the trade register of the Chamber of Commerce under number 24262564.

Vastned is listed on the Euronext stock exchange in Amsterdam.

The consolidated financial statements of the company comprise 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 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 2023.

New or amended standards and interpretations that became effective on 1 January 2023

The amended standards and interpretations that came into effect in 2023 are listed below.

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for the financial year beginning 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for the financial year beginning 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for the financial year beginning 1 January 2023)
- Amendments to IAS 12 *Income taxes: International Tax Reform – Pillar Two Model Rules* (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023.)

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

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

- 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)

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 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, but not yet endorsed in the EU)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU)

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 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'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 16 Debtors and other receivables, starting on page 121.

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.

Considering the context of continuing rising interest rates, increasing yields on retail real estate properties and the intention to abolish the FII regime as of 2025, Vastned conducted a strategic reorientation during which we have undertaken a thorough process of evaluating and analysing the different strategic options for Vastned. Ultimately, we have concluded that divesting specific parts of our portfolio at the right price, will unlock immediate value for all our stakeholders. In addition, this process has led to the decision to review the structure of Vastned in the light of the dual listing. These actions will give Vastned flexibility to organise the portfolio in the best way going forward.

As a result, divestments of our properties in Mons, Almelo and Haaksbergen have been concluded in 2023, whereas agreements have been reached to divest various other properties in 2024. The combined sale price of almost € 8.2 million will improve the balance sheet and financial ratios of Vastned, which will create more flexibility to shape the future portfolio of Vastned. In the meantime Vastned continues the process for further divestments, for more details reference is made to note 15 Assets held for sale, starting on page 121 and note 6 Net result on divestments of property, starting on page 114.

Together with existing lenders, Vastned has been able to secure new financing arrangements both at holding level and for our Belgium subsidiary. At holding level, the cooperative stance of two of our relationship banks has enabled Vastned to come to an arrangement for a bridge loan. Subject to future divestments, the bridge loan can be used to repay the € 240 million loan maturities by September 2024 and provide Vastned with the flexibility it requires to execute the strategic reorientation, while keeping existing financing at attractive rates in place. In Belgium all the facilities previously in place of € 125 million have been extended with the existing lenders for new periods of three and five years. The independent status of Vastned Belgium and strong balance sheet ensured that Vastned Belgium has secured all new unsecured financing at all-in rates below 4%. For more details reference is made to note 21 Interest-bearing debts, starting on page 127 and note 23 Financial instruments, starting on page 130.

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders 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 about the group's future 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.

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 of items in the profit and loss account, reference is made to the general principles and notes to these items and to note 13 Fair value, starting on page 117.

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

2023 was marked by the ongoing wars between Russia and Ukraine, between Israel and Palestine and also by rising interest rates. Economic conditions and further tightened plans to abolish the FII regime as of Jan. 1, 2025 will all affect performance for the foreseeable future, although the impact of these issues on Vastned's performance (and its accounting) in 2023 was limited. The continuously rising interest rates had a significant impact on 2023. The going concern assessment above elaborates on this in more depth.

- Abolishment of the FII regime
  In 2023, the Dutch government enacted legislation in January 2025 to abolish the FII (Dutch: "FBI") regime. The proposal underwent specific amendments to provide affected companies with a transition period for business restructuring. Unfortunately, these modifications are unlikely to significantly mitigate the consequences of the FII regime abolition for Vastned. The currently expectation in the future is that the negative effect will be around 10%. However, the plans to abolish the FII regime had no impact on Vastned's financial results in 2023, except for the costs overseeing the restructuring due to the abolishment.
- Accounting implications of geo-political conflicts.
  Vastned has carefully considered its direct and indirect exposures to the wars 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 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'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 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's business model as limited. However, Vastned recognises that these matters could 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 14 Property in operation, starting on page 118 for a more detailed description of the indicated risks and effects.

Leases

- Lease term
  In the accounting of the 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 14 Property in operation, starting on page 118.

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 in note 10 Income tax, starting on page 116.

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 16 Debtors and other receivables, starting on page 121 .

Legal proceedings

As at 31 December 2023, 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.

A legal case of a subsidiary is moving toward completion and is expected to be settled at about € 0.5 million in favour of Vastned.

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. Goodwill is not recalculated or adjusted. 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'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 88% of the total value of Vastned'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 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 2023.

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 and suchlike	5 years
Vehicles	5 years
Computer equipment and reporting software	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 25 Leases, starting on page 135.

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 23 Financial instruments, starting on page 130.

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 carryforward 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.

Segmented information

A segment is a part of Vastned that carries out business operations that result in income and expenses. The operating results of the separate segments are assessed periodically by the Executive Board on the basis of confidential financial information; following this, the Executive Board decides on the allocation of resources to the segments. The segmented information is only presented based on the countries where the properties are located. These reporting segments are consistent with the segments used in the internal reports.

3. Segmented information

	Netherlands		France		Belgium		Spain		Total	
(€ thousand)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Net rental income	28,069	26,839	15,205	13,605	17,929	16,439	3,602	2,809	64,805	59,692
Value movements in property in operation	(15,748)	(13,981)	(28,932)	(3,040)	(39)	(2,560)	(2,772)	124	(47,491)	(19,457)
Net result on divestments of property	305	573	-	102	4	-	-	(40)	309	635
Total net income from property	**12,626**	**13,431**	**(13,727)**	**10,667**	**17,894**	**13,879**	**830**	**2,893**	**17,623**	**40,870**
Net financing costs									(24,499)	4,314
General expenses									(7,338)	(6,890)
Abortive purchase costs									-	(719)
Income tax									(1,000)	(1,230)
Result after taxes									**(15,214)**	**36,345**
Property in operation	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Balance as at 1 January	**608,145**	**619,732**	**406,618**	**409,125**	**320,036**	**322,384**	**82,027**	**81,903**	**1,416,826**	**1,433,144**
Acquisitions	-	1,947	-	-	-	-	-	-	-	1,947
Investments	2,910	2,091	605	533	176	45	-	-	3,691	2,669
Transferred to Assets held for sale	(21,725)	-	-	-	(2,212)	-	-	-	(23,937)	-
Divestments	(2,570)	(1,645)	-	-	(345)	-	-	-	(2,915)	(1,645)
Other	-	-	-	-	-	-	13	-	13	-
Value movements	(15,748)	(13,980)	(28,932)	(3,040)	(25)	(2,393)	(2,772)	124	(47,477)	(19,289)
Balance as at 31 December	**571,012**	**608,145**	**378,291**	**406,618**	**317,630**	**320,036**	**79,268**	**82,027**	**1,346,201**	**1,416,826**
Accrued assets in respect of lease incentives	1,799	2,320	428	426	630	717	202	117	3,059	3,580
Appraisal value as at 31 December	**572,811**	**610,465**	**378,719**	**407,044**	**318,260**	**320,753**	**79,470**	**82,144**	**1,349,260**	**1,420,406**
Ground lease	2,398	2,400	-	-	147	109	-	-	2,545	2,509
Total property	**575,209**	**612,865**	**378,719**	**407,044**	**318,407**	**320,862**	**79,470**	**82,144**	**1,351,805**	**1,422,915**
Other assets[1]	26,541	5,463	4,712	4,509	5,180	3,199	516	215	36,948	13,386
Not allocated to segments[2]									10,002	16,808
Total assets	**601,750**	**618,328**	**383,431**	**411,553**	**323,587**	**324,061**	**79,986**	**82,359**	**1,398,756**	**1,453,109**
Liabilities	16,693	15,933	8,564	8,194	4,322	4,254	9,624	9,628	39,202	38,009
Not allocated to segments[3]									614,670	619,148
Total liabilities									**653,872**	**657,157**

1 The assets held for sale are included in the Other assets.
2 The Other assets not allocated to segments are primarily cash, cash equivalents and other receivables.
3 The liabilities not allocated to segments virtually all concern the financing of the property portfolios in the different countries where Vastned operates. The financing of the property portfolios is managed at the holding level. For this reason, segmenting this financing by country is not relevant.

4. Net rental income

(€ thousand)	Gross rental income[1]		Other income		Net service Charge expenses		Operating expenses		Net rental income	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Netherlands	33,010	30,581	11	-	(124)	12	(4,828)	(3,754)	28,069	26,839
France	16,117	14,782	331	326	44	(19)	(1,287)	(1,484)	15,205	13,605
Belgium	19,077	17,921	372	83	(33)	(53)	(1,487)	(1,512)	17,929	16,439
Spain	3,934	3,093	-	-	-	-	(332)	(284)	3,602	2,809
	72,138	**66,377**	**714**	**409**	**(113)**	**(61)**	**(7,934)**	**(7,033)**	**64,805**	**59,692**

[1] The 2022 gross rental income includes waivers of past due rent in arrears of € 537 thousand and other rent concessions of € 392 thousand related to the Covid-pandemic. In 2023, no waivers and other rent concessions related to the Covid-pandemic were given.

Net service charge expenses (€ thousand)	2023	2022
Attributable to leased properties	110	60
Attributable to vacant properties	3	1
Total net service charge expenses	**113**	**61**
Operating expenses		
Attributable to leased properties	7,725	6,797
Attributable to vacant properties	209	236
Total operating expenses	**7,934**	**7,033**
Operating expenses		
Maintenance	1,874	1,471
Administrative and commercial management[1]	2,886	2,676
Insurance	505	488
Local taxes	1,468	1,489
Letting costs	488	514
Allocation to the provision for expected credit losses (on balance)	117	158
Other operating expenses	597	237
Total operating expenses	**7,934**	**7,033**

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

The 2023 operating expenses include an addition to the provision for expected credit losses of € 117 thousand (2022: € 158 thousand addition). The overview below presents the allocations per country in 2023:

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

(€ thousand)					2022
	Netherlands	France	Belgium	Spain	Total
Allocation to the provision for expected credit losses (on balance)	(219)	402	(25)	-	158

5. Value movements in property

			2023			2022
(€ thousand)	Positive	Negative	Total	Positive	Negative	Total
Property in operation	27,557	(75,048)	(47,491)	18,695	(38,152)	(19,457)

6. Net result on divestments of property

(€ thousand)	2023	2022
Sale price	3,225	2,165
Book value at time of divestment	(2,915)	(1,645)
	310	**520**
Sales costs	(1)	(27)
	309	**493**
Other	-	142
Total result on divestment of property	**309**	**635**

For further explanation, see note 14 Property in operation, starting on page 118.

7. Net financing costs

Interest income (€ thousand)	2023	2022
Other interest income	(12)	(13)
Interest paid		
Long-term interest-bearing loans	16,212	11,661
Short-term credits and cash loans	517	150
Lease liabilities	111	121
Other interest expenses	127	86
	16,967	**12,018**
Total interest	**16,955**	**12,005**
Value movements in financial derivatives	7,544	(16,319)
Total financing costs	**24,499**	**(4,314)**

For further explanation, see note 23 Financial instruments, starting on page 130 .

8. General expenses

(€ thousand)	2023	2022
Personnel costs	5,313	5,303
Remuneration of Supervisory Board[1]	137	142
Consultancy and audit costs	1,877	1,169
Appraisal costs	520	545
Accommodation and office costs	684	720
Other expenses	1,322	1,368
	9,853	**9,247**
Attributed to operating expenses	(2,515)	(2,357)
Total	**7,338**	**6,890**

[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 2023, Vastned employed an average of 31 employees (FTEs) (2022: 30), of which 18 in the Netherlands and 13 abroad (2022: 16 in the Netherlands and 14 abroad).

During the reporting year, € 3.7 million was recognised in salaries (2022: € 3.4 million), € 0.5 million in social insurance contributions (2022: € 0.5 million) and € 0.4 million in pension contributions (2022: € 0.4 million).

The other personnel costs were € 0.7 million (2022: € 0.8 million).

Audit costs

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

(€ thousand)	2023	2022
Audit fees	427	404
Audit-related fees	-	-
Other non-audit-related fees	2	2
Total	**429**	**406**

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 (2022: € 0.3 million) concerned Ernst & Young Accountants LLP in the Netherlands. In addition to the statutory audit of the financial statements, Ernst & Young Accountants LLP performed the following non-prohibited services in 2023:

(€ thousand)	2023
Reporting on compliance with bank covenants	2
Total	**2**

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.

9. Abortive purchase costs

In 2022 the abortive purchase costs concerned 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.

10. Income tax

Current income tax expense (€ thousand)	2023	2022
Current financial year	1,560	855
Movement in deferred tax assets and liabilities		
In respect of:		
Value movements in property	(360)	244
Movement in other temporary differences	(200)	(143)
Movement in offsettable losses	0	274
	(560)	**375**
Total	**1,000**	**1,230**

The geographic distribution of the income tax is as follows:

(€ thousand)	2023			2022		
	Current income tax expense	Movement in deferred tax assets and liabilities	Total	Current income tax expense	Movement in deferred tax assets and liabilities	Total
Netherlands	907	(215)	691	615	182	797
France	249	-	249	32	-	32
Belgium	42	52	94	4	82	86
Spain	362	(397)	(34)	204	111	314
	1,560	**(560)**	**1,000**	**855**	**375**	**1,230**

Reconciliation effective tax rate (€ thousand)		2023		2022
Result before taxes		**(14,214)**		**37,575**
Income tax at Dutch tax rate	4.9%	691	2.1%	797
Effect of tax rates of subsidiaries operating in other jurisdictions	2.2%	309	1.2%	433
Changes in tax rates	0.0%	-	0.0%	-
Adjustment previous financial years	0.0%	-	0.0%	-
	7.0%	**1,000**	**3.3%**	**1,230**

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 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 GVV regime

In Belgium, virtually the entire property portfolio is held by the regulated property company ('GVV') named Vastned Belgium N.V. A GVV 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.

11. Result per share

(€ thousand)	2023		2022	
	Basic	Diluted	Basic	Diluted
Result after taxes	**(19,261)**	**(19,261)**	**31,345**	**31,345**

Average number of ordinary shares in issue	2023		2022	
	Basic	Diluted	Basic	Diluted
Balance as at 1 January	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**

	2023		2022	
Per share (€)	Basic	Diluted	Basic	Diluted
Result after taxes	**(1.12)**	**(1.12)**	**1.83**	**1.83**

12. Dividend

On 4 May 2023, the final dividend for the 2022 financial year was made payable. The dividend was € 1.26 per share in cash. The dividend distribution totalled € 21.6 million.

On 16 August 2023, the interim dividend for the 2023 financial year was made payable. The interim dividend was € 0.57 per share in cash (total: € 9.7 million).

Based on the dividend policy and with due consideration for the conditions associated with the fiscal investment institution status within the meaning of Section 28 of the 1969 Netherlands Corporate Income Tax Act, the Executive Board proposes to declare a dividend for the 2023 financial year of € 1.85 per share, representing a pay-out ratio of 92% of the direct result of 2023 and charge it to the freely distributable reserves. Taking the interim dividend of € 0.57 into account that has already been distributed in August 2023, a final dividend will be declared of € 1.28 per share.

If the Annual General Meeting of 25 April 2024 approves the dividend proposal, the final dividend will be made payable to shareholders on 3 May 2024. The dividend to be distributed has not been accounted for as a liability on the balance sheet.

13. 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)		2023		2022	
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	1,351,805	1,351,805	1,422,915	1,422,915
Financial derivatives	2	7,778	7,778	15,133	15,133
Assets held for sale	3	23,937	23,937	-	-
Liabilities valued at fair value					
Long-term liabilities					
Long-term interest-bearing loans	2	366,135	384,048	585,362	589,385
Lease liabilities	2	2,953	2,416	3,213	2,614
Financial derivatives	2	188	188	-	-

All assets and liabilities valued at fair value were valued as at 31 December 2023.

No assets or liabilities were reclassified with respect to levels in 2023 and 2022.

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 2023.

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, 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 101 sections 'Property in operation', 'Financial derivatives' and 'Assets held for sale'.

14. 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'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'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 2023.

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:

2023	Netherlands	France	Belgium	Spain	Total
Appraisal value as at 31 December (x million)[1]	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 appraisal values established on the basis of these principles and assumptions produce the following net yields (all-in basis):	**4.7**	**4.1**	**5.5**	**4.0**	**4.7**

1 This is the value excluding the revaluation related to assets held for sale

2022	Netherlands	France	Belgium	Spain	Total
Appraisal value as at 31 December (x million)	610	407	321	82	1,420
Lease incentives still to be granted as at the balance sheet date (x thousand)	877	145	380	170	1,572
Market rent per sqm (€)	305	829	224	1,098	341
Theoretical annual rent per sqm (€)	337	770	252	1,142	362
Vacancy rate at end of reporting year (%)	1.7	2.1	0.6	0.0	1.4
Weighted average lease term in years (until first break)	2.7	2.4	1.8	3.8	2.5
The appraisal values established on the basis of these principles and assumptions produce the following net yields (all-in basis):	**4.2**	**3.5**	**5.5**	**3.8**	**4.3**

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 2023, 92.7% of the property in operation was appraised by independently certified appraisers (31 December 2022: 94.2%). The independently certified appraisers who appraised the property in 2022 and 2023 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 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'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 € 69.5 million or 5.2% (31 December 2022: € 80.3 million or 5.7%) and a 236-basis-point increase in the loan-to-value ratio (31 December 2022: 259 basis points) and a decrease of the solvency ratio of 241 basis points. At 50 basis points, this would be € 132.2 million or 9.8%, and 472 and 481 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 € 67.4 million or 5.0%, a rise of the loan-to-value ratio of 229 basis points and a decrease of the solvency ratio of 234 basis points. At 10%, this would be € 134.9 million or 10.0% and 483 and 492 basis points, respectively.

At year-end 2023, the solvency ratio was 53.9% (31 December 2022: 55.4%) and the LTV 44.4% (31 December 2022: 43.4%). The solvency ratio agreed with the lenders is 45%. A 93-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 € 226.6 million or 16.8%. In this event, the loan-to-value would rise by 876 basis points from 44.4 to 53.2, and the solvency ratio would fall by 896 basis points, from 53.9% to 45.0%. A rise of the net yields used in the appraisal values by more than 93 basis points would therefore result in an 'event of default' with respect to the solvency covenant.

Property in operation

(€ thousand)	2023	2022
Balance as at 1 January	**1,416,824**	**1,433,143**
Acquisitions	-	1,947
Investments	3,691	2,669
Transferred to Assets held for sale	(23,937)	-
Divestments	(2,915)	(1,645)
Manual adjustment	14	-
	1,393,677	**1,436,114**
Value movements	(47,477)	(19,290)
Balance as at 31 December	**1,346,200**	**1,416,824**
Accrued assets in respect of lease incentives	3,059	3,580
Appraisal value as at 31 December	**1,349,259**	**1,420,406**
Ground lease	2,546	2,509
Total property	**1,351,805**	**1,422,915**

No acquisitions were made in 2023.

The capital expenditure in 2023 involved improvements to a number of properties in the relevant countries.

The divestments in 2023 concerned five properties in the Netherlands (€ 2.6 million, 2022: € 1.6 million), one property in Belgium (€ 0.3 million, 2022: nil) and no divestments in France (2022: nil) and Spain (2022: nil).

A positive sales result of € 0.3 million was realised on these divestments compared with the most recent book value (2022: € 0.7 million positive). See also note 6 Net result on divestments of property, starting on page 114 for the total sales result including the return realised on the assets held for sale.

In the Netherlands, the value movements in 2023 were € 15.8 million negative (2022: €

14.0 million negative). In France, the value movements came to € 28.9 million negative (2022: € 3.0 million negative). In Belgium, the value movements of the property portfolio in 2023 were neutral (2022: € 2.4 million negative). The value of the property portfolio in Spain came to € 2.7 million negative (2022: € 0.1 million positive).

As per 1 January 2023, the Dutch general transfer tax increased from 8% to 10.4%. As such, these rates have been used to convert the appraised 'purchasing costs payable by the vendor' values to 'purchasing costs payable to the buyer'.

Accrued assets in respect of lease incentives (€ thousand)	2023	2022
Balance as at 1 January	3,580	4,857
Lease incentives granted	2,497	2,588
Charged to the profit and loss account	(3,001)	(3,865)
Transferred to Assets held for sale	(17)	-
Balance as at 31 December	**3,059**	**3,580**

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

For further details on the property in operation, reference is made to note 3 Segmented information, starting on page 112 and the Property in operation, starting on page 175 overview included in this annual report.

15. Assets held for sale

(€ thousand)	2023	2022
Balance as at 1 January	-	-
Transferred from Property in operation	24,282	-
Transferred to Property in operation	-	-
Transferred from Accrued assets in respect of lease incentives	-	-
Divestments	(345)	-
	23,937	**-**
Value movements	-	-
Balance as at 31 December	**23,937**	**-**

In 2023, one property classified as 'assets held for sale' was sold. On this transaction, a book result was realised of € 5 thousand positive. As at 31 December 2023, six assets were being held for sale, of which four are located in The Netherlands and two in Belgium (2022: none).

16. Debtors and other receivables

(€ thousand)	31 December 2023	31 December 2022
Debtors and pre-invoiced amounts	11,435	11,675
Provision for expected credit losses	(1,972)	(1,937)
	9,463	**9,738**
Indirect taxes	967	890
Prepayments	584	627
Other receivables	1,617	1,475
Balance as at 31 December	**12,631**	**12,730**

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 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
Accounts receivable regarding pre-invoiced rent	7,709	-	7,709
Other receivables	7	-	7
Balance as at 31 December	**11,435**	**(1,972)**	**9,463**

(€ thousand)			31 December 2022
	Gross amounts	Provision for expected credit losses	Net amounts
Overdue accounts receivable not COVID-19-related	3,228	(1,601)	1,627
Overdue accounts receivable related to COVID-19	552	(336)	216
Accounts receivable for which the debtor has been granted a deferment due to COVID-19	215	-	215
Accounts receivable regarding pre-invoiced rent	7,654	-	7,654
Other receivables	26	-	26
Balance as at 31 December	**11,675**	**(1,937)**	**9,738**

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 2023 was € 0.1 million (2022: € 0.2 million release).

In 2023 the accounts receivables are not split by COVID-19 and non COVID-19 related anymore.

For further explanation on the debtors and pre-invoiced amounts and the provision for expected credit losses, reference is made to note 23 Financial instruments, starting on page 130.

The other receivables include items with a term in excess of one year of a total amount of € 1.6 million (2022: € 1.5 million). The other receivables consists mainly by prepaid amounts related to capex.

17. Cash and cash equivalents

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

18. Shareholders equity

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

Vastned Retail shareholders' equity was € 38.75 per share as at 31 December 2023 (31 December 2022: € 41.74 per share).

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 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 2022	17,151,976	1,884,670	19,036,646
Movements	-	-	-
Balance as at 31 December 2022	**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**

19. Deferred tax assets and liabilities

(€ thousand)	1 January 2023				31 December 2023
	Liabilities	Movement in profit and loss account	Transferred to short-term liabilities	Reclassification[1]	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**

1 The reclassification is due to previous years, to compare the current year accurately with prior year. The reclassification was made without effect on the total.

(€ thousand)	1 January 2022				31 December 2022
	Liabilities	Movement in profit and loss account	Transferred to short-term liabilities	Reclassification	Liabilities
Valuation differences in property	9,230	245	-	-	9,475
Offsetable losses	(648)	274	-	-	(374)
Other temporary differences	492	(144)	-	-	348
	9,074	**375**	**-**	**-**	**9,449**

The deferred tax assets and liabilities as at 31 December 2023 concern the Netherlands, Spain and Belgium.

The offsetable losses relate to Spain. The offsetable losses in Spain may be carried forward indefinitely.

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.

As at the balance sheet date, there was another € 8.7 million (2022: € 8.6 million) in unused tax losses in France (€ 6.5 million, 2022: € 6.8 million) and Belgium (€ 2.2 million, 2022: € 1.8 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.

20. Provisions in respect of employee benefits

Until 31 December 2019, Vastned 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 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 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 2023	31 December 2022
Discount rate	3.60%	4.20%
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	
	2023	2022	2023	2022	2023	2022
Balance as at 1 January	18,522	28,934	14,952	22,939	3,568	5,993
Reported in the profit and loss account						
Service cost	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-
Interest	765	401	622	318	143	83
Administrative costs	-	-	(25)	(25)	25	25
Total reported in the profit and loss account	**765**	**401**	**597**	**293**	**168**	**108**
Reported in other comprehensive income						
Effect of adjustment to demographic assumptions	(3)	294	-	-	(3)	294
Effect of adjustment to discount rate	1,857	(11,129)	-	-	1,857	(11,129)
Effect of experience adjustment	-	593	-	-	-	593
Effect of changes in financial assumptions	-	-	1,333	(8,069)	(1,333)	8,069
Total reported in other comprehensive income	**1,854**	**(10,242)**	**1,333**	**(8,069)**	**521**	**(2,173)**
Contributions and benefits paid						
Contribution paid by employer	-	-	231	360	(231)	(360)
Contribution paid by employees	-	-	-	-	-	-
Benefits paid	(613)	(571)	(613)	(571)	-	-
Total contributions and benefits	**(613)**	**(571)**	**(382)**	**(212)**	**(231)**	**(360)**
Balance as at 31 December	**20,527**	**18,522**	**16,499**	**14,952**	**4,026**	**3,568**
Long-term personnel benefits					54	76
Total					**4,080**	**3,644**

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)	2023	2022
Net interest	143	83
Administrative costs	25	25
	168	**108**
Defined contribution pension plans	438	389
Total	**606**	**497**

In 2024, Vastned 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	21,381	20,527	19,719

	Minus 50 basis points	Discount rate used	Plus 50 basis points
	3.10%	3.60%	4.10%
Present value of defined benefit pension obligations	22,291	20,527	18,978

21. Interest-bearing debts

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

	2023				2022			
	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]	312,407	-	312,407	1.84	429,916	-	429,916	1.80
• floating interest	53,728	-	53,728	5.09	155,446	-	155,446	2.95
	366,135	**-**	**366,135**	**2.32**	**585,362**	**-**	**585,362**	**2.11**
Lease liabilities	463	2,490	2,953	2.46	637	2,576	3,213	2.39
Total long-term interest-bearing debts	**366,598**	**2,490**	**369,088**		**585,999**	**2,576**	**588,575**	
Short-term interest-bearing debts								
Payable to banks	-	-	8,627	4.99	-	-	3,344	2.77
Redemption of long-term interest-bearing loans	-	-	233,008	3.66	-	-	24,937	3.02
Short-term lease liabilities	-	-	298	1.21	-	-	278	1.37
Total short-term interest-bearing debts	**-**	**-**	**241,933**		**-**	**-**	**28,559**	
Total interest-bearing debts	**366,598**	**2,490**	**611,021**		**585,999**	**2,576**	**617,134**	

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

In 2023, Vastned drew down an additional amount of € 18.6 million from its existing credit facilities. This amount was used principally to refinance expired loans. In July 2023 a € 15.0 million term loans expired and in December 2023 a Green RCF Facility of € 40.0 million expired; the amount drawn on this facility, being € 10.0 million was repaid. The total interest-bearing debts decreased mainly due to changes in working capital.

In Belgium all the previously existing facilities have been extended for new periods of three and five years.

The part of the long-term interest-bearing loans due within one year is € 233.0 million (31 December 2022: € 24.9 million) which is recognised under short-term liabilities. At holding level Vastned has come to an arrangement with two of our relationship banks for a bridge loan. Subject to future divestments, the bridge loan can be used to repay the € 240 million loan maturities by September 2024 and provide Vastned with the flexibility it requires to execute the strategic reorientation, while keeping existing financing at very attractive rates in place. (see also note 23 Financial instruments, starting on page 130).

For the floating interest rate loans, Vastned 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 has fulfilled these conditions as at 31 December 2023. Please see note 23 Financial instruments, starting on page 130 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 2023, the total credit facility of the long-term interest-bearing loans, including the part due within one year, was € 649.3 million (31 December 2022: € 693.8 million).The unused credit facility of the long-term interest-bearing loans was € 50.2 million as at 31 December 2023 (31 December 2022: € 83.5 million).

The average term of the long-term interest-bearing loans at year-end 2023 was 2.3 years (31 December 2022: 2.2 years). The average interest rate of the long-term interest-bearing loans in 2023 was 2.67% (2022: 1.91%).

For further details on the lease liabilities, reference is made to note 25 Leases, starting on page 135.

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 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 2023 was 4.90% (2022: 1.83%). 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 2023 was € 34.6 million (31 December 2022: € 44.6 million).The unused credit facility of the 'payable to banks' item was € 26.0 million as at 31 December 2023 (31 December 2022: € 41.3 million).

Movements in interest-bearing debts were as follows:

			Cash entries	Non-cash entries		
(€ thousand)	1 January 2023	Interest-bearing loans drawn down	Interest-bearing loans redeemed	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.

			Cash entries	Non-cash entries		
	1 January 2022	Interest-bearing loans drawn down	Interest-bearing loans redeemed	Application of effective interest method	Other movements[1]	31 December 2022
Long-term interest-bearing loans	612,952	-	(3,160)	507	(24,937)	585,362
Long-term lease liabilities	3,393	38	(220)	17	(15)	3,213
Payable to banks	3,320	24	-	-	-	3,344
Redemption of long-term interest-bearing loans	-	-	-	-	24,937	24,937
Short-term lease liabilities	263	-	-	-	15	278
	619,928	**62**	**(3,380)**	**524**	**-**	**617,134**

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

22. Other liabilities and accruals

(€ thousand)	2023	2022
Accounts payable	1,177	880
Investment creditors	-	50
Dividend	25	25
Indirect taxes	4,284	3,468
Prepaid rent	10,857	11,143
Service charges	251	396
Interest	3,823	2,398
Operating expenses	1,113	887
Other liabilities and accruals	2,887	3,108
	24,417	**22,355**

23. Financial instruments

Financial risk management

For the realisation of its targets and the exercise of its day-to-day activities, Vastned 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'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'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:

			2023			2022
(€ thousand)	Gross amounts	Provision for expected credit losses	Net amounts	Gross amounts	Provision for expected credit losses	Net amounts
Not yet due	8,479	-	8,479	8,627	-	8,627
Overdue by less than 30 days	358	7	351	353	12	341
Overdue by between 31 and 90 days	79	6	73	56	4	52
Overdue by between 91 days and one year	298	274	24	800	547	253
Overdue by more than one year	2,221	1,685	536	1,839	1,374	465
	11,435	**1,972**	**9,463**	**11,675**	**1,937**	**9,738**

Movements in the provision for doubtful debtors were as follows:

(€ thousand)	2023	2022
Balance as at 1 January	1,937	1,899
Allocation to the provision	117	158
Write-off for doubtful debtors	(82)	(120)
Balance as at 31 December	**1,972**	**1,937**

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 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 44.4% at year-end 2023 (year-end 2022: 43.4%). 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 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 currently deviates from this balanced spread of refinancing dates.

At year-end 2023, the weighted average duration of the long-term interest-bearing loans was 2.3 years (31 December 2022: 2.2 years).

At year-end 2023, the solvency ratio, calculated by taking equity plus the provision for deferred tax liabilities divided by the balance sheet total, was 53.9% (31 December 2022: 55.4%), which is within the solvency ratios of at least 45% as agreed with lenders. The interest coverage ratio for 2023 was 3.8 (2022: 5.0) (calculated by taking net rental income and dividing it by net financing costs (excluding value movements in financial derivatives)), which was significantly 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 49%.

In September 2024 and September 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 September 2024 Vastned has come to an arrangement with two relationship banks for a bridge loan. Subject to future divestments, the bridge loan can be used to repay the € 240 million loan maturities in 2024. The financing arrangements provide us with the flexibility needed to execute our strategic reorientation. At the same time we will keep the existing financing in place based on very attractive rates.

Liquidity risk

Vastned 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 aims for sufficient credit room to absorb fluctuations in liquidity needs. Liquidity management is centralised in the Netherlands, where most of the foreign subsidiaries' bank accounts have been placed in cash-pooling schemes.

At year-end 2023, Vastned had € 34.6 million (31 December 2022: € 44.6 million) in short-term credit facilities available, of which it had drawn down € 8.6 million (31 December 2022: € 3.3 million). The unused credit facility of Vastned's long-term interest-bearing loans was € 50.2 million as at 31 December 2023 (31 December 2022: € 83.5 million). As such, the total unused credit facility as at 31 December 2023 was € 76.2 million (31 December 2022: € 124.8 million).

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

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.

31 December 2022

(€ thousand)	Balance sheet value	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Long-term interest-bearing loans	585,362	625,028	17,172	607,856	-
Long-term lease liabilities	3,213	7,166	-	636	6,530
Payable to banks[1]	3,344	3,354	3,354	-	-
Redemption of long-term interest-bearing loans[1]	24,937	25,772	25,772	-	-
Short-term lease liabilities	278	278	278	-	-
Other liabilities and accruals	22,355	22,355	22,355	-	-
	639,489	**683,953**	**68,930**	**608,492**	**6,530**
Financial derivatives > 1 year (assets)	(14,979)	(10,308)	(4,233)	(6,229)	-
Financial derivatives < 1 year (assets)	(154)	(154)	(154)	-	-
	(15,133)	**(10,462)**	**(4,387)**	**(6,229)**	**-**
	624,356	**673,491**	**64,543**	**602,263**	**6,530**

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 2024 and 1 January 2023 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 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 2023, the interest rate risk on loans with a nominal value of € 200.0 million (31 December 2022: € 220.0 million) 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 2.485% positive (31 December 2022: 0.1235% negative to 1.094% positive) (excluding margins) and expiry dates ranging from 31 July 2024 to 31 January 2029 (31 December 2021: 31 July 2023 to 12 September 2025).

In 2023 interest rate swaps with a nominal value of € 15.0 million expired. Interest rate swaps with a nominal value of € 25.0 million were unwound in 2023 before expiry date and replaced for new concluded interest rate swaps with a nominal value of € 20.0 million. In addition new forward interest rate swaps were concluded with a nominal value of € 25.0 million. This in order to mitigate the interest rate risk on the extended credit facilities in Belgium. The market value of the interest rate swaps was € 7.6 million positive at year-end 2023 due to the changes in market interest and the shorter remaining duration of these derivatives (31 December 2022: € 15.1 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 € 366.1 million (31 December 2022: € 585.3 million), € 309.9 million (31 December 2022: € 429.9 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 had contact with its lenders during the financial year. The transition will have no impact on Vastned'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 2023, the average term of Vastned's long-term interest-bearing loans calculated in fixed interest periods was 1.4 years (31 December 2022: 2.3).

Interest rate sensitivity

Significant changes to interest rates result in lower or higher interest expenses. Due to the derivatives concluded, any rises impact Vastned 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 2023, 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 2022: € 1.7 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 2022: € 3.4 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'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

	2023			2022		
	Contract review	Interest review	Average interest rate [1]	Contract review	Interest review	Average interest rate [1]
Y2024	-	40,000	1.83	297,198	180,060	1.95
Y2025	238,396	199,937	1.41	238,208	199,900	1.41
Y2026	49,970	49,970	2.78	49,956	49,956	2.78
Y2027	27,269	-	-	-	-	-
Y2028	25,000	10,000	3.30	-	-	-
Y2029	25,500	10,000	3.49	-	-	-
Total long-term interest-bearing loans with a fixed interest rate	**366,135**	**309,907**	**1.82**	**585,362**	**429,916**	**1.80**
Long-term interest-bearing loans with a floating interest rate	-	56,228	5.06	-	155,446	2.95
Total long-term interest-bearing loans	**366,135**	**366,135**	**2.32**	**585,362**	**585,362**	**2.11**

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

Overview of fair value of interest rate derivatives

	2023		2022	
(€ thousand)	Receivable	Liability	Receivable	Liability
Interest rate swaps	**7,778**	**188**	**15,134**	**-**

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

	2023		2022	
	Fair value interest rate derivatives	Carrying amount loans	Fair value interest rate derivatives	Carrying amount loans
Interest rate swaps < 1 year	470	30,000	154	15,000
Interest rate swaps 1-2 years	7,281	150,000	2,045	55,000
Interest rate swaps 2-5 years	8	10,000	12,935	150,000
Interest rate swaps > 5 years	(88)	10,000	-	-
Sub-total	**7,670**	**200,000**	**15,134**	**220,000**
Forward interest rate swaps	(80)	25,000	-	-
Total	**7,590**	**225,000**	**15,134**	**220,000**

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.

24. Rights and obligations not recorded in the balance sheet

In the past, Vastned 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 € 12.7 million as at 31 December 2023 (31 December 2022: € 13.1 million).

25. Leases

The Group as a lessor

Vastned 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 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**

(€ thousand)	31 December 2022
Within one year	66,185
One to two years	48,214
Two to three years	31,436
Three to four years	14,870
Four to five years	8,644
More than five years	14,094
Total	**183,443**

The annual lease payments agreed on, on 31 December 2023 have been adjusted to account for any rent waivers on the balance sheet date. The future lease payments have increased compared to the projections made at the end of 2022. This was partially due to rent indexation and lease renewals and new tenants for high-value properties.

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 2023 were € 53 thousand (2022: € 23 thousand) and were mainly related to the indexation of the office rent in Belgium.

Depreciation on the rights-of-use assets was € 14 thousand (2022: € 167 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 € 16 thousand (2022: € 16 thousand). There were no leases with variable lease payments that are not dependent on an index or a share price.

In 2023, 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:

				2023				2022
(€ thousand)	ground rents	rent	cars	total	ground rents	rent	cars	total
Within one year	122	167	9	297	118	151	8	277
One to five years	313	200	5	517	252	372	13	637
More than five years [1]	6,330	-	-	6,330	6,530	-	-	6,530
	6,765	366	12	7,143	6,900	523	21	7,444

[1] The ground rent agreements include an agreement for a parcel of land in Amsterdam whose term, taking the contractual renewal options into account, is infinite. The annual ground rent is € 63 thousand, and it has been bought out until 16 August 2032. In payment obligations of more than five years, a 100-year period has been assumed.

26. Events after balance sheet date

In January 2024 an interest rate swap with a nominal value of € 15.0 million is unwound before expiry date and replaced by new concluded interest swaps with a nominal value of € 20.0 million. This is in order to mitigate the interest rate risk on the extended credit facilities in Belgium.

In January 2024 management formally reached an agreement with two lenders with regard to a bridge loan. For further details reference is made to paragraph 'Judgement, estimates and assumptions' in note note 2 Significant principles for financial reporting, starting on page 101.

Two properties of the position Assets held for sale per 31 December 2023 transferred from the owner in January 2024. Both properties were sold above book value.

27. Related party transactions

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

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

Interests of major investors

At year-end 2023, 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 [1]	8.46
BlackRock, Inc.	4.88
ICAMAP Real Estate Securities Fund S.A [1]	3.71
Tikehau Capital Advisors SAS	3.05
JGHM Niessen [1]	3.01
J.G. de Jonge [1]	1.66

[1] As per 26 October 2023 four shareholders have notified AFM and the company that they have decided to prepare a joint communication and voting strategy, defined as "Acting in concert". Last notification of 17.30% joint voting rights.

Subsidiaries

For an overview of subsidiaries and participations, please refer to note 28 Subsidiaries, starting on page 138.

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 members and the sole member of the Executive Board

At the AGM of 14 April 2022, Mr Blokhuis was reappointed for a second term of three years. Ms Theyse was appointed for a period of four years. Mr Buschman was appointed for a period of two years.

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

During the 2023 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)

	2023		2022	
	Remuneration	Shares owned year-end	Remuneration	Shares owned year-end
Jaap Blokhuis[1]	54	1,000	51	1,000
Désirée Theyse (as of 14 April 2022)	45	-	32	-
Ber Buschman (as of 14 April 2022)	44	-	31	-
Marc van Gelder (until 14 April 2022)	-	-	16	-
Total	**143**	**1,000**	**130**	**1,000**

1 Jaap Blokhuis waived his remuneration for being chair of the R&N committee up until 14 April 2022

Remuneration and shareholding of the Executive Board (€ thousand)

2023	Fixed remuneration	LTI & STI 2021-2023 payable in 2024	Pension insurance contributions	Social insurance contributions	Total	Share ownership year-end 2023
R. Walta	390	154	71	15	630	9,975

2022	Fixed remuneration	LTI & STI 2020-2022 payable in 2023	Pension insurance contributions	Social insurance contributions	Total	Share ownership year-end 2022
R. Walta	390	203	73	14	680	7,375

A bonus of € 154 thousand will be paid to Mr Walta in 2024 based on his realisation of the targets for the Short-Term Incentive 2023 and Long-Term Incentive for the period 2021-2023.

Mr Walta has acquired Vastned shares at his own expense. Vastned 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. For more details relating to remuneration, reference is made to the Remuneration Report 2023, starting on page 86 in this annual report.

28. Subsidiaries

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

	Country of establishment	Interest and voting right in %	
		2023	2022
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 Spain 2, 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%
- SARL Lenepveu	France	100%	100%
- SCI 21 RUE DES ARCHIVES	France	100%	100%
- SARL Palocaux	France	100%	100%
- SARL Parivolis	France	100%	100%
- SARL Plaisimmo	France	100%	100%
SARL Vastned Management France	France	100%	100%
Vastned Belgium NV	Belgium	65%	65%
- EuroInvest Retail Properties NV	Belgium	65%	65%
Korte Gasthuisstraat 17 NV	Belgium	100%	100%

Scope of consolidation

During 2023, no changes were made in the consolidation scope except for a deposit of shares. Subsidiary Vastned Retail Spain, S.L. (including its subsidiary Vastned Retail Spain 2, S.L.) was a direct subsidiary of Vastned Retail N.V. until 29 September 2023. As at that date the shares in this entity were transferred to Vastned Retail Nederland Projecten Holding B.V. by means of a share contribution. The transfer of shares did not affect the overall consolidated figures.

The non-controlling interest recognised in the balance sheet as at 31 December 2023 was the share of the non-controlling shareholders of the Belgium-based subsidiary, Vastned Belgium NV, and its subsidiary, EuroInvest Retail Properties NV.

The summarised financial data of Vastned Belgium NV as at 31 December 2023 are as followed:

		2023		2022
(thousand €)	100%	Non-controlling interests	100%	Non-controlling interests
Balance sheet				
Property	309,581	106,834	312,590	107,873
Other assets	6,838	2,360	5,621	1,940
	316,419	**109,194**	**318,210**	**109,813**
Equity	(232,332)	(80,176)	(232,032)	(80,073)
Long-term liabilities	(78,817)	(27,199)	(66,341)	(22,894)
Short-term liabilities	(5,269)	(1,818)	(19,837)	(6,846)
	(316,419)	**(109,193)**	**(318,210)**	**(109,813)**
Profit and loss account				
Net rental income	18,208	6,284	16,717	5,769
Value movements in property	(593)	(205)	(1,941)	(670)
Net result on divestments of property	5	2	-	-
Net financing costs	(3,731)	(1,288)	1,827	630
General expenses	(2,068)	(714)	(2,026)	(699)
Income tax	(94)	(33)	(86)	(30)
Comprehensive income	**11,726**	**4,047**	**14,491**	**5,000**
Cash flow statement				
Cash flow from operating activities	14,570	5,028	13,193	4,553
Cash flow from investing activities	9	3	(50)	(17)
Cash flow from financing activities	(14,313)	(4,939)	(13,194)	(4,553)
Total cash flow	**266**	**92**	**(51)**	**(17)**

A sum of € 3.9 million in dividends was made payable to non-controlling shareholders of Vastned Belgium NV in 2023 (2022: € 3.9 million).

29. Approval of the consolidated financial statements

The consolidated financial statements were drawn up by the Executive Board and authorised for publication by the Supervisory Board on 13 March 2024.

Company balance sheet as at 31 December

Before profit appropriation

Assets (€ thousand)	Note	2023	2022
Property in operation	3	4,730	4,580
Participations in group companies	4	1,154,435	1,172,058
Intangible fixed assets		73	89
Financial derivatives	8	7,280	12,934
Total fixed assets		**1,166,518**	**1,189,661**
Receivables from group companies	5	152,132	155,235
Debtors and other receivables		220	341
Cash		45	228
Total current assets		**152,397**	**155,804**
Total assets		**1,318,915**	**1,345,465**

Equity and liabilities (€ thousand)	Note	2023	2022
Paid-up and called-up capital	6	95,183	95,183
Share premium reserve	6	468,555	468,555
Revaluation reserve	6	353,340	389,639
Statutory reserve intangible fixed assets	6	327	286
Other reserves	6	(233,435)	(269,129)
Result attributable to Vastned Retail shareholders	6	(19,261)	31,345
Equity Vastned Retail shareholders		**664,709**	**715,879**
Long-term interest-bearing loans	7	288,367	519,951
Guarantee deposits		64	61
Total long-term liabilities		**288,431**	**520,012**
Payable to banks	7	10,237	3,872
Redemption long-term loans	7	233,008	9,937
Payable to group companies	9	118,362	92,483
Income Tax		58	-
Other liabilities and accruals		4,110	3,282
Total short-term liabilities		**365,775**	**109,574**
Total equity and liabilities		**1,318,915**	**1,345,465**

Company profit and loss account

Net turnover result (€ thousand)	Note	2023	2022
Net rental income	10	260	245
General management expenses	10	(2,745)	(2,513)
Abortive purchase costs	10	-	(438)
Net turnover result		**(2,485)**	**(2,706)**
Other income from participations in group companies	10	1,446	1,593
Value movements in property in operation	10	150	(100)
Total other operating income		**1,596**	**1,493**
Other interest income and similar income	10	4,187	3,648
Interest charges and similar expenses	10	(14,944)	(10,288)
Value movements in financial derivatives	10	(5,654)	12,916
Total interest income and expenditure		**(16,411)**	**6,276**
Result before taxes		**(17,300)**	**5,063**
Current income tax expense		(58)	-
Share in result from participations in group companies	4	(1,903)	26,282
Result after taxes		**(19,261)**	**31,345**

Notes to the company financial statements

1. General information

The company financial statements are part of the 2023 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.

3. Property in operation

(€ thousand)	2023	2022
Balance as at 1 January	4,580	4,680
Value movements	150	(100)
Balance as at 31 December (appraisal value)	**4,730**	**4,580**

4. Participations in Group companies

(€ thousand)	2023	2022
Balance as at 1 January	1,172,058	1,155,251
Share in result	(1,903)	26,282
Direct changes in equity	(521)	2,163
Payments received	(15,199)	(11,638)
Balance as at 31 December	**1,154,435**	**1,172,058**

As at 31 December 2023, Vastned held 3,325,960 Vastned Belgium shares (31 December 2022: 3,325,960 shares). The net asset value per share as at 31 December 2023 was € 45.75 (31 December 2022: € 45.69 per share). The stock price of Vastned Belgium shares was € 30.80 per share as at 31 December 2023 (31 December 2022: € 29.70 per share).

For more details on the participations in Group companies, reference is made to note 28 Subsidiaries, starting on page 138 in the consolidated financial statements.

5. Receivables from Group companies

(€ thousand)	2023	2022
Balance as at 1 January	155,235	162,694
Provided to group companies	1,991	-
Repaid by group companies	(5,094)	(7,459)
Balance as at 31 December	**152,132**	**155,235**

The receivables from Group companies consist of € 114.0 million (31 December 2022:€ 114.0 million) in loans provided with interest rates ranging from 2.98% to 6.90% (31 December 2022: 3.00% to 3.73%) and expiring between 2024 and 2026 inclusive (31 December 2022: 2023 to 2026 inclusive), and € 38.1 million (31 December 2022: € 41.2 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 2022	95,183	468,555	399,283	325	(264,679)	14,405	713,072
Result	-	-	-	-	-	31,345	31,345
Remeasurement of defined benefit pension obligation	-	-	-	-	2,163	-	2,163
Final dividend previous financial year in cash	-	-	-	-	-	(20,582)	(20,582)
Interim dividend 2022 in cash	-	-	-	-	(10,119)	-	(10,119)
Contribution from profit appropriation	-	-	-	-	(6,177)	6,177	-
Allocation to revaluation reserve	-	-	(9,644)	-	9,644	-	-
Release to statutory reserve intangible fixed assets	-	-	-	(39)	39	-	-
Balance as at 31 December 2022	**95,183**	**468,555**	**389,639**	**286**	**(269,129)**	**31,345**	**715,879**
Result	-	-	-	-	-	(19,261)	(19,261)
Remeasurement of defined benefit pension obligation	-	-	-	-	(521)	-	(521)
Final dividend for previous financial year in cash	-	-	-	-	-	(21,611)	(21,611)
Interim dividend 2023 in cash	-	-	-	-	(9,777)	-	(9,777)
Contribution from profit appropriation	-	-	-	-	9,734	(9,734)	-
Allocation to revaluation reserve	-	-	(36,299)	-	36,299	-	-
Addition of statutory reserve intangible fixed assets	-	-	-	41	(41)	-	-
Balance as at 31 December 2023	**95,183**	**468,555**	**353,340**	**327**	**(233,435)**	**(19,261)**	**664,709**

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 18 Shareholders equity, starting on page 122 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 reserve
  The revaluation reserve concerns the property and comprises the cumulative positive unrealised value movements of the property. The revaluation reserve is determined at the level of the individual property.

The statutory reserves are not available for dividend distributions.

7. Interest-bearing debts

				2023				2022
	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)	249,908	-	249,908	1.69%	364,916	-	364,916	1.80%
• floating interest	38,459	-	38,459	5.29%	155,035	-	155,035	2.95%
	288,367	**-**	**288,367**	**2.17%**	**519,951**	**-**	**519,951**	**2.14%**

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 2023.

The portion of the long-term interest-bearing loans due within one year is € 233.0 million (31 December 2022: € 9.9 million), which is recognised under short-term liabilities.

As at 31 December 2023, the average term of long-term interest-bearing loans was 1.8 years (31 December 2022: 2.3 years).

The 'Payable to banks', which concerns short-term credits and cash loans, is € 10.2 million (31 December 2022: € 3.9 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 € 0.3 million (2022: € 0.1 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 Belgium N.V. For the movements in interest-bearing debts in 2023 as well as the interest rates, reference is made to note 21 Interest-bearing debts, starting on page 127 in the consolidated financial statements.

8. Financial derivatives

(€ thousand)	2023		2022	
	Receivable	Liability	Receivable	Liability
Interest rate swaps	**7,280**		**12,934**	

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

(€ thousand)	2023		2022	
	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	7,280	150,000	-	-
Interest rate swaps 2-5 years	-	-	12,934	150,000
Interest rate swaps > 5 years	-	-	-	-
	7,280	**150,000**	**12,934**	**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, € 1.4 million concerns asset and property management fees charged to Group companies (2022: € 1.6 million) and other general expenses of € 1.3 million (2022: € 0.9 million), which mainly consist of consultancy and audit costs, publicity costs and costs related to the stock exchange listing.

The abortive purchase costs of € 0.4 million in 2022 concern 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.

Other operating income includes other income from participations in Group companies of € 1.4 million (2022: € 1.6 million), which consists of fees charged to Group companies. This also includes value movements in property of € 0.2 million positive (2022: € 0.1 million negative).

The other interest income and similar income of € 4.2 million (2022: € 3.6 million) mostly relates to financing provided to Group companies.

The other interest expenses and similar expenses of € 14.9 million (2022: € 10.3 million) consist of the interest paid on long-term interest-bearing loans and amounts payable to banks.

The value movements in financial derivatives of € 5.7 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 (2022: € 12.9 million positive).

11. Rights and obligations not recorded in the balance sheet

The company has issued a certificate of guarantee for a Group company in accordance with Section 403 of Book 2 of the Dutch Civil Code. 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

In January 2024 management formally reached an agreement with two lenders with regard to a bridge loan. For further details reference is made to paragraph 'Judgement, estimates and assumptions' in note note 2 Significant principles for financial reporting, starting on page 101.

13. Profit appropriation

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

Result attributable to Vastned Retail shareholders	(19,261)
To be added/charged to the reserves	53,689
Available for dividend distribution	**34,428**
Distributed earlier as interim dividend	(9,777)
Available for final dividend distribution	**24,651**

Based on this dividend policy and with due consideration for the conditions associated with the fiscal investment institution status within the meaning of Section 28 of the 1969 Netherlands Corporate Income Tax Act, the Executive Board proposes that a final dividend of € 1.28 per share be distributed in cash for the 2023 financial year. This final dividend distribution will total € 22.0 million.

14. Approval of the company financial statements

The company financial statements were drawn up by the Executive Board and authorised for publication by the Supervisory Board on 13 March 2024.

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 and supervisory board of Vastned Retail N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2023 of Vastned Retail N.V. based in Amsterdam.

The financial statements comprise the consolidated 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 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) 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 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2023
- The following statements for 2023: the consolidated profit and loss account, the consolidated statements of comprehensive income, consolidated statement of movements in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company profit and loss account for 2023
- 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).

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 and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Vastned Retail N.V. is a European listed property company. Vastned Retail N.V. invests in real estate in the popular shopping areas of selected European cities with a historic city center. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	
Materiality	€ 10.4 million (2022 € 10.8 million)
Benchmark applied	0.75% (2022: 0.75%) of the total assets
Explanation	We consider total assets the best benchmark for materiality taking into account the nature and size of business operations. Based upon professional judgement we set threshold levels for financial statement accounts with impact on direct result equal at €1.6 million which is equal to 6.5% of the direct result (2022: € 1.6 million and 6.5% of direct result). *We assume that a lower possible misstatement could influence economic decisions of the users of the financial statements.*

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 that misstatements in excess of € 110,000 for accounts which impact the direct result and in excess of € 520,000 for other accounts, 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. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities; in addition to Vastned Netherlands these concern the group entities in the countries of France and Belgium (full scope). We have:

- performed audit procedures ourselves at group entities in the Netherlands (full scope) and Spain (specific scope)
- used the work of other EY auditors when auditing entities in France and Belgium

By performing the procedures mentioned above at components of the group, 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 consolidated financial statements.

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client in the real estate industry. We included specialists in the areas of real estate valuation, tax, IT audit, forensics and actuaries.

Our focus on climate risks and the energy transition

Climate change and the energy transition will be high on the public agenda. Issues such as Co-2 reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets (stranded assets) and provisions or the sustainability of the business model and access to financial markets of companies with a larger carbon footprint.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company commitments and (constructive) obligations, are taken into account in estimates and significant assumptions applied by Vastned Retail N.V., especially for the compliance with the green finance framework. Furthermore, we read the report of the executive board and considered whether there is any material inconsistency between the non-financial information in the "property, planet, profit and people" chapters and the financial statements.

Based on the audit procedures performed, we agree with assessment made by the executive board and disclosed in note 2 in the financial statements and deem climate-related risks not to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2023.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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, we also refer to chapter 'Risk management and internal control' in the report of the executive board.

Our audit response related to 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 managements 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 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 designed to mitigate fraud risks.

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 and legal specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

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 non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies. For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in note 2 to the financial statements.

We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. We have specifically focused on the management override of control risk for disposals of investments properties.

The following fraud risks identified required significant attention during our audit.

Risk of incorrect recognition of disposals of investment properties	
Fraud risk and our audit approach	In 2023 Vastned Retail N.V. sold multiple properties. Accurate and complete recognition of these transactions is an important area of emphasis in our audit. We paid specific attention to fraud risk factors in selling properties, such as ABC transactions and kickback fees. The description of the risk management and controls in place to mitigate this risk is included in paragraph "risk and control framework" of the report of the executive board.
Our audit approach	We describe the audit approach and key observations to the fraud risk in the description of the key audit matter recognition of sale of investment properties.

We considered available information and made enquiries of relevant directors, internal audit, the legal compliance officer and the supervisory board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 'Going concern' in note 2 to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional scepticism.

We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant 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.

Based on our procedures performed, we did not identify material uncertainties about going concern. 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 a company to cease to continue as a going concern.

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.

In comparison with previous year, the nature of our key audit matter recognition of sale of property did change. The risk in prior year relates to acquisitions and divestments of investment properties. In the current year Vastned Retail N.V. did not acquire any investment properties. The acquisition of investment properties is no longer considered as a key audit matter.

Valuation of property, note 14

Risk	The investment property of Vastned Retail N.V. amounts to 98% of the consolidated balance sheet total as per 31 December 2023. The investment property is measured at fair value whereby in accordance with the Vastned Retail N.V. valuation policy the value of all objects is periodically determined by external appraisers. Parameters, assumptions and estimates by management are used in determining the fair value of investment property. Due to the inherently high degree of subjectivity of estimates in the fair value determination, we considered the valuation of investment property as a key audit matter in our audit.	**Our audit approach**	• We tested the design of internal controls relating to the valuation of property, including internal assessment of reports from appraisers. • We assessed the competence and independence of external appraisers. • We determined the correctness of source data as used in calculating the valuation. • We involved our real estate valuation specialists in the review and testing of models, parameters, assumptions and estimations as used in the valuation. • We audited the properties by developing our own estimate range for a sample. • We paid specific attention to significant valuation results, as determined by external appraiser. • We evaluated whether the disclosures are in accordance with the requirements of the applicable financial reporting framework relevant to the valuation of property and whether significant judgments by management are disclosed and particularly whether disclosures adequately convey the degree of estimation uncertainty and the range of possible outcomes.

Key observations

We concur with the assumptions used by the management, the valuation of property and the disclosures as included in the financial statements are in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code.

Recognition of sale of property, note 14

Risk	In 2023 Vastned Retail N.V. divested multiple properties. Accurate and complete recognition of these transactions is a key audit matter in our audit. We pay specific attention to fraud risks in selling properties, such as ABC transactions and kickback fees, we also refer to "our audit response related to fraud risks".	**Our audit approach**	• We have tested the design of internal controls relating to divestments of property investments, including proper authorisation of transactions and background checks of buyers. • We performed procedures on the sales transactions of property investments. • We have reconciled the recognised transactions to relevant supporting documentation and determined accurate and complete recognition of transaction results in the fiscal year. • We verified that the property sold is not sold immediately to a third party with a significant higher transaction value. • In addition, we have analysed the sales price of property transactions in relation to the most recent valuation value as determined by the external appraiser. If applicable we have assessed reasonableness of considerations paid to intermediaries. • We evaluated whether the disclosures are in accordance with the requirements of IFRS-EU relevant to the recognition of the sale and acquisition of property.

Key observations

We concur with the assumptions used by management regarding the recognition of sale of property and we determined the accurateness and completeness of the disclosures as included in the financial statements in accordance with IFRSs-EU and Part 9 of Book 2 of the Dutch Civil Code.
Our audit did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Report on 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 also includes:

- Introduction
- Report of the Executive Board
- Report of the Supervisory Board
- Renumeration Report 2023
- EPRA Performance indicators
- Appendices

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 the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

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 and Section 2:135b sub-Section 7 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.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. Management and the supervisory board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the general meeting as auditor of Vastned Retail N.V. as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

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.

European Single Electronic Reporting Format (ESEF)

Vastned Retail N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in the XHTML format, including the (partially) marked-up consolidated financial statements as included in the reporting package by Vastned Retail N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N, "*Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument*" (assurance engagements relating to compliance with criteria for digital reporting). Our examination included amongst others:

- Obtaining an understanding of the Vastned Retail N.V.'s financial reporting process, including the preparation of the reporting package

- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
  - Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRSs and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management 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 and 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 errors and fraud 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. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- 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 management
- 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

Communication

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 identify during our audit.

In this respect we also submit an additional report to the audit committee of the supervisory board 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.

Utrecht, 14 February 2024

Ernst & Young Accountants LLP
Signed by J.H.A. de Jong

EPRA performance indicators

Financial reporting

The EPRA Best Practices Recommendations ('BPR') published by EPRA's Reporting and Accounting Committee contain recommendations for the determination of key performance indicators of the property portfolio. Vastned acknowledges the importance of standardising the reporting on performance indicators for the sake of comparability and improving the quality of the information provision to investors and other users of the annual report. For this reason, Vastned has opted for including the key performance indicators in a separate chapter of the annual report.

The financial statements in this chapter are presented in euros; amounts are rounded off to thousands of euros, unless stated differently.

The EPRA BPR checklist is available on Vastned's website: https://vastned.com/annual-reports/

EPRA performance indicators

(€ thousand)				per share (€)	per share (€)
EPRA performance indicator[1]	Page	2023	2022	2023	2022
EPRA Earnings	158	34,428	35,177	2.01	2.05
EPRA NRV	159	764,206	802,537	44.55	46.79
EPRA NTA	159	665,893	710,599	38.82	41.43
EPRA NDV	159	648,813	712,483	37.83	41.54
EPRA Net Initial Yield (NIY)	160	4.5%	4.2%		
EPRA 'topped-up' NIY	160	4.7%	4.3%		
EPRA Vacancy Rate	161	1.2%	1.5%		
EPRA Cost Ratio (including direct vacancy costs)	162	21.1%	20.9%		
EPRA Cost Ratio (excluding direct vacancy costs)	162	20.8%	20.6%		
Capital expenditure	162	3,691	4,616		
EPRA LTV	163	47.1%	45.6%		

1 The EPRA performance indicators have been calculated based on definitions as published by EPRA and available in section Definitions, starting on page 188.

1. EPRA Earnings

	2023	2022
Result as stated in consolidated IFRS profit and loss account	(15,214)	36,345
Value movements in property	47,491	19,457
Net result on divestments of investment properties	(309)	(635)
Financial expenses	-	-
Value movements in financial derivatives	7,544	(16,319)
Movement in deferred tax assets and liabilities	(163)	231
Attributable to non-controlling interests	(4,920)	(4,621)
EPRA Earnings [A]	**34,428**	**34,458**
Abortive purchase costs	-	719
Company specific adjusted earnings	**34,428**	**35,177**
EPRA Earnings per share (EPS) ([A] devided by 17.151.976 shares)	**2.01**	**2.01**
Company specific adjustments:		
Abortive purchase costs	-	0.04
Company specific adjusted earnings per share	**2.01**	**2.05**

2. EPRA Net Asset Value metrics

			31 December 2023			31 December 2022
(€ thousand)	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity Vastned Retail shareholders	**664,709**	**664,709**	**664,709**	**715,879**	**715,879**	**715,879**
Hybrid instruments	-	-	-	-	-	-
Diluted NAV	**664,709**	**664,709**	**664,709**	**715,879**	**715,879**	**715,879**
Diluted NAV at fair value	**664,709**	**664,709**	**664,709**	**715,879**	**715,879**	**715,879**
Deferred taxes in relation to fair value gains of property	8,994	8,994	-	9,380	9,380	-
Fair value of financial derivatives	(7,483)	(7,483)	-	(14,374)	(14,374)	-
Intangible fixed assets	-	(327)	-	-	(286)	-
Fair value of fixed-rate interest-bearing debts	-	-	(15,896)	-	-	(3,396)
Real-estate transfer tax	97,985	-	-	91,652	-	-
NAV	**764,206**	**665,893**	**648,813**	**802,537**	**710,599**	**712,483**
Fully diluted number of shares	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**
NAV per share	**44.55**	**38.82**	**37.83**	**46.79**	**41.43**	**41.54**

			31 December 2023			31 December 2022
(€ thousand)	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
The portion of the portfolio that is subject to deferred taxes and is intended to hold and not to sell in the long run	188,939	13	100	191,450	13	100

3. EPRA Net Initial Yield & EPRA Topped–up Net Initial Yield

	Netherlands		France		Belgium		Spain		Total	Total
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Investment property	594,535	610,465	378,720	407,045	319,858	320,752	79,469	82,143	1,372,581	1,420,405
addition:										
Estimated transaction fees	63,853	54,936	26,132	29,326	8,624	8,019	2,352	2,138	100,960	94,420
Investment value of property (B)	**658,388**	**665,401**	**404,852**	**436,371**	**328,482**	**328,771**	**81,820**	**84,281**	**1,473,542**	**1,514,825**
Annualised gross rental income	34,198	32,271	16,889	15,628	18,557	18,616	3,422	3,330	73,066	69,846
Property outgoings	(4,643)	(4,438)	(859)	(659)	(1,570)	(1,411)	(251)	(195)	(7,323)	(6,704)
Annualised net rental income (A)	**29,556**	**27,834**	**16,030**	**14,969**	**16,987**	**17,205**	**3,171**	**2,746**	**65,744**	**63,142**
Effect of rent-free periods and other lease incentives	1,197	310	374	310	1,229	722	85	86	2,884	1,428
Topped-up annualised net rental income (C)	**30,752**	**28,144**	**16,404**	**15,279**	**18,216**	**17,927**	**3,256**	**3,221**	**68,628**	**64,570**
(i) EPRA Net Initial Yield (A/B)	4.5%	4.2%	4.0%	3.4%	5.2%	5.2%	3.9%	3.7%	4.5%	4.2%
(ii) EPRA Topped-up Net Initial Yield (C/B)	4.7%	4.2%	4.1%	3.5%	5.5%	5.5%	4.0%	3.8%	4.7%	4.3%

4. EPRA Vacancy Rate

31 December 2023

	Gross rental income	Net rental income	Lettable floor area (m^2)	Annualised gross rental income	Estimated rental value (ERV) of vacant properties	Estimated rental value (ERV)	EPRA Vacancy Rate
Netherlands	33,010	28,069	119,321[1]	34,198	734	31,937	2.3
France	16,117	15,205	21,591[2]	16,889	86	18,190	0.5
Belgium	19,077	17,929	78,730[1]	18,557	20	17,905	0.1
Spain	3,934	3,602	3,007[2]	3,422	-	3,493	0.0
Total property	**72,138**	**64,805**	**222,649**	**73,066**	**840**	**71,524**	**1.2**

[1] Difference compared to prior year due to sales, the creation of apartments during FY2023 as well as the addition of all residential sqm to this figure. We are placing a stronger emphasis on residential metres because we believe they provide a more accurate representation of our overall portfolio. Additionally, creating homes that add value to local communities aligns with our strategic objectives. This reflects our increased focus on creating residential units above retail spaces.
[2] Difference compared to prior year due to remeasurements performed during 2023.

31 December 2022

	Gross rental income	Net rental income	Lettable floor area (m^2)	Annualised gross rental income	Estimated rental value (ERV) of vacant properties	Estimated rental value (ERV)	EPRA Vacancy Rate
Netherlands	30,581	26,839	102,546	32,271	596	31,282	1.9
France	14,782	13,605	21,340	15,628	352	17,700	2.0
Belgium	17,921	16,439	76,823	18,616	108	17,175	0.6
Spain	3,093	2,809	2,990	3,330	-	3,284	0.0
Total property	**66,377**	**59,692**	**203,699**	**69,846**	**1,056**	**69,441**	**1.5**

As at year-end 2023, the EPRA vacancy rate was 1.2%,0.3% lower compared to 2022 (1.5%). The lower vacancy was mainly attributable to lower (financial) vacancy in the Netherlands and Belgium.

5. EPRA Cost Ratios

(€ thousand)	2023	2022
General expenses	7,338,000	6,889,000
Operating expenses	7,934,000	7,033,000
Net service charge expenses	113,000	61,000
EPRA costs (including vacancy costs) (A)	**15,385,000**	**13,983,000**
Vacancy costs	(212,719)	(235,669)
EPRA costs (excluding vacancy costs) (A)	**15,172,281**	**13,747,331**
Gross rental income[1]	**72,852,000**	**66,786,000**
(i) EPRA Cost Ratio (including vacancy costs) (A/C)	21.1%	20.9%
(ii) EPRA Cost Ratio (excluding vacancy costs) (B/C)	20.8%	20.6%

1 Including other income of € 714 thousand (2022: € 409 thousand)

In 2023, no operating expenses were capitalised (2022: nil). Vastned capitalises the operating expenses directly attributable to property under renovation during the period that the property under renovation is not available for letting. General expenses (overheads) are not capitalised.

6. Capital Expenditure

(€ thousand)	2023	2022
Acquisitions[1]	-	1,947
Development[2]	1,977	-
Like-for-like portfolio[3]	1,714	2,669
Other	-	-
Total[4]	**3,691**	**4,616**

1 This amount (2022) concerns the acquisition of 1 property in the Netherlands
2 This amount represents the capex spent on the development of multiple residential units in the Netherlands (1 property)
3 Concerns improvements to several assets already held in various countries. Of this total amount, EUR 176 thousand is related to Vastned Belgium of which Vastned Retail owns appr. 65% of the shares (fully consolidated)
4 Vastned has no interests in joint ventures.

7. EPRA LTV

(€ thousand)					31 December 2023
	LTV under IFRS as reported without EPRA adjustments	Adjustments to arrive at EPRA Group LTV	Group EPRA LTV before share of JV's, material associates and NCI adjustment	Non-Controlling Interests (NCI)	EPRA LTV
Equity	**744,884**	**-**	**744,884**	**(80,175)**	**664,709**
Net debt include:					
Borrowings from Financial Institutions	607,770	-	607,770	(26,838)	580,932
Net payables	-	17,077	17,077	(714)	16,363
Owner-occupied property (debt)	366	-	366	(35)	331
Other lease liabilities[1]	2,872	(2,872)	-	-	-
Exclude:					
Cash and cash equivalents	-	(1,016)	(1,016)	148	(868)
Net debt (a)	**611,008**	**13,189**	**624,197**	**(27,439)**	**596,758**
Investment property portfolio and other eligible assets					
Owner-occupied property	-	376	376	(44)	332
Investment properties at fair value	1,349,259	-	1,349,259	(106,786)	1,242,473
Ground lease[1]	2,546	(2,546)			
Properties held for sale	23,937		23,937	763	24,700
Intangibles	-	343	343	(15)	328
Total property portfolio and other eligible assets (b)	**1,375,742**	**(1,827)**	**1,373,915**	**(106,082)**	**1,267,833**
Group LTV (a/b)	44.4%	-	45.4%	-	47.1%

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

(€ thousand)					31 December 2022
	LTV under IFRS as reported without EPRA adjustments	Adjustments to arrive at EPRA Group LTV	Group EPRA LTV before share of JV's, material associates and NCI adjustment	Non-Controlling Interests (NCI)	EPRA LTV
Equity	**795.951**	**-**	**795.951**	**(80.072)**	**715.879**
Net debt include:					
Borrowings from Financial Institutions	613.643	-	613.643	(27.750)	585.893
Net payables	-	14.223	14.223	(725)	13.498
Owner-occupied property (debt)	523	-	523	(53)	470
Other lease liabilities*	2.946	(2.946)	-	-	-
Exclude:					
Cash and cash equivalents	-	(723)	(723)	56	(667)
Net debt (a)	**617.112**	**10.554**	**627.666**	**(28.472)**	**599.194**
Investment property portfolio and other eligible assets					
Owner-occupied property	-	531	531	(68)	463
Investment properties at fair value	1.420.406	-	1.420.406	(107.837)	1.312.569
Ground lease[1]	2.509	(2.509)			
Properties held for sale					
Intangibles	-	318	318	(32)	286
Total property portfolio and other eligible assets (b)	**1.422.915**	**(1.660)**	**1.421.255**	**(107.937)**	**1.313.318**
Group LTV (a/b)	43,4%	-	44,2%	-	45,6%

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

Sustainability reporting

Introduction

Vastned reports on its environmental, social and governance (ESG) impact in accordance with the EPRA Sustainability Best Practice Recommendations (sBPR).

This report has two sections:

1. Overarching recommendations
2. Sustainability performance indicators

Overarching recommendations

Organisational boundaries

Vastned uses the operational control approach for its data boundary. This means that Vastned only reports on the consumption of energy for the premises it has operational control over.

Coverage of performance data

Please see the EPRA performance tables below for data on every individual performance indicator. Vastned reports gas and electricity consumption data for all properties in its portfolio over which Vastned has operational control as landlord. This excludes the majority of the 262 properties in the portfolio, as they do not have common areas and the tenant has operational control over the property (for more information, see Boundaries and Normalisation below).

Landlord-obtained utility consumption

All data used for 2023 is the actual usage data of units Vastned has control over. Of all units we have full control over, we collected real usage data from this year, the data of last year is also in the report, therefore a good like-for-like comparison can be made.

Third-party assurance

No third-party assurance has been conducted.

Boundaries – reporting on landlord and tenant consumption

The consumption reported includes only energy that Vastned purchases as a landlord. All landlord-obtained utility consumption relates to consumption that Vastned purchases and/or controls as the landlord, including common areas and shared services. Where units and spaces become vacant, the associated energy consumption falls under Vastned's operational control. However, since these vacant units use little to no energy, they could not be used for comparison and are also not included in the energy intensity calculation. Consumption by the tenant is only taken into account when Vastned has purchased the energy and re-invoiced this to the tenant.

Analysis – normalisation

Vastned has used the floor areas (sqm) over which it has actual operational control to calculate the energy intensity per square metre.

Tenants receive bills for the major part of each building; Vastned only receives bills for common areas and vacant units in the Netherlands, for which data has been provided (see table 'EPRA portfolio').

Analysis – segmental analysis (by property type, geography)

Since 2019, there has been no segmentation, since most of the shopping centres have been sold and now form only a small part of the portfolio, so segmentation would not provide a meaningful analysis (see table 'EPRA portfolio, starting on page 170'). In EPRA own offices, starting on page 171 we report on the GHG emissions of our own offices, segmented by countries.

Disclosure on own offices

The offices that Vastned uses for its own business are reported separately from its portfolio report. Please see 'EPRA own offices, starting on page 171'. Vastned Netherlands is located in an office building that accommodates multiple companies and shares a central heating system. As a result, it is not feasible to determine the amount of gas consumption per individual office.

Narrative on energy performance

In Elec-LfL and Fuels-LfL, Vastned has noted a decrease in the like-for-like consumption of electricity and natural gas in 2023 compared to previous periods. There was a slight decrease in electricity consumption, where we observed no outliers. The like-for-like natural gas usage decreased because, in one property, the retail activities were stopped. Furthermore, one tenant chose to stop using gas and started heating the store with electricity. For that property, we observed a higher electricity usage. Overall, the consumptions fall within the expected range.

Elec-Abs and Fuels-Abs: In terms of total energy consumption, Vastned also observed a decrease. This decrease was due to the change in properties under our operational control that became occupied last year. Since they have been reoccupied, the tenant is responsible for the purchase of energy, and as a result, we no longer have insight into the consumption levels.

Energy Intensity, Certification Total: Vastned has noted a decrease in both the overall energy consumption and the energy intensity across its properties. This has, in turn, led to a reduction in energy intensity per square metre. The significant impact on these figures stems primarily from a reduction in natural gas usage, which is particularly noteworthy given that only 18 of the properties included in the like-for-like comparison are connected to gas. This adjustment has contributed to a more efficient energy footprint overall. Vastned is committed to enhancing the energy efficiency, living comfort, and safety of the apartments through renovations. A property's energy efficiency is measured using an Energy Performance Certificate (EPC). Only projects where the EPC rating has improved to an 'A' are eligible for allocation to green financing instruments. In 2022, Vastned set a new target to increase its portfolio of eligible assets from 10% to 25% by the end of 2025. As of the end of 2023, 29% of our assets are eligible.

GHG Dir, GHG-Indir and GHG-Int: the decrease in GHG-Dir (Scope 1) and GHG-Indir (Scope 2, location-based) is related to the respective decrease in absolute consumption of fuels and electricity described above (see EPRA portfolio, starting on page 170). Vastned also tends to reduce its Scope 1 and 2 greenhouse gas emissions by reducing the energy consumption of its own operation and by purchasing 100% renewable electricity from European wind and solar power for the consumption of properties under our operational control.

Sustainable renovation projects in 2023

In 2023, Vastned also implemented several energy-saving measures to improve the efficiency of its properties. These measures include installing insulation, fitting air curtains and LED lights, and placing smart meters for better data collection on energy consumption. Additionally, we renovated several residential units. Whenever we carry out a renovation, we always consider how to make the unit more energy-efficient, which has also resulted in better EPC labels.

Street:	City:	EPC before:	EPC after:	Delivery date:	Comments:
Ferdinand Bolstraat 47.2	Amsterdam	G	A and B	Q2-23	Split one appartment into two appartments, one residential unit added to portfolio.
Steenweg 9 / Choorstraat 9	Utrecht	G	2 x B and 6 x A	Q2-23	Transformation of secondary space into five apartments (Steenweg) and renovation of 3 shared-facility apartments into 3 self-contained apartments (Choorstraat). Total 8 apartments.
Ferdinand Bolstraat 124.2	Amsterdam	G	A++	Q4-23	Renovation one appartment
Ferdinand Bolstraat 49.1	Amsterdam	D	A	Q4-23	Renovation one appartment

In 2024, Vastned will continue to improve its portfolio through sustainable renovation projects. The following projects will be executed in the coming year:

Sustainable renovation projects in 2024

Street:	City:	EPC before:	EPC indication after:	Expected delivery date:	Comments:
Grote Markt 2a-4	Venray	F	A/B (expected)	Q2 2024	Placing double glass into the new boutique hotel.
Ferdinand Bolstraat 101 3	Amsterdam	G	A (expected)	Q3 2024	Renovation of 1 apartment and include upper floor
1e J. v.d. Heijdenstraat 88 3	Amsterdam	G	A (expected)	Q3 2024	complete renovation of 1 apartment
Steenweg 31-33	Utrecht	C (store), n/a residential	A (expected)	Q4 2024	renotvation of store + creation of 4 residential units
Oudegracht 153 - 159	Utrecht	C (store), n/a residential	A (expected)	Q4 2024	renotvation of store + creation of 6 residential units

Narrative on gender pay

Vastned does not report diversity data on remuneration for 'other direct employees'. Since Vastned employed only 30.9 FTEs at year-end 2023, there are no male and female employees in the same position and with the same experience. Their salaries are not comparable as they are determined based on position, seniority and years of service with Vastned.

Vastned has defined a Diversity and Inclusion Policy* that aims to create equal opportunities for everyone in the organisation. This ambition is put into practice by the intention that the Executive Board, the Supervisory Board and the Executive Committee should consist of at least 30% women and at least 30% men.

Narrative on employee turnover

Vastned observed a decrease in Employee Turnover in 2023 compared to 2022. The company experienced the departure of two employees while welcoming one new colleague. Vastned is committed to retaining talent through talent programs, welfare programmes, and a bonus system. For a detailed overview of Vastned's strategies for attracting talent, refer to the Stakeholder engagement, starting on page 51 and Organisation, starting on page 47.

Narrative on performance appraisal

Every year, performance reviews and assessment interviews are held with every employee. During these meetings, employees and their managers collaboratively set challenging targets that align with Vastned's objectives as well as the employee's competencies, ensuring the alignment of personal development with Vastned's interests. As an added incentive, Vastned grants variable bonuses to its staff based on the achievement of these targets, aiming to further align the interests of employees and shareholders.

The Remuneration and Nomination Committee is charged with evaluating the members of the Executive Board and the Supervisory Board. This committee is also responsible for annually accounting for the Remuneration Policy.

Location of EPRA sustainability performance indicators

The EPRA environmental sustainability performance indicators are presented in the tables 'EPRA portfolio, starting on page 170' and 'EPRA own offices, starting on page 171,' which are in subsequent sections of this report. The EPRA governance and social performance indicators can be found in the table titled 'EPRA social governance, starting on page 172.'

Narrative on employee health and safety

Vastned considers promoting the health and well-being of its employees fundamental to a well-functioning organisation. For this reason, the company places a strong emphasis on these aspects. Vastned offers half-price gym memberships, and colleagues at the head office can use the gym located in the same building. Over the past year, during both formal and informal conversations, Vastned has discussed employee well-being. Based on these discussions, the company has implemented various initiatives, such as providing a weekly budget for team lunches and offering the option to lease a bicycle.

One of Vastned's core values is promoting an open and inclusive culture within its organisation. To uphold this, Vastned enforces a zero-tolerance policy against discriminatory behaviour and has appointed both an internal and external confidential counsellor for employees to consult in case of any unpleasant situations. The company has also developed a Diversity and Inclusion Policy aimed at promoting gender equality and women's empowerment. This policy includes a goal for the Executive Board, Supervisory Board, and Executive Committee to consist of at least 30% of the underrepresented gender.

Narrative on employee training

Vastned feels it is important to stimulate and engage its employees to realise the company's ambitions together and create long-term value. In 2023, 33 employees (100%) attended at least one course (mandatory cyber security training). This equalled 30.9 FTEs with 726 hours spent on training**. This is an average of 23.5 hours per FTE and is divided between four departments: administrative (24%), finance and accounting (46%), portfolio management (28%) and legal (2%). This is a minor decrease compared to 2022.

Reporting period

Vastned provides two years of performance data covering the 2023 and 2022 calendar year for all performance measures (if material).

Materiality

Vastned reports on all environmental performance measures that Vastned is responsible for across its portfolio. Performance measures relating to DH&C, Water and

*https://vastned.com/wp-content/uploads/2022/10/2021.11.01-Diversity-Inclusion-Policy-Vastned-Retail-N.V.pdf **Training is defined as education, training and course provided by an external party outside Vastned's organisation.

Waste are not applicable as Vastned is not responsible for these utilities across its portfolio under the scope of operational control as defined above. Vastned does not report Comty-Eng as Vastned has not identified this as material. The portfolio consists primarily of high street assets let on a core and shell basis, meaning there are only a few common areas and that there is no development/redevelopment activity.

The tenants of Vastned are engaging with the community daily. The tenants are a very important stakeholder for Vastned, and Vastned encourages commercial tenants to be socially and environmentally responsible. Vastned has included green and ethical clauses in new leases to make tenants aware of their impact on the environment and society. This clause addresses subjects such as the use of natural resources, the circular economy, the International Labour Organization, international codes and standards of conduct, human rights, child labour and animal welfare.

Stakeholder dialogue

Section Materiality and stakeholder engagement, starting on page 49 of this report contains Vastned's stakeholder dialogue and the materiality matrix. It shows how Vastned actively engages with its stakeholders and creates long-term value for its stakeholders and society.

Sustainability performance measures

EPRA portfolio

Indicator	EPRA	Unit of measure	2023	2022	Coverage	Change
Total electricity consumption	Elec-Abs	kWh	417,839	456,235	2023: 41 properties, 2022: 54 properties	-8%
	(% from renewable sources)	%	100	100	n/a	-
Like-for-like electricity consumption	Elec-LfL	kWh	400,592	406,486	39 out of 39	-1%
Total energy consumption from district heating and cooling	DH&C-Abs[1]	kWh	n/a	n/a	n/a	n/a
Like-for-like consumption from district heating and cooling	DH&C-LFL[1]	kWh	n/a	n/a	n/a	n/a
Total energy consumption from fuel	Fuel-Abs	kWh	397,566	435,891	2023: 21 properties, 2022: 22 properties	-9%
	(% from renewable sources)	%	-	-		-
Like-for-like consumption from fuel	Fuels-LFL	kWh	332,287	388,011	18 out of 18	-14%
Building energy intensity	Energy-Int	kWh/m2	115	128	39 out of 39	-10%
Direct GHG emission (total) Scope 1	GHG-Dir-Abs	tCO2e[2]	130	143	18 out of 18	-9%
Indirect GHG emission (total) Scope 2 (location based)	GHG-Indir-Abs	tCO2e[2]	137	149	39 out of 39	-8%
Building GHG emissions intensity	GHG-Int	tCO2e/m2	0.037	0.041	39 out of 39	-9%
Total water consumption	Water-Abs[3]	m3	n/a	n/a	n/a	n/a
Like-for-like water consumption	Water-LfL[3]	m3	n/a	n/a	n/a	n/a
Building water consumption intensity	Water-Int[3]	m3/m2	n/a	n/a	n/a	n/a
Weight of waste by disposal route (total)	Waste-Abs[3]	kg	n/a	n/a	n/a	n/a
		% recycled	n/a	n/a	n/a	n/a
		% sent to landfill or incinerated	n/a	n/a	n/a	n/a
Weight of waste by disposal route (Like-for-like)	Waste-LfL[3]	kg	n/a	n/a	n/a	n/a
		% recycled	n/a	n/a	n/a	n/a
		% sent to landfill or incinerated	n/a	n/a	n/a	n/a
Type and number of assets certified	Cert-Tot	% of portfolio certified OR	81%	78%		4%
		number of certified assets	590	570		4%

1 DH&C-Abs and DH&C-LfL are not applicable as Vastned is not responsible for district heating and cooling across its portfolio.
2 Portfolio GHG emissions have been calculated using conversion factors provided by Scaler Global, our ESG platform partner.
3 Water and waste (Abs/LfL) are not applicable as Vastned is not responsible for water and waste across its portfolio

EPRA own offices

Consumption	EPRA indicator	Unit	Netherlands	Belgium	France	Spain	Total	Coverage
Electricity	Elec-Abs	kWh	10,475	18,581	14,919	n/a	43,975	4 out of 4
Heating - Gas	Gas-Abs	m^3	-	68	-	n/a	68	3 out of 4
Water	Water-Abs	m^3	2,469	647	1,138	139	4,393	4 out of 4
Paper	Waste-Abs[1]	Kg	252	136	335	10	733	4 out of 4
CO_2e	GHG-Dir	Tonnes (location-based)[2]	-	0.1	0.6	-	0.7	4 out of 4
CO_2e	GHG-Indir	Tonnes (location-based)[2]	1.9	3.4	-	n/a	5.4	4 out of 4
CO_2e	Water-Abs	Tonnes (location-based)[2]	0.7	0.2	0.3	0,0	1.3	4 out of 4
CO_2e	Waste-Abs[1]	Tonnes (location-based)[2]	0.7	0.4	0.9	0.0	1.9	4 out of 4
Air travel	Air travel	Tonnes CO_2e	1.7	0.2	0.2	-	2.1	4 out of 4
Car travel	Car travel	Tonnes CO2e	50.0	13.2	-	0.6	63.9	4 out of 4
Public transport	Public transport	Tonnes CO_2e	0.1	0.1	0.4	-	0.5	4 out of 4
Total	Total	Tonnes CO_2e	55.1	17.7	2.4	0.7	75.8	4 out of 4

1 Waste-Abs: Vastned only has data regarding paper waste
2 Own office CO2e conversion factors are based on data provided by Scaler Global.

All company offices are leased and therefore are not part of the investment portfolio. For this reason, their environmental performance is reported separately. This data concerns Vastned's offices in Belgium, France, Spain and the Netherlands. Taking all EPRA indicators together, Vastned's CO_2e emissions total 75.8 tonnes CO_2e.

EPRA social governance

Indicator	EPRA	Type of assets	Unit of measure	2023	2022	Coverage
Gender diversity	Diversity-Emp	Corporate operations	% of employees	33.3% Female, 66.7% Male	33.3% Female, 66.7% Male	Supervisory Board
				100% Male	100% Male	Executive Board
				60.8% Female, 39.2% Male	65% Female, 35% Male	Direct employees
Gender pay	Diversity-Pay	Corporate operations	Ratio	1.0	1.0	Supervisory Board[1]
				n/a	n/a	Executive Board
				-	-	Other direct employees[2]
Performance appraisals	Emp-Dev	Corporate operations	% of total workforce	100%	100%	Direct employees
Employee training	Emp-Training	Corporate operations	Hours spent per FTE	24	35	Direct employees
New hires this year	Emp-Turnover	Corporate operations	Total number	1	4	Direct employees
			Percentage	3%	12%	
Turnover			Total number	2	4	
			Percentage	6%	12%	
Number of injuries[3]	H&S-Emp	Corporate operations	Total number	0	0	Direct employees
Lost day rate as a % of FTEs			hours sick as a percentage of planned hours (FTE)	2.4%	1.0%	
Sickness absence rate[4]			hours sick as a percentage of planned hours (FTE)	2.4%	1.0%	
Fatalities			Total number	0	0	
Health and safety assessments	H&S-Asset	Corporate operations	n/a[5]	n/a	n/a	n/a
Health and safety compliance	H&S-Comp	Corporate operations	n/a[5]	n/a	n/a	n/a
Board composition	Gov-Board	Corporate operations	Total number of Executive board members	1	1	Supervisory Board and Executive Board
			Total number of Supervisory board members (independent)	3	3	
			Average tenure (years) of Supervisory Board[6]	2.7	1.7	
			Total number with competencies relating to environmental and social topics	0	0	

1 The ratio represents the remuneration award to Supervisory Board members of equal position. As such, it excludes the Chairman.
2 Vastned is currently unable to report on this performance measure
3 Given the limited number of staff employed by Vastned, the total number of injuries is reported rather than the injury rate.
4 The total number of days lost compared to the total number of days planned by Vastned for the same period.
5 Vastned ensures that all mandatory H&S assessments are fully complied with (such as fire safety, escape routes, ventilation, etc.). For most of its properties, Vastned has a technical building manager who is responsible for this. Reporting these figures falls outside the scope of Vastned's operational control.
6 A supervisory director will resign no later than just after the AGM in the fourth financial year following the financial year in which he or she was appointed. A Supervisory Board member who has stepped down can be reappointed forthwith, but may only serve for a maximum of 12 years

Indicator	EPRA	Type of assets	Unit of measure	2023	Coverage
Independent/non-executive board members with competencies relating to environmental and social topics	Gov-Select	Corporate operations	Description	The members of the Supervisory Board are appointed by the Annual General Meeting. The Supervisory Board draws up nominations for the appointment of new members to the Supervisory Board. Competencies in the area of environmental and social topics will be taken into consideration in the selection and appointment of future members of the Supervisory Board.	Supervisory Board
Certification investments	Gov-CoI	Corporate operations	Description	Vastned considers it very important for the members of the Executive Board and the Supervisory Board to act independently, without any conflicting interests. It has adopted a number of regulations and codes to ensure this. During the 2022 reporting year, the members of the Executive Board and the Supervisory Board were independent and there were no conflicts of interest within the meaning of the Code or applicable laws and regulations. As a result, Vastned complies with Principle 2.1 of the Code. For more information on Vastned's compliance with the Dutch Corporate Governance Code, see the Corporate Governance chapter of this annual report.	Supervisory Board and Executive Board

Appendices

Property in operation

Netherlands

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
Amersfoort	Langestraat 8 / Krankeledenstraat 1a	1990	1900	366	1	1
	Utrechtsestraat 13 / Hellestraat 3	2008	1900	186	1	1
Amsterdam	Ferdinand Bolstraat 47-49	2017	1885	707	1	6
	Ferdinand Bolstraat 65	1989	1883	276	1	3
	Ferdinand Bolstraat 79-81	1987	1905	471	2	6
	F. Bolstraat 85H/1e Jan Steenstraat 89H, F. Bolstraat 85-1, 85-3, 85-4, 1e Jan Steenstraat 89-3	2019	1884	649	1	4
	Ferdinand Bolstraat 88	1987	1883	271	1	3
	Ferdinand Bolstraat 92 / Govert Flinckstraat 118	1987	1882	315	1	6
	Ferdinand Bolstraat 95-97 / 1e Jan vd Heijdenstraat 88A-90	1987	1892	634	1	9
	Ferdinand Bolstraat 101	1989	1892	262	1	3
	Ferdinand Bolstraat 109	1989	1882	245	1	3
	Ferdinand Bolstraat 120 / 1e Jan vd Heijdenstraat 88	1993	1893	415	1	6
	Ferdinand Bolstraat 122	1987	1893	291	1	3
	Ferdinand Bolstraat 124	1987	1893	218	1	3
	Ferdinand Bolstraat 126	1989	1893	176	1	3
	Heiligeweg 37	2014	1907	210	1	
	Heiligeweg 47	1989	1899	218	1	
	Kalverstraat 9	1990	1900	253	1	
	Kalverstraat 11-17 / Rokin 12-16	2015	2014	6,186	3	
	Kalverstraat 132 / Begijnensteeg 1	2014	1894	507	2	
	Kalverstraat 162-164	1988	1800	380	1	
	Kalverstraat 182	1987	1900	453	1	
	Kalverstraat 208	1991	1850	195	1	
	Keizersgracht 233	2019	1900	210	1	1
	Keizersgracht 504	2012	1686	275	1	1
	Leidsestraat 2 / Herengracht 424	2016	1900	492	1	4
	Leidsestraat 5	1990	1905	397	1	
	Leidsestraat 23	2013	1700	215	1	
	Leidsestraat 46	2012	1900	375	1	
	Leidsestraat 60-62 / Kerkstraat 39	2014	1750	484	1	4
	Leidsestraat 64-66 / Kerkstraat 44-3 and 44-4	1986	1912	837	3	

Netherlands

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
	Nes 67 / Sint Barberensteeg 4	2019	1923	1,186	1	
	P.C. Hooftstraat 35	2015	1904	252	1	
	P.C. Hooftstraat 37	2015	1897	211	1	
	P.C. Hooftstraat 46-50	2014	1885	1,248	3	3
	P.C. Hooftstraat 49-51	2013	1905	654	1	5
	P.C. Hooftstraat 78 and 78-I-II-III	2013	1905	465	2	
	Reguliersbreestraat 9 / Amstel 8	1987	1905	440	2	3
	Reguliersdwarsstraat 80-82-84	2018	1832	783	1	7
	Rembrandtplein 7	2007	1897	489	1	3
	Spuistraat 3E and 3F	2017	1900	214	1	
	Van Baerlestraat 86	1994	1800	336	1	2
	Van Baerlestraat 108-110	1990	1800	589	2	5
Apeldoorn	Deventerstraat 6	1990	1930	70	1	
	Deventerstraat 14 and 14A	1994	1900	295	2	
Arnhem	Bakkerstraat 3A and 4 / Wielakkerstraat 8	1990	1600	310	1	1
	Bakkerstraat 5 en 6 / Wielakkerstraat 10 and 10B	1994/2014	1950	1,603	3	
	Koningstraat 12-13A / Beekstraat 105-107 and 108	1988	1890	1,997	4	2
	Vijzelstraat 24	1994	1800	161	1	
Breda	Eindstraat 14	1988	1924	457	1	
	Ginnekenstraat 19	1993	1980	156	1	
	Grote Markt 29 / Korte Brugstraat 2	1991	1953	345	2	2
	Karrestraat 25, 25C and 25D	1994	1920	479	1	2
	Ridderstraat 19	1994	1800	225	1	
	Torenstraat 2	1992	1953	387	1	
	Veemarktstraat 30	1991	1920	555	1	
	Veemarktstraat 32 and 32A	1992	1800	181	1	1
Brunssum	Kerkstraat 45 / Schiffelerstraat 1	1997	1970	656	1	
Doetinchem	Dr. Huber Noodtstraat 2 / Plantsoenstraat 1A	1997	1968	1,825	5	
	Korte Heezenstraat 6 / Heezenpoort 13, 15 and 21	1994	1985	310	3	
Doorwerth	Shopping centre Doorwerth	1997	2007	3,559	12	
Eerbeek	Stuijvenburchstraat 44, 44A, 46A and 46B	1997	1965	540	2	2
Eindhoven	Shopping centre Eckart	1993	1973	3,204	6	
	Rechtestraat 25 / Jan van Hooffstraat 10-12-14	1992	1930	419	1	3
	Rechtestraat 44 and 48 / Achterom 44-46	1988	1966	3,981	2	
Emmeloord	Lange Nering 65 and 65A	1993	1960	437	1	1

Netherlands

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
Enschede	Kalanderstraat 6	1993	1950	124	1	
Goor	Grotestraat 61, 63 and 63A	1994	1910	1,041	1	1
Haarlem	Grote Houtstraat 90	1988	1850	195	1	
Hardenberg	Fortuinstraat 21	1997	1985	300	1	
	Voorstraat 10	1997	1930	1,173	1	
Harderwijk	Markt 14	1991	1875	470	1	
Heerlen	Saroleastraat 38 and 38A	1994	1930	453	1	1
Hengelo	Wegtersweg 5-21	2006	2006	4,622	1	
's-Hertogenbosch	Hinthamerstraat 48	1988	1900	259	1	2
	Markt 27	2012	1648	225	1	
	Schapenmarkt 17-19	2014	1930	1,362	1	
Houten	Onderdoor 4 and 4a	2010	2010	2,170	2	
Joure	Midstraat 153-163 / Sinnebuorren 28	2006	1981	3,131	2	5
Leeuwarden	Wirdumerdijk 7 and 7a / Weaze 16	1994	1920	650	2	1
Maastricht	Grote Staat 59 / Leliestraat 4	2014	1742	358	1	2
	Muntstraat 16-18	1989	1897	190	1	
	Muntstraat 20	1987	1891	140	1	
	Muntstraat 21	2014	1920	861	1	
	Wolfstraat 8 / Minckelersstraat 1a	1992	1883	1,021	2	
	Wolfstraat 27-29 (+Havenstraat 18)	2013	1752	360	1	1
Nijmegen	Broerstraat 26 / Scheidemakershof 37	1993	1960	271	1	3
	Broerstraat 70	1989	1951	767	1	
	Plein 1944 nr. 2 / Hendrikhof 1 and 1A	1988	1957	356	1	6
Oss	Heschepad 47-51 / Molenstraat 21 and 25	1986	1983	2,948	4	
Roermond	Steenweg 1C / Schoenmakersstraat 2, 10-16A, 18	1986	1980	2,507	8	
Roosendaal	Nieuwe Markt 51	1994	1960	200	1	
Rotterdam	Shopping centre Keizerswaard	1996	1992	330	1	
	Shopping centre Zuidplein	94/95/10/22	1972	1,932	8	
The Hague	Korte Poten 10	1989	1916	122	1	
	Korte Poten 13 / Koediefstraat 3B and 3C	1990	1916	304	1	2
	Korte Poten 42	1987	1900	212	1	4
	Lange Poten 21, 21A and 21B	1989	1916	203	1	2
	Plaats 17 and 21	1990	1916	415	2	
	Plaats 25	1987	1920	345	1	
	Spuistraat 13	1988	1930	662	1	

Netherlands

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
	Vlamingstraat 43	1995	1916	110	1	
	Wagenstraat 3-5 / Weverplaats	2012	2012	3,176	1	
Tiel	Waterstraat 29 / Kerkstraat 2B	1994	1850	180	1	1
	Waterstraat 51	1994	1920	120	1	
Tilburg	Westermarkt	93/94/08	61/62/63	8,234	13	
Uden	Marktstraat 30a and 32-34	1994	1958	614	-	1
Utrecht	Bakkerstraat 16	2013	1900	260	1	2
	Choorstraat 13 / Steenweg 1A	1987	1900	325	1	3
	Drieharingstraat 2, 4, 6, 8, 14, 16, 18, 22	2018	1900	2,845	9	
	Lange Elisabethstraat 6	1987	1850	128	1	
	Lange Elisabethstraat 36	1993	1850	192	1	
	Nachtegaalstraat 55, 55A and 55B	1994	1904	2,354	2	2
	Oudegracht 124-126	1990	1930	741	2	2
	Oudegracht 134-136 / Vinkenburgstraat 2, 8 & 12-14	1987	1900	2,810	9	5
	Oudegracht 153-159	1997/2013	1904	2,437	6	2
	Oudegracht 161 / Aan de Werf/Hekelsteeg 6-10A	1997	1900	1,879	1	10
	Steenweg 9 / Choorstraat 9-9bis	1990	1900	828	2	8
	Steenweg 22-28 / 2e Buurkerksteeg 3-7	2014	1800	872	4	3
	Steenweg 31-33 / Hekelsteeg 5 & 7	2013	1450	905	-	1
	Vismarkt 4	2017	1900	332	1	
	Vredenburg 1	2018	1900	205	1	
	Vredenburg 9, 9A, 9B / Zakkendragerssteeg 42-50	2016	1900	1,656	2	9
Venlo	Lomstraat 30-32	1993	1960	465	1	
	Lomstraat 33	1994	1970	106	1	
Venray	Grotestraat 2-4 / Grote Markt 2, 2A and 4	1986	1946	1,251	4	
Vriezenveen	Westeinde 21-29	1993	1938	2,611	9	
Winterswijk	Dingstraat 1-3	1998	1900	2,371	2	
	Misterstraat 8-10 / Torenstraat 5A and 5C	1996	1900	686	1	2
	Misterstraat 12 / Torenstraat 5A and 5B	1991	1939	234	1	1
	Misterstraat 14 and 14B	1991	1989	377	2	
	Misterstraat 33	1999	1900	926	1	
Zutphen	Beukerstraat 28	1989	1800	318	1	
	Beukerstraat 40	1989	1838	325	1	
Zwolle	Diezerstraat 62	1996	1910	458	1	
	Diezerstraat 74 and 74A / Gasthuisplein 21B	2012	1800	746	1	4

Netherlands

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
	Diezerstraat 78 / Rodehaanstraat 2	1990	1832	195	1	5
	Luttekestraat 26 / Ossenmarkt 1a	1990	1930	183	1	1
TOTAL PROPERTY IN OPERATION NETHERLANDS				**119,322**	**253**	**204**

France

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
Bordeaux	Cours de l'Intendance 12	2011	1900	421	1	
	Cours de l'Intendance 47	2011	1900	280	1	
	Cours de l'Intendance 56	2013	1900	365	1	
	Cours de l'Intendance 58	2013	1900	115	1	
	Cours de l'Intendance 60	2013	1900	501	1	
	Cours de l'Intendance 61	2012	1900	675	2	2
	Cours de l'Intendance 62	2013	1900	589	1	
	Cours de l'Intendance 64-66	2013	1900	192	1	
	Cours Georges Clémenceau 12	2011	1900	464	1	2
	Rue de la Porte Dijeaux 73	2012	1950	186	1	
	Rue Sainte Catherine 20	2011	1900	606	1	13
	Rue Sainte Catherine 27-31	2011	1900	1,024	4	3
	Rue Sainte Catherine 35-37	2011	1900	409	1	
	Rue Sainte Catherine 39	2011	1900	175	1	4
	Rue Sainte Catherine 66	2012	1950	130	1	
	Rue Sainte Catherine 131	2012	1900	362	1	
Cannes	Rue d'Antibes 40	2000	1950	802	1	
Lille	Place de la Gare 8-10	2007	1945	156	1	
	Place des Patiniers 1 bis	2007	1900	114	1	
	Place des Patiniers 2-4	2007	1945	56	1	
	Place du Lion d'Or 9	2007	1870	152	1	
	Place Louise de Bettignies 15-23	2007	1870	434	1	
	Rue Basse 8	2007	1930	148	1	
	Rue de la Grande Chaussée 25	2007	1870	232	1	
	Rue de la Grande Chaussée 29	2007	1870	290	1	3
	Rue Grande Chaussée 33-35	2007	1870	334	1	
	Rue de la Monnaie 2	2007	1870	706	1	4

France

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
	Rue de la Monnaie 4	2007	1870	102	1	
	Rue de la Monnaie 6	2007	1870	124	1	
	Rue de la Monnaie 6 bis	2007	1870	82	1	
	Rue de la Monnaie 12	2007	1870	220	1	
	Rue de la Monnaie 13	2007	1870	84	1	
	Rue des Chats Bossus 13	2007	1870	369	1	
	Rue des Chats Bossus 21	2007	1870	153	1	
	Rue des Ponts de Comines 30	2007	1945	197	1	
	Rue des Ponts de Comines 32	2007	1945	254	1	
	Rue du Curé St Etienne 6-8	2007	1950	153	1	
	Rue du Curé St Etienne 17	2007	1870	227	1	
	Rue Faidherbe 28-30	2007	1945	76	1	
	Rue des Ponts de Comines 19	2007	1945	517	1	
	Rue Faidherbe 38-44	2007	1945	304	1	
	Rue Faidherbe 48	2007	1945	135	-	
	Rue Faidherbe 50	2007	2015	234	1	
	Rue Faidherbe 54	2007	2015	139	1	
Lyon	Rue Edouard Hériot 70	2014	1900	388	2	
	Rue Victor Hugo 5	2001	1950	110	1	
Nice	Avenue Jean Médecin 8Bis	2001	1950	362	1	
Paris	Rue d'Alésia 123	2006	1956	420	1	
	Rue des Archives 21	2016	1900	147	1	
	Rue de Rennes 146	2016	1900	195	1	
	Rue de Rivoli 102	2012	1900	1,349	3	
	Rue de Rivoli 118-120, Rue Pernelle 5, Rue du Plat d'Etain 9-11	1998	1997	3,845	6	9
	Rue des Francs Bourgeois 10	2018	1900	141	1	
	Rue des Francs Bourgeois 12	2018	1900	154	1	
	Rue des Francs Bourgeois 29	2017	1900	229	1	
	Rue des Rosiers 3Ter	2015	1900	383	1	
	Rue des Rosiers 19	2017	1900	72	1	
	Rue Vieille du Temple 26	2016	1900	213	1	
	Rue Montmartre 17	2006	2003	246	1	
Saint-Étienne	Rue Saint Jean 27	2001	1950	52	1	
TOTAL PROPERTY IN OPERATION FRANCE				**21,594**	**71**	**40**

Belgium

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
Aalst	Albrechtlaan 56	2000	>1980	1,000	1	
	Brusselsesteenweg 41	2007	>1980	770	1	
	Nieuwstraat 10	1998	<1950	145	1	
Aartselaar	Antwerpsesteenweg 13/4	2000	>1980	1,334	1	
Antwerp	Arme Duivelstraat 6	2015	<1950	132	1	
	De Keyserlei 47	2000	<1950	62	1	
	De Keyserlei 49	2000	<1950	102	1	
	Graanmarkt 13	2015	<1950	887	2	
	Groendalstraat 11	2000	<1950	39	1	
	Huidevettersstraat 12-14	1994	<1950	684	1	
	Korte Gasthuisstraat 17	2015	<1950	823	1	
	Korte Gasthuisstraat 27	2000	<1950	145	1	
	Leysstraat 17	2000	<1950	325	1	2
	Leysstraat 28-30 / Kipdorpvest 32-34	1997	<1950	1,641	2	5
	Meir 99	1996	<1950	583	1	
	Schuttershofstraat 22	2015	<1950	272	1	
	Schuttershofstraat 24	2000	<1950	190	1	
	Schuttershofstraat 30	2000	<1950	150	1	1
	Arme Duivelstraat 2	2000	<1950	54	1	
	Schuttershofstraat 55	2015	<1950	139	1	
	Steenhouwersvest 44-48	2017	1950-1980	910	3	4
Bruges	Steenstraat 38	2013	<1950	697	1	
	Steenstraat 80	1998	<1950	2,697	1	
Brussels	Elsenesteenweg 16	1996	<1950	1,222	2	
	Elsenesteenweg 41-43	1998	<1950	8,809	7	
	Louizalaan 7	2000	<1950	616	1	
	Nieuwstraat 98	2001	<1950	201	1	
Drogenbos	Verlengde Stallestraat 217	2007	>1980	530	1	
Genk	Hasseltweg 74	2002	>1980	2,331	3	
Ghent	Veldstraat 23-27	2014	<1950	2,050	1	
	Veldstraat 81	1998	<1950	675	1	
	Voldersstraat 15	1993	<1950	280	1	
	Zonnestraat 10	1998	<1950	519	1	2
	Zonnestraat 6-8	1998	<1950	3,484	1	
Huy	Rue Joseph Wauters 29	2007	>1980	1,000	2	

Belgium

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
Jemappes	Avenue Wilson 510	2007	>1980	900	2	
Kampenhout	Mechelsesteenweg 38-42	1999	>1980	3,322	3	
Korbeek-Lo	Tiensesteenweg 378	2007	>1980	990	2	
Leuven	Bondgenotenlaan 69-73	2001	<1950	1,495	2	
Liège	Pont d'Ile 45	1998	<1950	55	1	
	Pont d'Ile 49	1998	<1950	375	1	
Malines	Bruul 39-41	2000	<1950	361	2	
	Bruul 40-42	2001	<1950	3,426	1	
	Borzestraat 5	2001	<1950	145	1	
Mouscron	Petite Rue 18	1998	<1950	235	-	
Montignies-sur-Sambre	Rue de la Persévérance 14	2007	>1980	750	1	
Namur	Galerie Jardin d'Harscamp	2011	1950-1980	2,270	12	
Philippeville	Zoning des Quatre Bras	1999	>1980	3,689	6	
Tielt-Winge	Gouden Kruispunt (I&II)	1999-2002	>1980	18,096	22	
Turnhout	Gasthuisstraat 32	1996	>1950	505	1	
Wavre	Boulevard de l'Europe 41	2007	>1980	852	2	
	Rue du Commerce 26	1998	>1950	242	1	
	Rue Pont du Christ 46	1998	>1950	319	1	
Wilrijk	Boomsesteenweg 666-672	2000	>1980	5,205	4	
TOTAL PROPERTY IN OPERATION BELGIUM				**78,730**	**114**	**14**

Spain

City	Location	Year of acquisition	Year of construction/ renovation	Lettable floor space (sqm)	Number of commercial tenants	Number of residential units
Leon	Avenida Ordoño II 18	2001	<1950	590	1	
Madrid	Calle de Fuencarral 23	2006	<1950	288	1	
	Calle de Fuencarral 25	2006	<1950	107	1	
	Calle de Fuencarral 27	2018	<1950	149	1	
	Calle de Fuencarral 37	2016	<1950	608	1	
	Calle José Ortega y Gasset 15	2016	<1950	402	1	
	Calle Serrano 36	1999	<1950	590	1	
Málaga	Plaza de la Constitución 9	2010	<1950	273	1	
TOTAL PROPERTY IN OPERATION SPAIN				**2,990**	**8**	**-**

Country	Lettable floor space (sqm)[1]	Number of commercial tenants	Number of residential units
The Netherlands	119,322	253	204
France	21,594	71	40
Belgium	78,730	114	14
Spain	2,990	8	-
Total	**222,636**	**446**	**258**

1 It concerns all rentable square metres including residential units

Shareholder information

ISIN code NL0000288918
Reuters VASN.AS
Bloomberg VASTN.NA

Shares in Vastned Retail N.V. (Vastned) have been listed on Euronext Amsterdam since 9 November 1987. Vastned has been part of the Amsterdam Small Cap Index (AScX) since 18 September 2017.

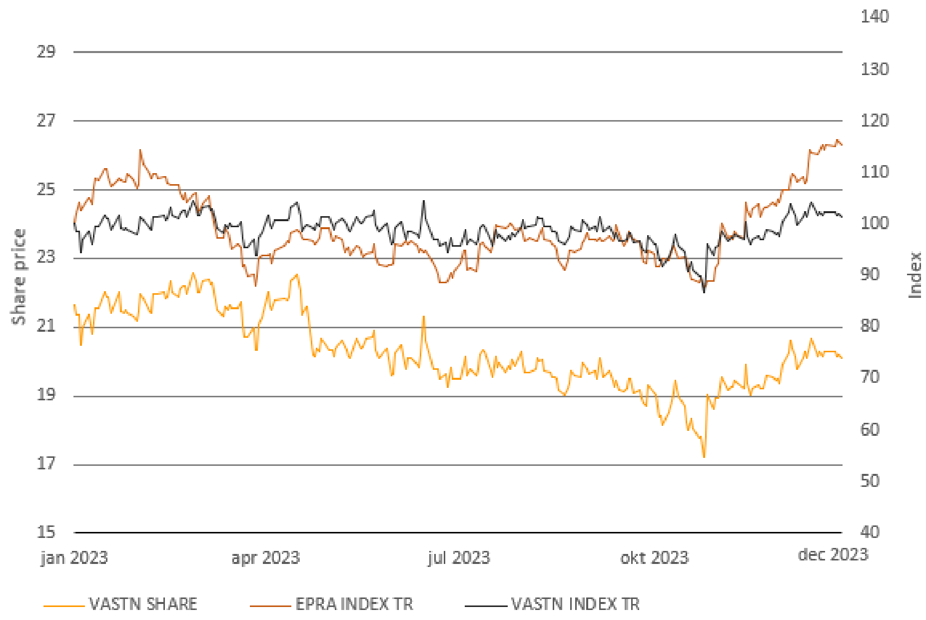
The share's nominal value is € 5. The total number of shares in issue was 19,036,646 as at year-end 2016. Due to the repurchasing of shares in 2017, 2018 and 2019, which are held as treasury shares, the total number of shares in issue was 17,151,976 as at year-end 2023. No shares were issued in 2023.

As at year-end 2023, Vastned's market capitalisation, being the number of shares in issue multiplied by the share price, was € 345 million. The average daily trading volume in 2023 was 12,259 shares, or approximately € 0.25 million. Vastned has engaged Kempen & Co as a paid liquidity provider to ensure continuous liquidity of the share.

The larger part of the trade in the Vastned share, being 60% (2022: 59%), took place on Euronext Amsterdam. Other trading platforms with significant volumes are Cboe BXE (10%), Cboe DXE (8%) Aquis Exchange (5%), Equiduct (3%), Turquoise (1%), LSE Europe (1%) and Tradegate (1%). Almost 11% of shares have traded on the over-the-counter (OTC) market.

Vastned Retail N.V. owns a stake of approximately 65% in Vastned Belgium NV, which is a Belgian entity with its own stock market listing on Euronext Brussels (ISIN code BE0003754687).

Movement of Vastned shares in 2023



Share price information	2023	2022	2021	2020	2019
Market capitalisation at year-end (€ millions)	345	363	412	397	458
Lowest closing price	17.20	17.46	21.50	13.94	25.00
Highest closing price	22.60	28.20	26.95	28.00	35.60
Closing price (year-end)	20.10	21.15	24.00	23.15	26.70
Average daily trading volume on Euronext (shares)	**12,259**	**12,814**	**20,000**	**57,000**	**27,000**

Key data per share

Direct result	2.01	2.05	1.85	2.03	2.22
Indirect result	(3.13)	(0.22)	(4.26)	(0.73)	0.04
Dividend	1.85[1]	1.85	1.73	1.43	2.05
Net asset value	38.75	41.74	41.57	42.98	46.28

[1] Subject to approval at the Annual General Meeting.

Dividend

Following approval from the Annual General Meeting on 20 April 2022, on 4 May 2023 Vastned distributed a final dividend for 2022 of € 1.26 per share. Combined with the interim dividend 2023 of € 0.57 in August, this resulted in a total dividend paid of € 1.83 per share during 2023.

Vastned proposes to the Annual General Meeting of shareholders to declare a total dividend of € 1.85 per share for the full calendar year 2023. This equates to 92% of the direct result and is in line with the dividend policy to distribute a dividend of at least 75% of the annual direct result.

Shareholder return

Vastned's 2023 opening price was € 21.15*. Over the year, the share closing price ranged between € 17.20 and € 22.60, and closed the year at € 20.10. Vastned distributed a final dividend of € 1.26 per share for 2022 and an interim dividend of € 0.57 for 2023, taking the total shareholder return (price movement and dividend payment) for 2023 to 1.5% (excluding reinvestment of dividends this was 3.7%), from 5.3% negative in 2022.

*Closing price of 30 December 2022

Share ownership

In compliance with the Financial Supervision Act and the Act on the Disclosure of Major Holdings in Listed Companies (WMZ), the following parties are known to Vastned as shareholders holding a capital position of 3% or more and/or joint voting rights of 3% or more of the shares in issue at year-end 2023:

	% Year end 2023
Van Herk Investments B.V.	24.98
Lebaras Belgium BVBA[1]	8.46
BlackRock, Inc.	4.88
ICAMAP Real Estate Securities Fund S.A. [1]	3.71
Tikehau Capital Advisors SAS	3.05
J.G.H.M. Niessen [1]	3.01
J.G. de Jonge [1]	1.66

[1] As per 26 October 2023 four shareholders have notified AFM and the company that they have decided to prepare a joint communication and voting strategy, defined as "Acting in concert". Last notification of 17.30% joint voting rights.

There have been no transactions with major shareholders, being parties holding an interest of over 10%.

The Executive Board and the chairman of the Supervisory Board hold interests in Vastned to emphasise their involvement with the company and their belief in the strategy.

Number of shares at year-end 2023

Reinier Walta (Executive Board)	9,975
Jaap Blokhuis (Chair Supervisory Board)	1,000
Désirée Theyse (member Supervisory Board)	0
Ber Buschman (member Supervisory Board)	0

Treasury shares

In 2018 and 2019, Vastned completed a share buyback programme. The repurchased shares are being held as treasury shares. In the years 2020-2023, Vastned did not buy back any of its own shares, so the number of repurchased shares at year-end 2023 remained unchanged from year-end 2019, i.e., 1,884,670 shares.

Investor relations

Information provision

Vastned is committed to communicating developments at the company promptly, clearly and unambiguously to all stakeholders. This is done by publishing press releases, interim reports and annual reports, as well as through trading updates, the Vastned website and its LinkedIn page. On the date of publication of the half-yearly and annual figures, Vastned publishes its presentation on its website, where visitors can also watch a live webcast of the presentation.

Furthermore, the Executive Board and/or the Manager Treasury & Investor Relations have frequent contact with current and potential shareholders and other market parties. Such interactions usually take place during (virtual) roadshows, through broker conferences, during property viewings and via video meetings and telephone calls. These interactions take place with (large) groups of current and potential shareholders, or bilaterally. Vastned has drawn up a 'policy on bilateral contacts with shareholders', which is published on the website.

Vastned regularly asks different analysts and investors for their opinion of Vastned's performance in an anonymous survey conducted by an external party. The report based on the survey is immediately shared and discussed in full with the Supervisory Board.

Price-sensitive information

Vastned complies with its statutory obligations with respect to confidentiality, disclosure of inside information and equal treatment of shareholders. Price-sensitive information is always disclosed in press releases, reported to the financial authorities (AFM) and placed on Vastned's website. Periodic financial reports and other press releases are published in the same way. In communications with the press, individual investors and analysts, only previously published information is commented upon.

Closed periods

In the 30-day period preceding the publication of the annual results and interim results, Vastned observes a 'closed' period. There are no closed periods ahead of the publication of the first and third quarter trading updates.

Vastned, in principle, does not hold discussions or conversations with current or potential shareholders or other market parties during closed periods. The Executive Board may deviate from this if it is in the interests of the company.

Annual report

In its annual reports, Vastned endeavours to present the clearest and most transparent possible account of its activities and the developments throughout the past year, and of its plans for the year ahead. The annual report is also an important medium to further explain the company's value creation and strategy.

In 2023, Vastned's 2022 annual report won the company a 'Gold Award' from the European Public Real Estate Association (EPRA). It was Vastned's 13th time receiving a Gold Award for its annual report. This award is presented to companies who have best implemented EPRA's Best Practice Recommendations (BPR). The BPR aim to raise the transparency and consistency of the financial reporting of listed property companies.

In addition, Vastned has set itself the objective of creating long-term value for its stakeholders, and in light of this Vastned believes it is important to report transparently on both financial and non-financial results. With respect to 2022 , Vastned reported in accordance with EPRA's Sustainability Best Practice Recommendations' (sBPR). In 2023, Vastned received its eighth consecutive Gold Award from EPRA as the highest recognition in this area.

Sell-side analysts

Vastned's developments are followed by four parties, who regularly publish reports on the company. Analysts' reports and valuations sent to Vastned prior to publication are not checked, commented on or corrected, other than for factual inaccuracies. Nor does Vastned pay any fees to parties for preparing analysts' reports.

Contact information

For further information on Vastned and/or the Vastned share, please contact the Manager Treasury & Investor Relations on +31 20 2424369.

Financial calendar 2024

15 February 2024	before trading	Publication Annual Results 2023
14 March 2024	before trading	Publication Annual Report 2023
25 April 2024		Annual General Meeting of shareholders
16 May 2024	before trading	Q1 Trading Update 2024
25 July 2024	before trading	Half-Year Results 2024
24 October 2024	before trading	9M Trading Update 2024

Abbreviations

AFM	Authority for the Financial Markets
AGM	Annual General Meeting
CEO	Chief Executive Officer
Code	The Dutch Corporate Governance Code
CPI	Consumer Price Index
CRREM	Carbon Risk Real Estate Monitor
CSRD	Corporate Sustainability Reporting Directive
FII	Fiscal Investment Institution
EPC	Energy Performance Certificate
EPRA	European Public Real Estate Association
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
TGRI	Theoretical gross rental income

Definitions

ATSR
The absolute total shareholder return (share price movements plus dividends) of the Vastned share over a period of three financial years.

Average (financial) occupancy rate
100% less the average (financial) vacancy rate.

Average (financial) vacancy rate
The market rent applicable for a particular period of vacant properties, expressed as a percentage of the theoretical rental income for the same period.

CRREM
Carbon Risk Real Estate Monitor. CRREM is the leading global standard and initiative for operational decarbonisation of real estate assets.

Cert-Tot (Type and number of sustainably certified assets)
Cert-Tot refers to the total number of assets within a portfolio that have formally obtained sustainability certification, rating or labelling at the end of a reporting year.

DH&C-Abs (Total district heating & cooling consumption)
DH&C-Abs refers to the total amount of indirect energy consumed from district heating or cooling systems over a full reporting year. In this instance, 'indirect' means energy generated off site and typically bought from an external energy supplier.

DH&C-LfL (Like-for-like total district heating & cooling consumption)
DH&C-LfL refers to the district heating & cooling consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).

Direct result
Consist of Net rental income less net financing costs (excluding value movements financial derivatives), general expenses, current income tax expense and the part of this income and expenditure attributable to non-controlling interests.

Elec-Abs (Total electricity consumption)
Elec-Abs refers to the total amount of electricity consumed. It includes electricity from renewable and non-renewable sources, whether imported or generated onsite.

Elec-LfL (Like-for-like total electricity consumption)
Elec-LfL refers to the electricity consumption of a portfolio that has been consistently in operation, and not under development, during the most recent two full reporting years (this like-for-like definition is aligned with the EPRA Financial BPR like-for-like definition for rental growth reporting).

Embedded energy
Embedded energy is the sum of all the energy required to produce any goods or services, considered as if that energy was incorporated or 'embodied' in the product itself.

Energy-Int (Building energy intensity)
Energy-Int refers to the total amount of direct and indirect energy used by renewable and non-renewable sources in a building over a full reporting year, normalised by an appropriate denominator.

EPRA Earnings*
Recurring earnings from core operational activities. In practice, this is reflected by the direct result.

EPRA NAV*
Net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term property investment business model.

EPRA Net Disposal Value (NDV)*
Reflects shareholder value in a divestment scenario, where deferred tax liabilities, financial instruments and certain other adjustments are calculated for the full amount of their liability, net of any resulting taxes.

EPRA Net Initial Yield (NIY)*
Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. Annualised rental income includes any CPI indexation and estimated turnover rents or other recurring operational income but does not include any provisions for doubtful debtors and letting and marketing fees.

EPRA NNNAV*
EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred tax liabilities.

EPRA 'topped-up' NIY*
This yield is calculated by adjusting the EPRA NIY for the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA Vacancy Rate*
Estimated Market Rental Value (ERV) of vacant spaces divided by ERV of the entire portfolio.

Estimated Market Rental Value (ERV)/ Market rent
The rental value estimated by external appraisers for which a particular property may be let at a given time by well-informed parties who are prepared to enter into a transaction, who are independent and who act prudently and free from duress.

FSC®-certified timber
FSC®-certified timber is harvested from forests that are responsibly managed. Responsibly means that ecological, economic and social issues of the present and the future are taken into account. FSC® stands for Forest Stewardship Council.

Fuels-Abs (Total fuel consumption)
Fuels-Abs means the total amount of natural gas that was used over a full reporting year from direct (renewable and non-renewable) sources ('direct' means that the natural gas is burned on-site).

Fuels-LfL (Like-for-like total fuel consumption)
Fuels-LfL is the natural gas consumption of a portfolio that was consistently in operation, and not under development, during the last two full reporting years (this like-for-like definition is in line with the EPRA Financial BPR like-for-like definition for rental growth reporting).

GHG-Dir-Abs (Total direct greenhouse gas (GHG) emissions)
GHG-Dir-Abs refers to the total amount of direct greenhouse gas emissions ('direct' means that the GHG emissions are generated on-site by combustion of the energy

*In the event of differences in the EPRA definitions as published by EPRA the English language version will prevail.

source/natural gas) during a full reporting year.

GHG-Dir-LfL (Like-for-like total direct greenhouse gas (GHG) emissions)

GHG-LfL is the direct emissions of a portfolio that was consistently in operation, and not under development, during the last two full reporting years (this like-for like definition is in line with the EPRA Financial BPR like-for-like definition for rental growth reporting).

GHG-Indir-Abs (Total indirect greenhouse gas (GHG) emissions)

GHG-Indir-Abs is the total amount of indirect greenhouse gas emissions ('indirect' means that the GHG emissions are generated off-site by combustion of the energy source/natural gas) during a full reporting year.

GHG-Indir-LfL (Like-for-like total indirect greenhouse gas (GHG) emissions)

GHG-LfL is the indirect emissions of a portfolio that was consistently in operation, and not under development, during the last two full reporting years (this like-for-like definition is in line with the EPRA Financial BPR like-for-like definition for rental growth reporting).

GHG-Int (Greenhouse gas (GHG) intensity from building energy consumption)

GHG-Int is the total amount of direct and indirect GHG emissions generated from energy consumption from renewable and non-renewable sources in a building during a full reporting year, normalised by an appropriate denominator.

Green Finance Framework

Vastned has developed its Green Finance Framework with the objective of (re)financing energy-efficient commercial and residential property that contributes to the preservation of historic city centres. Under this Framework, Vastned can issue various green finance instruments. The Green Finance Framework can be found on the website: https://vastned.com/wp-content/uploads/2022/10/Vastned-Green-Finance-Framework.pdf

Gross rent

Contractually agreed rent for a particular property, taking the effect of straightlining of lease incentives into account.

Gross rental income

The gross rent recognised for a certain period after deduction of the effects of straightlining of lease incentives.

Indirect result

Consists of the value movements and the net result on divestments of the property, the movements in deferred tax assets or deferred tax liabilities, the non-cash part of the interest of the convertible bond loan and the value movements of financial derivatives that do not qualify as effective hedges, less the portion of these items attributable to non-controlling interests.

Lease incentives

Any compensation, temporary lease discount or expense for a tenant upon the conclusion or renewal of a lease agreement.

Loan-to-value ratio

The interest-bearing debts divided by the value of the property (including assets held for sale).

Market value

The estimated amount for which a property might be traded between well-informed parties who are prepared to make a transaction, who are independent and who act prudently and free from duress.

Net Asset Value (NAV)

Represents Vastned shareholders' equity as evident from the consolidated financial statements of Vastned in accordance with IFRS.

Net initial yield (NIY)

Net rental income expressed as a percentage of the acquisition price (including transaction costs) of the respective asset.

Net rental income

Gross rental income net of ground rents paid, net service charge expenses and operating expenses attributable to the respective period, such as maintenance costs, management expenses, insurance, letting costs and local taxes.

Occupancy rate

100% less the vacancy rate.

OECD guidelines
The OESO guidelines are recommendations issued by 46 governments to multinational companies that are active in or operate from the relevant countries. They provide voluntary principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, the environment, information disclosure, competition, taxation, and science and technology.

RTSR (Relative Shareholder Return)
The relative total shareholder return (share price movements plus dividends) of the Vastned share over a period of three financial years compared to the total shareholder return of the peer group of direct competitors.

Straightlining
Spreading the costs of lease discounts, rent-free periods and lease incentives over the duration of the lease contract.

Theoretical annual rent
The annual gross rent at a given time, excluding the effects of straightlining of lease incentives, plus the annual market rent of any vacant properties.

Theoretical rental income
The gross rent attributable to a particular period excluding the effects of straightlining of lease incentives, plus the market rent of any vacant properties applicable to the same period.

Vacancy rate
The annual market rent of unlet properties at a certain point in time expressed as a percentage of the theoretical annual rent at the same point in time.

Vastned's highly material topics
1. Stable and predictable long-term results
2. Energy-efficient buildings
3. Preservation and improvement of cultural heritage
4. Ethical and transparent business practices
5. Local value creation for communities
6. Responsible rent and lease management

Waste-Abs (Total weight of waste by disposal route)
Waste-Abs refers to the total amount of waste produced and disposed of via various disposal routes, over a full reporting year.

Waste-LfL (Like-for-like total weight of waste by disposal route)
Waste-LfL is the total amount of waste from a portfolio that was consistently in operation, and not under development, during the last two full reporting years (this like-for-like definition is in line with the EPRA Financial BPR like-for-like definition for rental growth reporting).

Water-Abs (Total water consumption)
Water-Abs refers to the total amount of water consumed within a portfolio over a full reporting year.

Water-Int (Building water intensity)
Water-Int refers to the total amount of water consumption within a building over a full reporting year, normalised by an appropriate denominator.

Water-LfL (Like-for-like total water consumption)
Water-LfL is the water consumption of a portfolio that was consistently in operation, and not under development, during the last two full reporting years (this like-for-like definition is in line with the EPRA Financial BPR like-for-like definition for rental growth reporting).

Contact details and colophon

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Graphic design: CF Report
Text review: Narrative Labs
Project Management: Bozidar Vujanovic - VAS

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