



Press release

Regulated Information – Inside information

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Vastned Retail and Vastned Belgium announce intention to merge

- **Vastned Retail and Vastned Belgium intend to merge Vastned Retail into Vastned Belgium, to be named “Vastned”**
- **The Merger aims to generate value for Vastned and its stakeholders, including:**
 - **Simplification of organizational and governance structure, while continuing current successful strategy;**
 - **Expected future recurring annual operational cost synergies of approx. EUR 2.0 - 2.5 million;**
 - **Optimized debt financing;**
 - **Increased free float and liquidity;**
 - **One single listed platform under Belgium’s REIT regime;**
 - **More portfolio diversification;**
 - **Future ability to pursue accretive growth**
- **One listed organization with trading on Euronext Brussels and Euronext Amsterdam, with an expected increase in free float and liquidity for shareholders and a more interesting profile for equity analyst coverage**
- **Vastned will be headquartered in Belgium with a board of directors comprised of five individuals, chaired by Lieven Cuvelier**
- **Sven Bosman will become CEO of Vastned**
- **The Merger is expected to become effective on 1 January 2025, following shareholder approval and satisfaction of other customary conditions**
- **At completion, Vastned Retail shareholders will receive 0.839 Vastned Belgium share for each outstanding Vastned Retail share**
- **To mitigate the immediate impact on the cash dividend for shareholders of Vastned Belgium in light of the different yield profile of Vastned Retail compared to Vastned Belgium, Vastned Belgium will declare an additional dividend of EUR 1.00 per share, to be paid to its pre-merger shareholders in January 2025**

- **Vastned Retail will declare and pay an interim dividend of EUR 1.70 per share in December 2024 (with no interim dividend to be declared and paid by Vastned Retail in August 2024)**
- **Vastned Belgium will declare and pay an interim dividend of EUR 2.30 per share in December 2024**
- **The Vastned Retail Boards as well as the independent directors of Vastned Belgium unanimously support and recommend the Merger**
- **Vastned Retail shareholders, being entities controlled by Messrs. Van Herk, Meulman, De Jonge and Niessen and ICAMAP Real Estate Securities Fund, representing, in the aggregate, more than 42% of the voting rights in Vastned Retail support the simplification and strategic restructuring of the group into one listed organization and have committed to vote in favor of the Merger**

Today, Vastned Retail (Vastned Retail N.V., Euronext Amsterdam: VASTN) and its Belgian listed subsidiary, Vastned Belgium (Vastned Belgium NV, Euronext Brussels: VASTB) (together, **Vastned** and, together with their subsidiaries, the **Vastned Group**), announce that they have entered into an agreement (the **Merger Protocol**) for the implementation of a reverse cross-border legal merger in which Vastned Retail would merge with and into Vastned Belgium (the **Merger**) together with the payment of certain dividends in connection with the Merger. The combined company will be named 'Vastned' and will be headquartered in Belgium. The Vastned Group will continue the activities in the Netherlands, Belgium, France and Spain with total gross rental income of EUR 72.1 million (reported consolidated gross rental income in 2023).

Reinier Walta, CEO and sole member of the Executive Board of Vastned Retail:

“This transformational transaction marks an important milestone in the conclusion of our strategic reorientation that we announced in 2023 in the context of the rising interest rates, increasing yields on retail real estate properties and the abolishment of the FII regime. Since announcement we have made very good progress on the strategic divestments with sales of approx. EUR 126 million around book values, and I am pleased with today’s announcement of the contemplated merger of Vastned Retail and Vastned Belgium. Following the transaction Vastned will offer all shareholders a more attractive investment proposition going forward.”

Jaap Blokhuis, chair of the Supervisory Board of Vastned Retail:

“Vastned Retail’s supervisory board is convinced that the intended merger is in the best interest of Vastned and its stakeholders and that it will deliver value for both the shareholders of Vastned Retail and Vastned Belgium. I would like to thank Reinier Walta and his team for their hard work and contributions in delivering on our strategic ambitions. With a more simplified organizational structure and a solid real estate portfolio, Vastned is well positioned to deliver stable returns.”

Lieven Cuvelier, chair of the board of directors of Vastned Belgium:

“The combined Vastned entity will give shareholders a lean platform for high quality real estate investment in the centre of Europe, developing a prudent growth strategy that can offer attractive dividend returns based on a well-managed asset portfolio.”

Sven Bosman, operational managing director of Vastned Belgium:

“Vastned is an extraordinary company with a unique asset portfolio, a solid foundation, and a team of highly qualified professionals. Together with the whole Vastned-team, I’m looking forward guiding the new organization in order to create sustainable value for all Vastned shareholders and other stakeholders. The merger is also an important milestone for Vastned Belgium in a year where the company celebrates its 25th anniversary on Euronext Brussels.”

Compelling Rationale

Vastned believes there is a compelling strategic and financial rationale for the Merger, including:

- **Simplification** – Organizational simplification improving efficiency of the Vastned Group with only one listed entity, single management, simplified governance and reduction of the legal and regulatory requirements applicable to the Vastned Group.
- **Operational synergies** – Expected future recurring annual general costs savings of approx. EUR 2.0 - 2.5 million due to the structure simplification and unification of the Vastned Group, which are expected to outweigh the increased fiscal costs from upstreaming profits from subsidiaries to Belgium instead of to the Netherlands.
- **Optimized debt financing** – With the combined entity being headquartered in Belgium and qualifying as a public regulated real estate company (RREC), the Vastned Group will be able to attract debt at one combined level of the organization, leading to more favorable financing conditions.
- **Increased liquidity and analyst coverage** – Potential to reach a market cap of EUR 500M+, triggering more interest of international institutional investors and an expected increase of free float and stock liquidity. A larger and more liquid share capital makes Vastned more appealing to equity analysts and with more prominent capital markets attention Vastned enhances its access to equity and debt capital markets.
- **Belgian REIT platform** – As a single platform under Belgium’s public RREC regime, Vastned will be well recognized across Europe as part of the established BE-REIT ecosystem and will be able to benefit from corresponding low-cost capital, taking into account that the FII regime with respect to Dutch property will be abolished.

- **Ability to grow** – Vastned will no longer be constrained by the sub-optimal corporate structure and, combined with easier access to capital markets, this is expected to enable Vastned to establish a growth strategy and to be able to pursue accretive investment opportunities in its selected markets.
- **More portfolio diversification** – Vastned shareholders will benefit from higher portfolio diversification, with a mix of higher-yielding out-of-town assets as well as super-prime inner-city assets located in very attractive locations.

Exchange Ratio and Dividends

At completion of the Merger, Vastned Retail shareholders will receive 0.839 Vastned Belgium share for each Vastned Retail share for which no withdrawal right¹ has been exercised in accordance with Dutch law (the **Exchange Ratio**). Vastned Retail shares held in treasury by or for the account of Vastned Retail or Vastned Belgium and Vastned Retail shares for which a withdrawal right has been exercised in accordance with Dutch law shall be cancelled by operation of law. This would result in Vastned Retail shareholders owning approximately 89.1% of the combined company's outstanding equity and Vastned Belgium shareholders owning the remaining approximately 10.9%, assuming no exercise of withdrawal rights.

The Exchange Ratio is based on the adjusted rolled-forward EPRA NTA of each of Vastned Retail and Vastned Belgium, and more in particular:

- the reported EPRA NTA of Vastned Retail as at 31 December 2023 and of Vastned Belgium as at 31 December 2023;
- with respect to each of Vastned Retail and Vastned Belgium, the final dividends for the 2023 financial year paid in 2024, the fair value of fixed-rate debt and financial derivatives, and certain off-balance sheet liabilities; and
- with respect to each of Vastned Retail and Vastned Belgium, the property investments or divestments occurring or expected to occur in 2024, expected movement in property portfolio valuation as per 30 June 2024, the expected total result for the 2024 financial year, and the interim dividends to be paid in December 2024.

In connection with the Merger (and subject to the Merger Protocol not having been terminated in accordance with its terms prior thereto), the following dividends will be declared and paid:

¹ Any Vastned Retail shareholder who votes against the Merger and does not wish to receive Vastned Belgium shares pursuant to the Merger may exercise a withdrawal right by filing a request to receive a cash compensation in accordance with article 2:333h of the Dutch Civil Code.

- Vastned Retail will declare and pay an interim dividend of EUR 1.70 per share in December 2024 (with no interim dividend to be declared and paid by Vastned Retail in August 2024)
- Vastned Belgium will declare and pay an interim dividend of EUR 2.30 per share in December 2024
- Vastned Belgium will declare an additional dividend of EUR 1.00 per share, to be paid to its pre-merger shareholders in January 2025 (ex-date December 2024, payment date January 2025) (the **VBE Special Distribution**)

The VBE Special Distribution is designed to mitigate the immediate impact on the cash dividend for shareholders of Vastned Belgium in light of the different yield profile of Vastned Retail compared to Vastned Belgium. In determining the Exchange Ratio, the EPRA NTA of Vastned Belgium was not lowered with the amount of the VBE Special Distribution.

Fairness Opinions

ABN AMRO has issued a fairness opinion to the executive board and the supervisory board of Vastned Retail (the **Vastned Retail Boards**) to the effect that, as of such date and subject to the qualifications, limitations, and assumptions set forth therein, the Exchange Ratio is fair, from a financial point of view, to the Vastned Retail shareholders. The full text of the fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, will be published as part of the materials for the Vastned Retail EGM. The opinion of ABN AMRO has been given to the Vastned Retail Boards, and not to the Vastned Retail shareholders. As such, the fairness opinion does not contain a recommendation to the Vastned Retail shareholders as to how they should vote or act with respect to the Merger or any other matter.

KBC Securities has issued a fairness opinion to the committee of independent directors of Vastned Belgium to the effect that, as of such date and subject to the qualifications, limitations, and assumptions set forth therein, the Exchange Ratio is fair, from a financial point of view, to Vastned Belgium. The full text of the fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, will be published as part of the materials for the Vastned Belgium EGM. The opinion of KBC Securities has been given to the committee of independent directors of Vastned Belgium, and not to the Vastned Belgium shareholders. As such, the fairness opinion does not contain a recommendation to the Vastned Belgium shareholders as to how they should vote or act with respect to the Merger or any other matter.

Support and Recommendation by the Vastned Retail Boards and the Independent Directors of Vastned Belgium

After careful consideration, the Vastned Retail Boards believe the Merger to be in the best interests of Vastned Retail and its stakeholders, including its shareholders, and unanimously support the Merger and recommend the Vastned Retail shareholders to vote in favor of the Merger and the other resolutions at the Vastned Retail EGM. An extraordinary general meeting of Vastned Retail to vote on, among others, the Merger (the **Vastned Retail EGM**) is expected to take place in the second half of 2024.

Due to the related party nature of the Merger and in compliance with article 7:97 BCAC, an ad hoc committee consisting of the three independent directors of Vastned Belgium was set up that issued an opinion to the board of directors of Vastned Belgium in respect of the Merger, the Exchange Ratio and certain other terms of the Merger Protocol. Furthermore, the two non-independent directors of Vastned Belgium refrained from participating in the deliberations and decision-making of the board of directors of Vastned Belgium with respect to the Merger and the Merger Protocol, leaving such decision-making to the three independent directors. After careful consideration, the independent directors of Vastned Belgium believe the Merger to be in the best interests of Vastned Belgium and its stakeholders, including its shareholders, and unanimously support the Merger and recommend the Vastned Belgium shareholders to vote in favor of the Merger and the other resolutions at the Vastned Belgium EGM. An extraordinary general meeting of Vastned Belgium to vote on, among others, the Merger (the **Vastned Belgium EGM**) is expected to take place in the second half of 2024.

Merger Support Agreements

Vastned Retail has entered into separate Merger Support Agreements with entities controlled by Messrs. Van Herk, Meulman, De Jonge and Niessen as well as ICAMAP Real Estate Securities Fund, representing, in the aggregate, more than 42% of voting rights in Vastned Retail. Pursuant to the Merger Support Agreements, such Vastned Retail shareholders have undertaken, among others, to cause their Vastned Retail shares to be voted in favor of the Merger and other resolutions at the Vastned Retail EGM. The Merger Support Agreements may be terminated upon the Merger Protocol having been terminated in accordance with its terms.

Merger Conditions

Completion of the Merger is subject to the satisfaction or waiver, ultimately on 31 December 2024, of conditions (the **Conditions**) customary for a transaction of this kind, being:

- (a). the general meeting of Vastned Retail and the general meeting of Vastned Belgium having adopted resolutions to approve or enter into the Merger as well as certain other resolutions in connection with the Merger;

- (b). certain proposed amendments to Vastned Belgium's articles of association having been approved by the Belgian Financial Services and Markets Authority (the **FSMA**);
- (c). a prospectus having been approved by the FSMA under Belgian law and having been passported into the Netherlands in accordance with applicable rules;
- (d). no opposition by a creditor of Vastned Retail or Vastned Belgium having been filed or, if filed (as the case may be), such opposition having been withdrawn, resolved or lifted by an enforceable court order by the competent court of the Netherlands or Belgium;
- (e). a Dutch civil-law notary and a Belgian notary each having issued the requisite pre-merger certificate in connection with the Merger;
- (f). no order, stay, judgment or decree having been issued by any governmental authority of competent jurisdiction and being in effect, and no applicable rule having been enacted, enforced or deemed applicable to the Merger, any of which prohibits or makes illegal the consummation of the Merger in accordance with the terms of the Merger Protocol;
- (g). trading in Vastned Belgium shares not having been permanently suspended or ended by Euronext Brussels;
- (h). the aggregate amount to be paid to Vastned Retail shareholders due to their exercise of withdrawal rights under Dutch law in connection with the Merger not exceeding EUR 5 million;
- (i). each of the representations and warranties given by Vastned Retail and Vastned Belgium to each other in the Merger Protocol being true and accurate in all material respects; and
- (j). no material adverse effect having occurred in respect of Vastned Retail or Vastned Belgium that is continuing on 1 January 2025.

Post-Merger Governance

Upon completion of the Merger, the head office and decision-making centre of Vastned will be based in Belgium.

Vastned will be managed by a one-tier board. The board of directors will be chaired by Lieven Cuvelier and be comprised of five individuals of which at least three shall be independent. No conclusive decisions have been made with respect to the full composition of the board. Vastned Retail will select three individuals for appointment to the board, subject to FSMA approval. The board will have two committees: an audit committee and a remuneration and nomination committee.

Vastned's executive committee will consist of two individuals. Sven Bosman will become CEO of Vastned. A CFO is yet to be selected.

Indicative Timetable

Vastned Retail and Vastned Belgium envisage the following timetable:

- Publication of common draft terms of the Merger: June 2024
- Vastned Retail EGM and Vastned Belgium EGM: September 2024
- Interim dividends Vastned Retail and Vastned Belgium: December 2024
- Ex-date VBE Special Distribution: December 2024
- Effectiveness Merger: 1 January 2025
- Payment date VBE Special Distribution: January 2025

Advisors

In connection with the Merger, Van Lanschot Kempen is acting as financial advisor to Vastned Retail. NautaDutilh is acting as legal advisor to Vastned Retail. ABN AMRO is acting as fairness opinion provider to the Vastned Retail Boards.

Degroof Petercam Corporate Finance is acting as financial advisor to Vastned Belgium. KPMG Law is acting as legal advisor to Vastned Belgium. KPMG-Meijburg and Animo-Law are acting as tax advisors. The committee of independent directors of Vastned Belgium is assisted by KBC Securities as independent financial expert and Argo Law as independent legal expert for the purposes of article 7:97 BCAC.

Webcast

On 16 May 2024 at 12:00 (noon) CEST, Vastned will provide a presentation on the Merger and hold a Q&A session for investors, analysts and the press. Access will be available through our website at: <https://vastned.com/en/investor-relations>. The presentation will be available for download one hour before the webcast here: <https://vastned.com/merger-documents/>.

For more information

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About the Vastned Group: The Vastned Group comprises a Dutch publicly listed property company (Euronext Amsterdam: VASTN) and a Belgian public regulated real estate company (Euronext Brussels: VASTB). The Vastned Group focuses on the best property in the popular shopping areas of selected European cities with a historic city centre where shopping, living, working and leisure meet. The Vastned Group's property clusters have a strong tenant mix of international and national retailers, food & beverage entrepreneurs, residential tenants, and office tenants. The Vastned Group's property portfolio had a value of € 1,373 million as at 31 December 2023.

Legal Notice

This is a public announcement by Vastned Retail N.V. and Vastned Belgium NV pursuant to Section 17, paragraph 1 of the European Market Abuse Regulation (596/2014/EU).

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Certain statements in this press release may be considered forward-looking statements. These forward-looking statements may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to the Vastned Group, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. These forward-

looking statements speak only as of the date of this press release. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Vastned cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to Vastned or are within their control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Potential risks and uncertainties include, but are not limited to, the occurrence of any change, event or development that could give rise to the termination of the Merger Protocol, failure to satisfy completion conditions with respect to the Merger on the proposed terms and timeframe, the possibility that the Merger does not close when expected or at all, the response to the Merger in the marketplace, the effect of the announcement or completion of the Merger on the ability of the Vastned Group to retain key personnel, the occurrence of any unforeseen tax liabilities or developments in tax regimes, the ability to achieve the anticipated benefits from the Merger, and the effect of general economic or political conditions. Vastned expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements, whether as a result of new information, a change in expectations or for any other reason.