

2021



Strong operational results and a high stable collection rate

- High stable collection rate (97.9%) of rental income during the first half of 2021.
- Occupancy rate during the first half of 2021 (97.4%) increased by 1.2% compared to 31 December 2020.
- Limited debt ratio of 28.6%, in line with 31 December 2020 (28.5%).
- € 34.7 million of unused credit facilities available.
- Decrease in the fair value of the existing real estate portfolio¹ (-2.2%) compared to the previous financial year.
- Management focus in 2021 mainly on the timely collection of rental income and maintaining a strong occupancy rate.

¹) On a like-for-like basis and excluding IFRS 16 right-of-use assets and the reclassification of investment properties to assets held for sale.

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1. Interim management report for the first semester of 2021

1.1. COVID-19 update

In the first half of 2021 the government imposed a 'partial lockdown' commencing on 27 March 2021 and ending on 25 April 2021. During this 'partial lockdown', shopping in non-essential shops was allowed, provided that it was done by appointment and with a maximum of 50 customers per shop. Online orders could also be collected at the shops. During this period of 'partial lockdown', Vastned Belgium did not grant any rental waivers.

There was also a mandatory closure of the hospitality industry on 18 October 2020, with a partial reopening on 8 May 2021 and a full reopening from 9 June 2021. Vastned Belgium entered into dialogue with its tenants in the

hospitality industry in order to make arrangements for the full period of mandatory closure (+/- 8 months). The final arrangement resulted in a waiver of approximately 50% of the rental income for the period concerned. This resulted in an impact of € 0.2 million on the rental income. These rental waivers were largely recognised in previous quarters, and only affect the numbers of the second quarter of 2021 to a minor extent.

Management's primary focus in the first semester of 2021 was again on timely collection of rental income. The Company was able to collect 97.9% of the rental income from the first semester of the year ².

1.2. Operating result

Rental income decreased slightly (€ -0.3 million) in the first semester of 2021, compared to the same period in the previous financial year. This decrease is largely (€ -0.2 million) due to the altered composition of the real estate portfolio, as Vastned Belgium sold a non-strategic retail park in Schaarbeek and a solitary retail unit in Balen at the end of December 2020.

Furthermore, rental income decreased by € -0.3 million due to the renewal of commercial lease agreements in 2020. The conclusion of lease agreements with new tenants at lower rental terms and conditions, and an increased vacancy rate in the first half of 2021, resulted in a further decrease in rental income of € -0.3 million. Finally, rental waivers were granted to a very limited extent in

the first half of 2021, as a result of which rental income increased by € 0.5 million compared to the same period in the previous financial year.

Vastned Belgium's EPRA earnings amounts to € 6.6 million for the first half of 2021 compared to € 5.5 million over the same period last year. This increase is primarily due to the provision for doubtful debts, which was provisioned in the first semester of 2020. Property expenses and general company expenses have also decreased.

Per share, this amounts to an EPRA earnings of € 1.31 compared to € 1.09 in the first half of the previous financial year.

²⁾ Calculated on 20 July 2021.

1.3. Rental activities

Vastned Belgium concluded twenty (20) rental agreements in the first half of 2021, representing a total rental volume of € 2.2 million. This corresponds to approximately 12.6% of Vastned Belgium's total rental income. In the current economic environment, which is heavily impacted by the COVID-19 pandemic, the conclusion of these twenty (20) rental agreements is the result of the great work of a committed asset management department.

In total, thirteen (13) lease agreements were concluded with new tenants, of which five (5) pop-up agreements and one (1) agreement with a residential tenant. Concluding

rental agreements with a retailer of garden furniture, an electronics chain and an Apple reseller resulted in a reduction of the share of 'fashion' in Vastned Belgium's real estate portfolio.

In addition, seven (7) rental agreements, with existing tenants, were renewed.

The rental prices negotiated by Vastned Belgium are in line with the market rental prices determined by valuation experts.

1.4. Composition and evolution of the real estate portfolio

As at 30 June 2021, the majority of the portfolio consists of high-quality inner-city properties located in the cities of Antwerp, Brussels, Ghent and Bruges, as well as high-quality retail parks and retail warehouses.

In the course of the first half of 2021, two retail properties were divested. This pertains to two (2) non-strategic retail properties in the portfolio of Vastned Belgium. The sale agreement for one (1) property was already concluded

in 2019 under the condition precedent of obtaining the necessary permits. In addition, a third store was divested on 15 July 2021. This property is presented at the end of the first semester as '*asset held for sale*', and no longer as investment property.

More information about the divestments can be found at '*1.6. Divestments*'.

Investment properties

Real estate portfolio

	30.06.2021	31.12.2020
Fair value of investment properties ³ (in thousands €)	316,952	330,427
Total leasable space ³ (m ²)	76,086	81,166

As at 30 June 2021, the fair value of the investment properties amounted to € 317.0 million, which is a € 13.4 million decrease in fair value compared to 31 December 2020 (€ 330.4 million as at 31 December 2020).

The decrease (€ -13.4 million) in the fair value of the investment properties compared to 31 December 2020 is the combined effect of:

- Investments (€ 0.1 million) in the existing real estate portfolio.
- Divestment (€ -3.6 million) of two (2) non-strategic retail locations.

- Reclassification (€ -2.2 million) of the property in Leopoldsborg from investment property to asset held for sale.
- Decrease in the fair value of existing investment properties (€ -7.2 million). This decrease is the result of a decrease in the estimated market rental income on the one hand, and an adjustment in yields on the other hand.
- Impairment of the IFRS 16 right-of-use assets (€ -0.5 million).

The average yield in the real estate company's portfolio amounted to 5.65% on 30 June 2021, which is in line with the average yield as at 31 December 2020 (5.64%).

³) Excluding assets held for sale.

Sensitivity analysis

In the case of a hypothetical negative adjustment of the yield as used by the property experts in valuing the Company's real estate portfolio (yield or capitalisation rate) by 1.0% (from 5.65% to 6.65% on average), the fair value of the real estate portfolio would decrease by € -47.7 million or 15.0%. This would increase the Company's debt ratio by 5.0% to 33.6%.

In the reverse case of a hypothetical positive adjustment of this yield by 1.0% (from 5.65% to 4.65% on average), the fair value of the real estate portfolio would increase by € 68.2 million or 21.5%. This would reduce the Company's debt ratio by 5.0% to 23.6%.

In the case of a hypothetical decline in the current passing rents of the Company (with equal yield) with € 1.0 million

(from € 17.9 million to € 16.9 million), the fair value of the real estate portfolio would decrease by € 17.7 million or 5.6%. This would increase the Company's debt ratio by 1.7% to 30.3%.

In the reverse case of a hypothetical increase in the current passing rents of the Company (at constant yield) of € 1.0 million (from € 17.9 million to € 18.9 million), the fair value of the real estate portfolio would increase by €17.7 million or 5.6%. This would reduce the Company's debt ratio by 1.5% to approximately 27.1%.

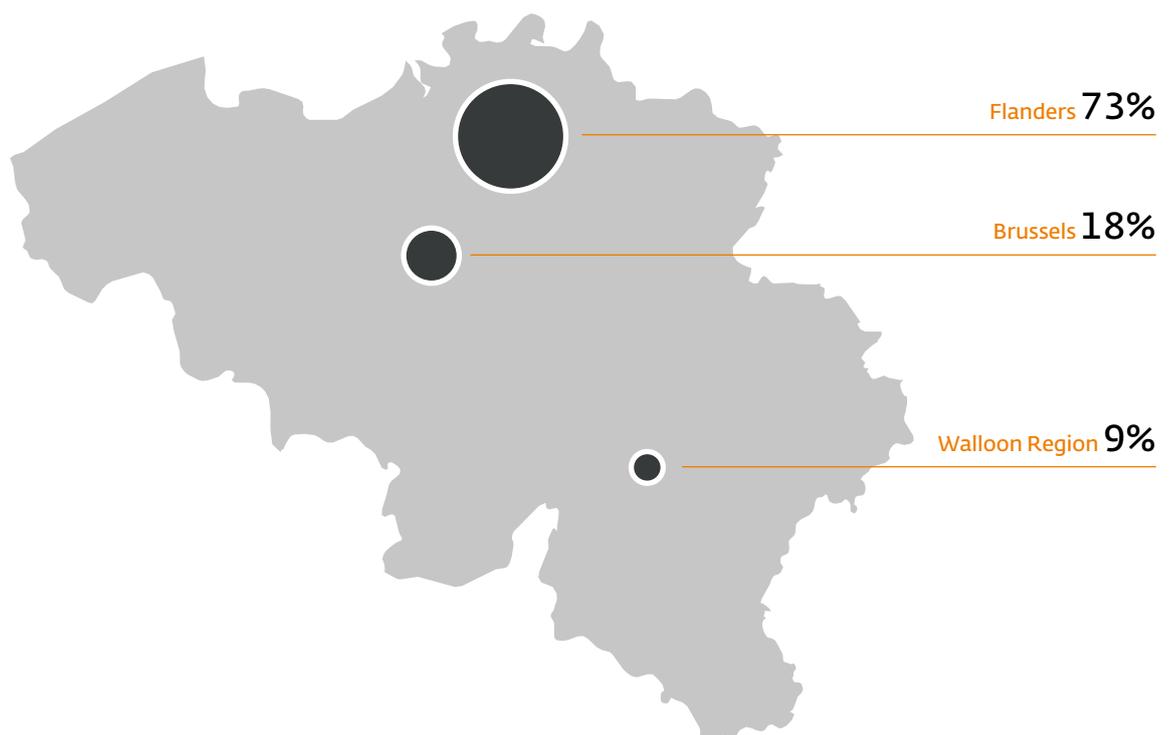
There is a correlation between the evolutions of the current passing rents and the yields used in the estimates of the investment properties. This correlation is disregarded in above sensitivity analysis.

Investment policy and risk spread of the real estate portfolio

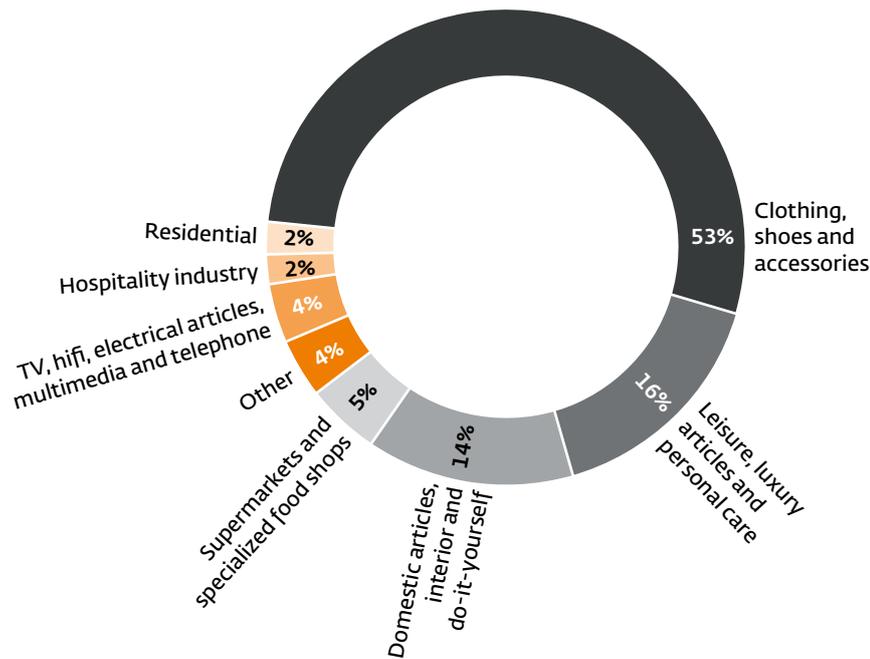
Vastned Belgium's investment policy concentrates on multi-functional retail properties in Belgium, more specifically in the popular shopping cities of Antwerp, Brussels, Ghent and Bruges. The following criteria are important for spreading the risk of the property portfolio: the geographical location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

The risk spread is summarised as follows on 30 June 2021:

Geographical spread



Spread according to sector and quality of the tenants



1.5. Investments

Vastned Belgium's asset management team maintains close contact with real estate agents and local owners, so that interesting investment opportunities can be assessed immediately. Vastned Belgium will also continue to be on an active lookout for interesting investment opportunities in the second half of 2021 in order to create added value within the real estate portfolio.

In the first half of 2021, Vastned Belgium invested € 0.1 million in the development of residential units located above existing retail properties.

1.6. Divestments

In the course of the first half of 2021, two (2) retail properties were divested. This pertains to two (2) non-strategic retail properties in the portfolio of Vastned Belgium. The sale agreement for one (1) property was already concluded in 2019 under the condition precedent of obtaining the necessary permits.

The first sale pertains to a solitary retail warehouse located in Boechout. This sale took place for an amount of € 2.1 million, on which Vastned Belgium realised a capital gain of € 0.2 million. This solitary retail warehouse has a total retail area of 1,230 m² and consists of one rentable unit.

The second sale concerns a retail warehouse in Grivegnée, following a spontaneous offer from a private investor. The property is situated in a retail park with five (5) retail units, of which Vastned Belgium only owns one (1) unit. This sale took place for an amount of € 2.0 million, on which Vastned Belgium realised a capital gain of € 0.2 million.

This retail warehouse has a total retail area of 2,000 m² and consists of one rentable unit.

Finally, Vastned Belgium divested a retail warehouse in Leopoldsburg on 15 July 2021. The sale agreement for this retail warehouse was concluded in 2019 under the condition precedent of obtaining the necessary permits. These permits were received during the second quarter of 2021 and the notarial deed was signed on 15 July 2021. The sale price amounted to € 2.2 million, on which Vastned Belgium realised a limited capital loss. This retail warehouse has a total retail area of 1,850 m² and consists of one rentable unit.

These divestments are fully in line with the real estate company's strategy to focus on the top shopping cities in Belgium, in particular Antwerp, Brussels, Ghent and Bruges.

1.7. Occupancy rate⁴

Occupancy rate

	30.06.2021	31.12.2020
Occupancy rate of the real estate portfolio	97.4%	96.2%

The occupancy rate of the real estate portfolio amounts to 97.4% per 30 June 2021, which is an increase of 1.2% compared to 31 December 2020 (96.2%).

In today's retail market, the increase in occupancy rate is the result of the good work of a committed asset management department.

⁴) The occupancy rate is calculated as the ratio between the rental income, and the sum of this income and the estimated rental income of unlet rental premises.

1.8. Valuation of the portfolio by the independent property experts as at 30 June 2021

In 2021, all retail properties of Vastned Belgium were valued partly by Cushman & Wakefield and partly by CBRE Belgium. The total fair value of the portfolio amounted to € 317.0 million, including IFRS 16 right-of-use assets, at the end of the first semester of 2021. The net book value of IFRS 16 right-of-use assets amounts to € 0.2 million.

When preparing the annual report for the financial year 2020, the independent property experts included an explanatory note and material uncertainty clause regarding the COVID-19 pandemic. This material uncertainty clause was disclosed in the chapter '*Valuation of the portfolio by the property experts*' (pages 100-102 of the annual financial report 2020).

As at 30 June 2021, the independent property experts are of the opinion that the explanatory note and material uncertainty clause no longer apply. This means that the transaction volumes and other relevant market indicators are at a level where it can be argued that there is sufficient market information available for a judgement to be based on. Given that market conditions can change quickly, due to the COVID-19 pandemic, they do emphasise the importance of the valuation date.

In the report of 30 June 2021, the fair value of the retail properties amounts to:

Property expert	Fair value of investment properties (in thousands €)
Cushman & Wakefield	162,913
CBRE Belgium	154,039
Total ⁵	316,952

1.9. State of the Belgian retail real estate market in 2021

Rental market

The leasing of retail space picked up again during the first half of 2021 and reached 214,500 m². This represents an increase of 40% compared to the first half of 2020, and these figures are also the best of the last ten years.

Especially the segment of retail warehousing scored high, while the inner-city market remained stable. In the inner cities, the amount of m² leased equals last year, but the number of transactions increased by 39%. This indicates that tenants are looking for smaller retail units. The average leased area decreased from 329 m² to 238 m² per rental transaction.

In total, 418 rental transactions were completed during the first half of 2021: 186 in the High Streets, 95 in Shopping Centres and 137 in Out-of-Town retail. Action and Dunkin' were the most active retailers with 8 transactions each.

Investment market

In the first half of 2021, the investment volume in retail properties did not exceed € 200 million. The government-imposed lockdowns certainly played a role in this, causing investors to adopt a wait-and-see attitude. The supermarket segment, which did not suffer in 2020 and 2021 from a drop in turnover due to COVID-19 pandemic, accounts for 40% of all retail investment properties.

The highest yields in the High Streets rose by 25 basis points to 4.25%

⁵) Excluding assets held for sale.

2. Financial results for the first half of 2021

Condensed consolidated statement of profit or loss

(in thousands €)	30.06.2021	30.06.2020
Rental income	8,423	8,698
Rental-related expenses	187	-666
NET RENTAL INCOME	8,610	8,032
Recovery of rental charges and taxes normally payable by tenants on let properties	1,127	1,072
Rental charges and taxes normally payable by tenants on let properties	-1,127	-1,072
Other rental-related income and expenses	125	42
PROPERTY RESULT	8,735	8,074
Technical costs	-142	-418
Commercial costs	-107	-76
Charges and taxes on unlet properties	-97	-87
Property management costs	-449	-457
Other property charges	-37	-22
Property charges	-832	-1,060
OPERATING PROPERTY RESULT	7,903	7,014
General costs	-452	-671
Other operating income and costs	4	4
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	7,455	6,347
Result on disposal of investment properties	398	0
Changes in fair value of investment properties	-7,781	-14,249
Other result on portfolio	53	-296
OPERATING RESULT	125	-8,198
Financial income	0	0
Net interest charges	-801	-837
Other financial charges	-3	-2
Changes in fair value of financial instruments	336	129
Financial results	-468	-710
RESULT BEFORE TAXES	-343	-8,908
Taxes	-20	-6
NET RESULT	-363	-8,914

	30.06.2021	30.06.2020
NET RESULT	-363	-8,914
Note:		
• EPRA earnings	6,633	5,517
• Result on portfolio	-7,329	-14,545
• Changes in fair value of financial instruments	336	129
• Non-distributable result subsidiaries	-3	-15
Attributable to:		
• Shareholders of the parent company	-363	-8,914
• Minority interests	0	0
	<u>30.06.2021</u>	<u>30.06.2020</u>
BALANCE SHEET INFORMATION PER SHARE		
Number of shares entitled to dividend	5,078,525	5,078,525
Net result (€)	-0.07	-1.76
Diluted net result (€)	-0.07	-1.76
EPRA earnings (€)	1.31	1.09

2.1. Analysis of the results⁶

The **rental income** of Vastned Belgium amounted to € 8.4 million for the first half of 2021, a decrease of € -0.3 million compared to the same period last year (€ 8.7 million). This decrease is for an amount of € -0.2 million due to the disposal of a non-strategic retail park in Schaarbeek and a solitary retail warehouse in Balen at the end of December 2020, and for an amount of € -0.3 million due to the renewal of commercial lease agreements in 2020. The conclusion of lease agreements with new tenants at lower rental terms and conditions, and an increased vacancy rate in the first half of 2021, resulted in a further decrease in rental income of € -0.3 million. Finally, rental waivers were granted to a very limited extent in the first half of 2021, as a result of which rental income increased by € 0.5 million compared to the same period in the previous financial year.

Rental-related expenses amount to € -0.2 million (income) and pertain to the reversal of the provision for potential losses on outstanding trade receivables as at 31 December 2020. This provision was reversed in the first half of 2021 when the final rental waivers for the second lockdown (November 2020) were granted (recognised under rental income). At the end of the first half of 2020,

a provision (€ 0.6 million) was recorded for outstanding receivables related to the first lockdown in 2020.

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

The **property charges** amounted to € 0.8 million (€ 1.0 million), and decreased by € -0.2 million. This decrease pertains primarily to a reduction in technical costs.

The **general costs and other operating income and costs** amounted to € 0.5 million (€ 0.7 million), which is a decrease of € -0.2 million compared to the same period last year. The main reason for this decrease is a reduction in the other costs and the stock exchange tax.

The **result on the disposals of investment properties** amounts to € 0.4 million and relates to the capital gain realised on the divestment of the retail warehouses located in Boechout and Grivegnée.

⁶) The comparable figures on 30 June 2020 are parenthesised.

The fair value of Vastned Belgium's existing real estate portfolio decreased by 2.2%⁷ in the first half of 2021 compared to 31 December 2020. The **changes in fair value of investment properties** were negative for an amount of € -7.7 million (€ -14.2 million) and consist on the one hand of a write-down of the existing real estate portfolio of € -7.2 million and, on the other hand, of an amortization of the IFRS 16 right-of-use assets for an amount of € -0.5 million. This decrease in the fair value of the existing real estate portfolio is the result of a decrease in estimated market rents and an increase in the capitalisation rate for a number of properties.

The **financial result** (excl. changes in the fair value of financial instruments) amounted to € -0.8 million for the first half year of 2021, which puts it completely in line with the same period last year (€ -0.8 million). The average interest rate for financing amounted to 1.7%, including bank margins for the first half of 2021 (1.7%) which is equal compared to the same period last year.

The **changes in the fair value of financial instruments** include a further decrease in the negative market value of the interest rate swaps that cannot be classified as cash flow hedging instruments in accordance with IFRS 9 'Financial Instruments'. This decrease amounts to € 0.3 million (€ 0.1 million).

The **net result** of Vastned Belgium for the first half of 2021 amounted to € -0.4 million (€ -8.9 million) and may be divided into:

- The EPRA earnings of € 6.6 million (€ 5.5 million) or an increase of € 1.1 million, which is mainly due to:
 - A change in the provision for doubtful debts (€ 0.8 million as a result of compensations for the lockdown);
 - An increase in net rental income of € 0.5 million, relating to rental waivers that were granted to a limited extent in 2021;
 - A decrease of € -0.6 million in the net rental income due to renewal/concluding of (existing and new) rental agreements at lower rental terms and conditions;
 - A decrease of € -0.2 million in net rental income due to the disposal of non-strategic retail properties;
 - A decrease of € 0.2 million in property charges;
 - A decrease of € 0.2 million in general costs; and
 - An increase of € 0.1 million in other rental-related income and expenses as a result of the conclusion of bankruptcies.
- result on the portfolio (incl. result on disposal of investment properties) of € -7.3 million (€ -14.5 million);
- the changes in the fair value of financial instruments for an amount of € 0.3 million (€ 0.1 million).

The EPRA earnings per share amount to € 1.31 for the first half year of 2021 compared to € 1.09 for the same period last year.

The significant increase in the EPRA earnings per share compared to the same period in the previous financial year is mainly due to the doubtful debt provision that was recognised last year as a result of the first lockdown.

Key figures per share

	30.06.2021	31.12.2020	30.06.2020
Number of shares entitled to dividend	5,078,525	5,078,525	5,078,525
Net result (6 months/1 year/6 months) (€)	-0.07	-1.68	-1.76
EPRA earnings (6 months/1 year/6 months) (€)	1.31	2.44	1.09
Net value (fair value) (€)	44.16	46.28	46.20
Net value (investment value) (€)	45.90	48.12	48.05
Share price on closing date (€)	30.60	24.00	34.00
Premium (+) / Discount (-) with regard to fair net value (%)	-30.7%	-48.1%	-26.4%

⁷⁾ On a like-for-like basis and excluding IFRS 16 right-of-use assets and the reclassification of investment properties to assets held for sale.

As at 30 June 2021, the net value (fair value) of the share amounted to € 44.16 (€ 46.28 as at 31 December 2020). Given that the share price of Vastned Belgium (VASTB) amounted to € 30.60 on 30 June 2021, the share was listed on 30 June 2021 at a discount of 30.7% compared to the net value (fair value).

Vastned Belgium's debt ratio amounted to 28.6% on 30 June 2021, which brings it in line with the debt ratio at the end of the financial year 2020 (28.5% on 31 December 2020).

EPRA - Key figures ⁸

	30.06.2021	31.12.2020
EPRA Earnings per share	1.31	2.44
EPRA NRV (€)	46.10	48.34
EPRA NTA (€)	44.51	46.68
EPRA NDV (€)	44.16	46.28
EPRA Net Initial Yield (NIY) (%)	4.8%	4.7%
EPRA Adjusted NIY (%)	4.9%	4.9%
EPRA Rental Vacancy Percentage (%)	2.8%	4.1%
EPRA Cost Ratio (including direct vacancy costs) (%)	13.0%	16.9%
EPRA Cost Ratio (excluding direct vacancy costs) (%)	11.8%	16.2%

2.2. Financial structure as at 30 June 2021

As at 30 June 2021, Vastned Belgium has a stable financial structure that allows it to continue its operations during the second half of 2021. No credit lines are due to mature within the year, which means that the Company does not need to refinance its credit lines.

The financial structure can be summarised as follows:

- Withdrawn financial debts: € 90.3 million.
- 92% of the available credit facilities with financial institutions are long-term financing with a weighted average term of 3.0 years.
- Unused credit facilities of € 34.7 million available in order to cover the fluctuations of cash needs and for financing future investments.

- For 64% of the available credit facilities, the interest rate is fixed through interest rate swaps or through fixed interest rates, 36% has a variable interest rate; of the credit facilities drawn, this amounts to 89% and 11% respectively.
- Fixed interest rates are fixed for a remaining period of 2.9 years on average.
- Average interest rate for the first half of 2021: 1.7% including bank margins.
- Market value of the financial derivatives: € -1.7 million.
- Limited debt ratio of 28.6% (legal maximum of 65.0%).
- In the first half of 2021, there have been no contractual changes to the existing covenants of the Company. Vastned Belgium complied with all covenants as at 30 June 2021.

⁸) The statutory auditor assessed whether the "EPRA earnings", "EPRA NRV", "EPRA NTA" en "EPRA NDV" ratios were calculated in accordance with the definitions of the EPRA BPR of October 2019, and whether the data employed for the calculation of these ratios match the accounting data of the consolidated financial statements.

2.3. Risks during the remaining months of 2021

Vastned Belgium estimates the risks during the remaining months of 2021 to be as follows:

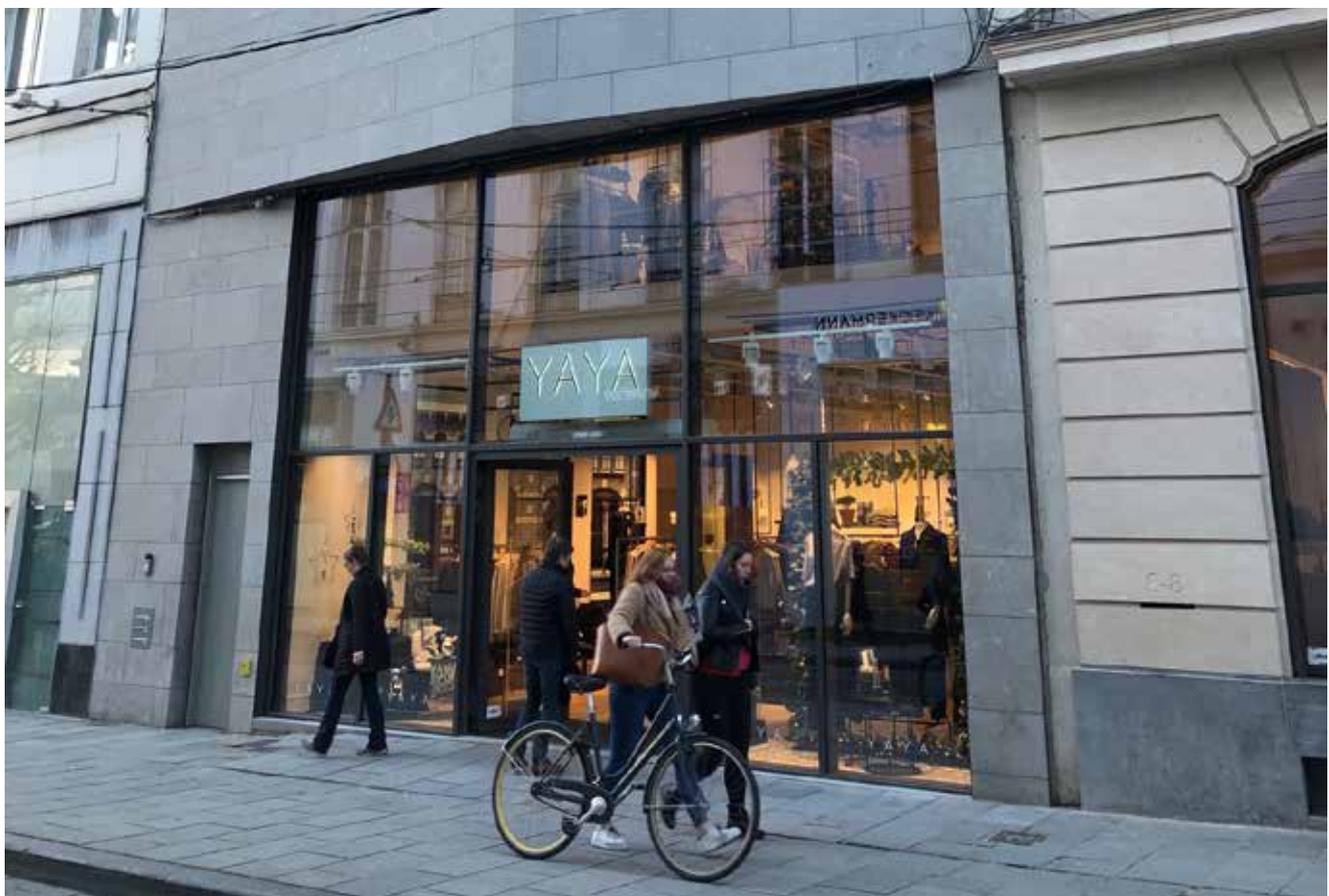
Evolution of the value of the real estate portfolio

The COVID-19 pandemic and government-imposed closures of non-essential shops have had a significant impact on retailers' operating results in the first half of 2021. Despite this, there has been a significant revival and optimism since the reopening of the shops and the hospitality industry. Inner-city trade is also gradually starting to revive. However, the inner-city buildings measuring over 1,000 m² that are becoming vacant are experiencing difficulties with reletting. Therefore, the rents of such large properties are under pressure.

Evolution of interest rates

As a result of financing with borrowed capital, the Company's yield also depends on interest rate developments. In order to mitigate this risk, the Company strives for a loan portfolio with a ratio of one-third borrowed capital with a variable interest rate and two-thirds borrowed capital with a fixed interest rate. Depending on developments in interest rates, this may be temporarily deviated from.

As at 30 June 2021, 89% of the drawn-down credit facilities consists of fixed-rate financing or financing fixed by means of interest rate swaps. The remaining 11% are loans with a variable interest rate.



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3. Outlook for 2021

During the first half of 2021, the COVID-19 pandemic and associated lockdowns continued to be reflected in the lower turnover results for retailers. However, our population is gradually getting vaccinated and social life is starting to resume day after day. There is an undeniable optimism among the population and everyone is gradually getting back on track. Shoppers are returning to the high streets and listed retailers are once again showing revenue increases in their communications.

As e-commerce continues to grow, retailers maintain fewer points of sale. The vacant properties are gradually being taken over by food & beverage concepts, albeit at lower rent than the usual fashion rental income. As a result, pressure on inner-city rental income will continue for some time to come.

Subject to unexpected developments such as bankruptcies of important tenants, unforeseen interest rate rises or new measures to combat the COVID-19 pandemic, Vastned Belgium expects for the financial year 2021 to realise EPRA earnings per share between € 2.40 and € 2.50.



Brussels Elsensesteenweg • Medi Market

4. Consolidated condensed interim financial statements

4.1. Condensed consolidated statement of profit and loss

(in thousands €)

	Note	30.06.2021	30.06.2020
Rental income	4.7.5.	8,423	8,698
Rental-related expenses	4.7.7.	187	-666
NET RENTAL INCOME		8,610	8,032
Recovery of rental charges and taxes normally payable by tenants on let properties		1,127	1,072
Rental charges and taxes normally payable by tenants on let properties		-1,127	-1,072
Other rental-related income and expenses		125	42
PROPERTY RESULT		8,735	8,074
Technical costs		-142	-418
Commercial costs		-107	-76
Charges and taxes on unlet properties		-97	-87
Property management costs		-449	-457
Other property charges		-37	-22
Property charges		-832	-1,060
OPERATING PROPERTY RESULT		7,903	7,014
General costs		-452	-671
Other operating income and costs		4	4
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		7,455	6,347
Result on disposal of investment properties	4.7.8.	398	0
Changes in fair value of investment properties		-7,781	-14,249
Other result on portfolio		53	-296
OPERATING RESULT		125	-8,198
Financial income		0	0
Net interest charges		-801	-837
Other financial charges		-3	-2
Changes in fair value of financial instruments		336	129
Financial results		-468	-710
RESULT BEFORE TAXES		-343	-8,908
Taxes		-20	-6
NET RESULT		-363	-8,914

	30.06.2021	30.06.2020
NET RESULT	-363	-8,914
Note:		
• EPRA earnings	6,633	5,517
• Result on portfolio	-7,329	-14,545
• Changes in fair value of financial instruments	336	129
• Non-distributable result subsidiaries	-3	-15
Attributable to:		
• Shareholders of the parent company	-363	-8,914
• Minority interests	0	0
	30.06.2021	30.06.2020
BALANCE SHEET INFORMATION PER SHARE		
Number of shares entitled to dividend	5,078,525	5,078,525
Net result (€)	-0.07	-1.76
Diluted net result (€)	-0.07	-1.76
EPRA earnings (€)	1.31	1.09

4.2. Condensed consolidated statement of comprehensive income

(in thousands €)

	30.06.2021	30.06.2020
NET RESULT	-363	-8,914
Other components of comprehensive income (recyclable through income statement)	0	0
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	-363	-8,914
Attributable to:		
• Shareholders of the parent company	-363	-8,914
• Minority interests	0	0

4.3. Condensed consolidated balance sheet

Assets (in thousands €)	Note	30.06.2021	31.12.2020
Non-current assets		317,691	331,182
Intangible assets		160	183
Investment properties	4.7.4.	316,952	330,427
Other tangible assets		576	569
Trade receivables and other non-current assets		3	3
Current assets		5,211	2,312
Asset held for sale		2,150	0
Trade receivables	4.7.9.	1,157	566
Tax receivables and other current assets		0	785
Cash and cash equivalents		412	428
Deferred charges and accrued income		1,492	533
TOTAL ASSETS		322,902	333,494

Shareholders' equity and liabilities (in thousands €)	Note	30.06.2021	31.12.2020
Shareholders' equity		224,259	235,033
Shareholders' equity attributable to shareholders of the parent company		224,259	235,033
Share capital		97,213	97,213
Share premium		4,183	4,183
Reserves		123,226	142,161
Net result of the financial year		-363	-8,524
Minority interests		0	0
Liabilities		98,643	98,461
Non-current liabilities		93,187	94,811
Non-current financial debts	4.7.10.	91,070	92,405
• Credit institutions		90,332	91,601
• Financial leasing		738	804
Other non-current financial liabilities	4.7.11.	1,695	2,031
Other non-current liabilities		179	175
Deferred tax - liabilities		243	200
Current liabilities		5,456	3,650
Provisions		269	269
Current financial debts	4.7.10.	147	656
• Credit institutions		0	500
• Financial leasing		147	156
Trade debts and other current debts		485	1,205
Other current liabilities		531	570
Deferred income and accrued charges		4,024	950
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		322,902	333,494

4.4. Condensed consolidated cash flow statement

(in thousands €)

	Note	30.06.2021	30.06.2020
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	4.3.	428	554
1. Cash flow from operating activities		8,253	4,276
Operational result		125	-8,198
Interest paid		-781	-800
Other non-operating elements		313	121
Adjustment of result for non-cash flow transactions		7,110	14,107
• Depreciations on intangible and other tangible fixed assets		62	46
• Income from disposal of investment properties	4.7.8.	-398	0
• Spread of rental discounts and benefits granted to tenants		97	-366
• Changes in fair value of investment properties		7,781	14,190
• Other result on portfolio		-97	296
• Changes in fair value of financial instruments		-335	-129
• Other non-cash flow transactions		0	70
Change in working capital		1,486	-954
• Movement of assets		-860	-3,192
• Trade receivables		-591	-3,046
• Tax receivables and other non-currents assets		785	0
• Deferred charges and accrued income		-1,054	-146
• Movement of liabilities		2,346	2,238
• Deferred tax - liabilities		43	-71
• Trade debts and other current debts		-720	-11
• Other current liabilities		-38	-70
• Deferred income and accrued charges		3,061	2,390
2. Cash flow from investment activities		3,993	-130
Acquisitions of intangible and other tangible fixed assets		-47	-1
Acquisitions of investment properties		0	0
Investments in existing investment properties	4.7.4.	-117	-129
Income from disposal of investment properties	4.7.8.	4,062	0
Prepaid investment invoices		95	0
3. Cash flow from financing activities		-12,262	-4,272
Repayment of loans		-5,500	-329
Drawdown of loans		3,730	10,775
Resolution of IRS		0	0
Repayment of financial lease liabilities		-86	7
Receipts from non-current liabilities as guarantee		5	3
Dividend paid		-10,411	-14,728
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	4.3.	412	428

4.5. Condensed statement of changes in the consolidated equity

(in thousands €)	Share capital	Share premium	Reserves	Net result of the financial year	Minority interests	Total share-holders' equity
Balance at 31 December 2019	97,213	4,183	152,572	4,317	0	258,285
Comprehensive income of 2020				-8,524		-8,524
Transfer through result allocation 2019:						
• Transfer from result on portfolio to reserves			-11,847	11,847		-
• Transfer from changes in fair value of financial assets and liabilities			-289	289		-
• Other movements			1,725	-1,725		-
Dividends financial year 2019				-14,728		-14,728
Balance at 31 December 2020	97,213	4,183	142,161	-8,524	0	235,033
Comprehensive income of the first semester 2021				-363		-363
Transfer through result allocation 2020:						
• Transfer from result on portfolio to reserves			-22,747	22,747		-
• Transfer from changes in fair value of financial assets and liabilities			348	-348		-
• Other movements			3,463	3,463		-
Dividends financial year 2020				-10,411		-10,411
Balance at 30 June 2021	97,213	4,183	123,226	-363	0	224,259

4.6. Statement accompanying the condensed consolidated interim financial statements

In accordance with Article 13 §2 of the Royal Decree of 14 November 2007, the Board of Directors, composed of Lieven Cuvelier (chairman), Anka Reijnen, Ludo Ruysen, Reinier Walta and Peggy Deraedt, declares that according to their knowledge:

- a) The condensed consolidated interim financial statements, prepared in accordance with the “*International Financial Reporting Standards*” (IFRS) and more specifically in accordance with IAS 34 “*Interim Financial Reporting*” as adopted within the European Union and according to the legislation of 12 May 2014 regarding regulated real estate companies, give a true and fair view of the net assets, financial position and results of Vastned Belgium and the companies included in the consolidation;
- b) The condensed consolidated interim financial statements give a true and fair view of the main events that occurred during the first half of the current financial year, their influence on the condensed consolidated interim financial statements, the main risk factors and uncertainties with regard to the coming months of the current financial year, as well as the principal transactions between the related parties and their possible effect on the condensed consolidated interim financial statements if these transactions are of substantial significance and were not concluded under normal market conditions;
- c) The information stated in the condensed consolidated interim financial statements is in accordance with reality and that no information has been omitted whose disclosure would alter the purpose of the condensed consolidated interim financial statements.

4.7. Notes to the condensed consolidated interim financial statements

4.7.1. Basis for presentation and declaration of conformity

Vastned Belgium NV (the “*Company*”) is a public Regulated Real Estate Company (RREC), which is subject to the RREC legislation⁹ and whose registered office is located in Belgium, at 2600 Antwerp (Berchem). The Company's shares are listed on NYSE Euronext Brussels under the code VASTB. The condensed consolidated interim financial statements for the reporting period ended 30 June 2021, include the Company and its subsidiaries (the “*Group*”).

The condensed consolidated interim financial statements pertain to the period from 1 January 2021 to 30 June 2021, and were approved for publication by the Board of Directors on 27 July 2021.

The condensed consolidated interim financial statements of Vastned Belgium have been prepared in accordance with the “*International Financial Reporting Standards*” (IFRS) and more specifically in accordance with IAS 34 “*Interim Financial Reporting*” as adopted within the European Union and in accordance with the legislation of 12 May 2014 on Regulated Real Estate Companies. These condensed consolidated interim financial statements do not contain all the information required for full reporting and should be read in conjunction with the consolidated financial statements for financial year 2020.

The condensed consolidated interim financial statements are expressed in thousands of euro, rounded to the nearest thousand. Due to the rounding, the total of certain figures in the tables may differ to figures in the primary financial statements or between different notes.

⁹⁾ The RREC Act comprises both the Act of 12 May 2014 regarding Regulated Real Estate Companies and the Royal Decree of 13 July 2014 regarding Regulated Real Estate Companies

4.7.2. Principles for the preparation of the condensed consolidated interim financial statements

The principles employed by Vastned Belgium in this condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year 2020.

However, the Company would like to specify the principles for the accounting of rental waivers, following the mandatory closure of non-essential stores and the hospitality industry, in more detail.

Vastned Belgium made the accounting policy choice to process rental waivers on the basis of '*IFRS 9 - Financial Instruments*'. As a result, the rental waiver is not regarded as a '*Lease modification*' according to '*IFRS 16 - Lease Agreements*'. The rental waiver is considered as a forgiveness of past lease payments that is an extinguishment of the operating lease receivable. For the period of closing, a provision for expected credit losses is recognized under the line "*Other rental-related costs*". At the moment that a final agreement is reached with the tenant regarding the amount of the rent waiver, a credit note is issued which is presented as a deduction from '*Rental Income*'. At the same time, the provision for expected credit losses is reversed.

Since 1 January 2021, the following (amended) standards and interpretations have been applicable to Vastned Belgium:

- IFRS 4 (Amendment) '*Insurance Contracts*'
- IFRS 9 (Amendment) '*Financial Instruments*', IFRS 7 (Amendment) '*Financial Instruments: Notes*', IAS 39 (Amendment) '*Financial Instruments: Recognition and Valuation*', IFRS 4 (Amendment) '*Insurance Contracts*' and IFRS 16 (Amendment) '*Lease Agreements*'.

These new or amended standards and interpretations have no material impact on these condensed consolidated interim financial statements.

The following published (amended) standards will only become effective after 31 December 2021 and have not been adopted earlier by the Group:

- IAS 16 (Amendment) '*Tangible fixed assets*' (effective date 1 January 2022)
- IAS 37 (Amendment) '*Provisions, Contingent Liabilities and Contingent Assets*' (effective date 1 January 2022)
- IFRS 3 (Amendment) '*Business Combinations*' (effective date 1 January 2022)
- Improvements to the IFRS 2018-2020 Cycle (effective 1 January 2022)
- IFRS 1 (Amendment) '*Presentation of Financial Statements*' (effective date 1 January 2023)
- IFRS 17 '*Insurance Contracts*' (effective date 1 January 2023)

These amended standards and interpretations will have no material impact on Vastned Belgium's consolidated financial statements for 2021.

4.7.3. Condensed consolidated income statement per operating segment

Vastned Belgium uses the geographical region for segment reporting. This segmentation basis reflects the three (3) geographic markets in which the Group is active: Flanders, Brussels and Walloon Region.

The category 'corporate' includes all non-segment attributable costs that are borne at Group level.

Geographical segmentation (in thousands €)	Flanders		Walloon Region		Brussels		Corporate		Total	
	30.06.'21	30.06.'20	30.06.'21	30.06.'20	30.06.'21	30.06.'20	30.06.'21	30.06.'20	30.06.'21	30.06.'20
Rental income	6,111	6,128	988	1,027	1,324	1,543	0	0	8,423	8,698
Rental-related expenses	200	-32	6	0	-19	0	0	-635	187	-666
NET RENTAL INCOME	6,311	6,096	994	1,027	1,305	1,543	0	-635	8,610	8,032
Property management costs and income	102	42	23	0	0	0	0	0	125	42
PROPERTY RESULT	6,413	6,138	1,017	1,027	1,305	1,543	0	-635	8,735	8,074
Operating result before result on portfolio	5,939	5,300	841	865	1,123	1,409	-448	-1,227	7,455	6,347
Result on disposals of investment properties	231	0	167	0	0	0	0	0	398	0
Changes in fair value of investment properties	-6,860	-10,506	-491	-3,893	-430	150	0	0	-7,781	-14,219
Other result on portfolio	95	-153	-92	54	50	-196	0	0	53	-296
Operating result of the segment	-595	-5,359	425	-2,974	743	1,363	-448	-1,227	125	-8,198
Financial result	-5	-5	-1	-1	0	0	-462	-703	-468	-710
Taxes	0	0	0	0	0	0	-20	-6	-20	-6
NET RESULT	-600	-5,365	424	-2,976	743	1,363	-930	-1,936	-363	-8,914

Geographical segmentation ¹⁰ (in thousands €)	Flanders		Walloon Region		Brussels		Total	
	30.06.'21	31.12.'20	30.06.'21	31.12.'20	30.06.'21	31.12.'20	30.06.'21	31.12.'20
Fair value of investment properties	229,641	240,401	29,504	31,790	57,807	58,237	316,952	330,427
• of which are investments during the financial year (fair value)	117	295	0	0	0	6	117	301
• of which are acquisitions of investment properties	0	0	0	0	0	0	0	0
Disposals during the financial year (fair value)	1,863	1,631	1,799	0	0	6,644	3,662	8,275
Investment value of real estate properties	235,379	246,397	30,239	32,580	59,252	59,693	324,871	338,670
Totale leasable space (m ²)	56,305	59,439	10,880	12,879	8,901	8,848	76,086	81,166

¹⁰ Excluding assets held for sale.

The fair value of investment properties decreased the most in Flanders. The decrease is explained by a limited number of large (> 1,000 m²) inner-city retail properties. More information can be found at '2.3. Risks for the remaining months of 2021'.

4.7.4. Evolution of the investment properties

(in thousands €)	2021 Total	2020 Total
Balance sheet as at 1 January	330,427	360,752
Investments in existing investment properties	117	129
Acquisition of shares of real estate companies	0	0
Acquisitions of investment properties	0	0
Disposals of investment properties	-3,664	0
Reclassification to assets held for sale	-2,150	0
Indexation of right-of-use assets according to IFRS 16	3	0
Changes in fair value of investment properties ¹¹	-7,781	-14,243
Balance sheet as at 30 June	316,952	346,638
Other information		
Investment value of real estate properties	324,871	355,284

Investment properties are valued, by an independent real estate expert, at fair value in accordance with IAS 40 'Investment Property'. The fair value is determined on the basis of one of the following levels of the hierarchy.

- Level 1: Officially quoted (unadjusted) market prices for identical assets or liabilities in an active market.
- Level 2: The fair value of assets or liabilities that are not traded in an active market is determined using valuation

techniques. These techniques make maximum use of observable market data, where available, and rely as little as possible on entity-specific estimates.

- Level 3: Assets and liabilities of which the fair value is determined using valuation techniques of which some parameters are based on non-observable market data.

Investment properties are valued at fair value according to level 3.

4.7.5. Rental income

(in thousands €)	30.06.2021	30.06.2020
Rents	8,705	9,062
Rental discounts	-332	-364
Compensation for early termination of lease agreements	50	0
Total rental income	8,423	8,698

Rental income includes rent and revenues directly related to rent, such as compensations for early termination of lease contracts, less the granted rental discounts and rental benefits. Rental discounts are spread in the income statement from the start of the lease agreement until the next possible termination date of the lease.

¹¹⁾ Also contains the revaluation of the right-of-use assets according to IFRS 16 for an amount of € -521 thousand (€ -59 thousand previous financial year).

4.7.6. Overview of the future minimum rental income

The table below provides an overview of the undiscounted value of the future rental income up to the first expiry date of the lease agreement. This takes into account the option of termination granted by law to the tenant¹² after the end of the current three-year period.

(in thousands €)	30.06.2021	30.06.2020
Receivables with a remaining duration of:		
• Less than one year	15,616	18,530
• Between one and two years	9,408	14,499
• Between two and three years	4,157	6,298
• Between three and four years	1,243	580
• Between four and five years	74	0
• More than five years	0	0
Total of the future minimum rental income	30,498	39,907

If we assume that the tenants will not make use of this three-year cancellation option, then the undiscounted value of the future rental income amounts to € 89.6 million (€ 82.6 million as at 31 December 2020). The increase is due to the strong work of the asset management department, which renewed a significant number of contracts in the first half of 2021.

4.7.7. Rental-related expenses

(in thousands €)	30.06.2021	30.06.2020
Write-downs on trade receivables	-79	-666
Reversal of write-downs on trade receivables	266	0
Total rental-related expenses	187	-666

Rental-related expenses contain write-downs of trade receivables that are included in profit or loss if the book value is higher than the estimated realisable value.

In the first half of 2021, the write-downs that were recognized on 31 December 2020, as a result of the mandatory closure of non-essential stores in November 2020, have been reversed. This reversal is the result of the rental waivers that are deducted from the rental income when agreed with the tenant.

¹²⁾ Based on commercial lease legislation (Act of 30 April 1952), tenants have the legal option to terminate lease agreements upon expiry of a period of three (3) years.

4.7.8. Result on the disposal of investment properties

(in thousands €)	30.06.2021	30.06.2020
Carrying amount (fair value) of investment properties sold	3,664	0
Selling price	4,064	0
Selling costs	-2	0
Net selling price	4,062	0
Total result on the disposal of investment properties	398	0

In the first half of 2021, Vastned Belgium realised two (2) divestments for a total sales price of € 4.1 million. The fair value of these properties amounted to € 3.7 million on 31 March 2021, as a result of which the Company realised a capital gain of € 0.4 million.

A detailed description of these divestments can be found at '1.6. divestments' (see above).

The properties represented 1.1% of the total fair value of the Company's real estate portfolio and represented approximately € 0.3 million in rental income, or 1.5% of Vastned Belgium's total annual rental income.

4.7.9. Trade receivables

(in thousands €)	30.06.2021	31.12.2020
Outstanding trade receivable	1,336	1,011
Invoices to be issued and credit notes to be received	83	3
Doubtful debtors	221	224
Provision doubtful debtors	-483	-672
Total trade receivables	1,157	566

The slight increase in outstanding trade receivables is caused by a change to the process whereby the rental invoices are already accounted for at the end of the previous month (corrected in deferred income and accrued charges). At the end of the previous financial year, several rental invoices were outstanding as a result of mandatory closure of non-essential shops in November 2020.

4.7.10. Long term and short term financial debt

For a detailed description of the Company's financial structure, reference is made to '2.2 Financial structure as at 30 June 2021' (see above).

4.7.11. Financial instruments

Vastned Belgium's main financial instruments consist of financial and commercial receivables and debts, cash and cash equivalents as well as financial instruments of the interest rate swap (IRS) type.

Summary of financial instruments

(in thousand €)

	Categories	Level	30.06.2021		31.12.2020	
			Book value	Fair value	Book value	Fair value
Financial instruments (assets)						
Non-current assets						
Non-current financial assets	C	2	0	0	0	0
Trade receivables and other non-current assets	A	2	3	3	3	3
Current assets						
Trade receivables	A	2	1,157	1,157	566	566
Tax receivables and other current assets	A	2	0	0	785	785
Cash and cash equivalents	B	1	412	412	428	428
Financial instruments - liabilities						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	91,070	90,407	92,405	91,503
• Credit institutions	A	2	90,332	89,669	91,602	90,699
• Financial leasing	A	2	738	738	804	804
Other non-current financial liabilities	C	2	1,695	1,695	2,031	2,031
Other non-current liabilities	A	2	179	179	175	175
Current liabilities						
Current financial debts (interest-bearing)	A	2	147	147	656	656
• Credit institutions	A	2	0	0	500	500
• Financial leasing	A	2	147	147	156	156
Other current financial debts	C	2	0	0	0	0
Trade debts and other current debts	A	2	485	485	1,205	1,205
Other current liabilities	A	2	531	531	570	570

In accordance with IFRS 9 'Financial Instruments', all financial assets and financial liabilities are measured at amortised cost or fair value. The valuation is depending on the proposed classification of the financial assets and financial liabilities. The Group has defined the following categories:

- A. Financial assets or liabilities (including receivables and loans) at amortised cost;
- B. Financial assets held to maturity at amortised cost;
- C. Assets or liabilities, held at fair value through profit and loss, except for financial instruments defined as hedging instruments that are subject to a hedging relation.

Financial instruments are stated at fair value. The fair value hierarchy is based on data for the valuation of financial assets and liabilities at the valuation date. The distinction between the three (3) levels is as follows:

- Level 1: Officially quoted (unadjusted) market prices for identical assets or liabilities in an active market.
- Level 2: The fair value of assets or liabilities that are not traded in an active market is determined using valuation techniques. These techniques make maximum use of observable market data, where available, and rely as little as possible on entity-specific estimates.
- Level 3: Financial instruments whose fair value is determined using valuation techniques, some parameters of which are based on unobservable market data.

Vastned Belgium's financial instruments correspond to level 2 in the hierarchy of fair values. The valuation techniques related to the fair value of level 2 financial instruments are as follows:

- For the items '*Other Non-current financial liabilities*' and '*Other current financial liabilities*', that relate to interest rate swaps, the fair value is determined using observable data, namely the forward interest rates applicable to active markets, generally provided by financial institutions.
- The fair value of the other level 2 financial assets and liabilities is approximately equal to their book value, either because they have a short-term maturity (such as trade receivables and payables) or because they bear a variable interest rate. When calculating the fair value of the interest-bearing financial debts with a fixed interest rate, the fair value is calculated as the future cash flows (interest and capital repayment) discounted at a market yield.

On 30 June 2021, the Company owns the following financial derivatives:

(in thousands €)		Start date	End date	Interest rate	Contractual notional amount	Hedge accounting	Fair value	
							Yes/No	30.06.2021
1	IRS	31.10.2019	31.07.2024	0.6725%	€ 15,000	No	-295	-352
2	IRS	31.10.2019	31.07.2024	0.7375%	€ 10,000	No	-217	-258
3	IRS	14.11.2019	31.07.2024	0.7250%	€ 5,000	No	-107	-127
4	IRS	31.07.2017	31.07.2023	0.9520%	€ 15,000	No	-297	-370
5	IRS	31.07.2017	31.07.2024	0.9550%	€ 10,000	No	-285	-339
6	IRS	31.07.2017	31.07.2024	1.0940%	€ 15,000	No	-494	-585
Other non current financial liabilities							-1,695	-2,031
Other current financial liabilities							0	0
Total fair value of financial derivatives							-1,695	-2,031

4.7.12. Affiliated Parties

The affiliated parties with whom the Company trades are its majority shareholder, its subsidiary (EuroInvest Retail Properties NV), its directors and members of the Executive Committee.

As at 30 June 2021, Vastned Belgium has no debts to affiliated companies.

On 3 May 2021, Reinier Walta announced that he had a potential conflict of interest of a proprietary nature pertaining to the intended decision to approve the management agreement between the Company and Mr. Walta with regard to his position as strategic CEO and strategic CFO of the Company.

The parties merely wish to officialise the existing agreements. This agreement aligns with the agreements of the other members of the Executive Committee, which contain the usual provisions for this type of agreement. Reinier Walta's positions as strategic CEO and strategic CFO remains unpaid at Vastned Belgium; however, the contractual, non-contractual or other liability as a member of the Executive Committee towards Vastned Belgium in connection with the performance of his function, together with the liability of the other members of the Executive Committee towards Vastned Belgium, will be limited to € 12,000,000. This (limited) liability is analogous to the liability that Reinier Walta would have if the Company had opted for a dual management structure, with a Supervisory Board and a Board of Directors, and Mr. Walta had been a member of the Supervisory Board.

4.7.13. Contingent liabilities

In the first half of 2021, there were no changes in the contingent liabilities as described in 'Note 22 – *Contingent liabilities*' of the Financial Report in the Annual Report 2020.

4.7.14. Events after the balance sheet date

Divestment of Leopoldsburg

On 15 July 2021, Vastned Belgium divested a retail warehouse, located in Leopoldsburg, for an amount of € 2.2 million. The sale agreement for this retail warehouse was concluded in 2019 under the condition precedent of obtaining the necessary permits. These permits were received during the second quarter of 2021 and the notarial deed was signed on 15 July 2021. Vastned Belgium realises a limited capital loss on this sale. This solitary retail warehouse has a total retail area of 1,850 m² and consists of one (1) rentable unit.

This building represented 0.7% of the total fair value of the Company's real estate portfolio, and represented approximately € 0.2 million in rental income or 0.9% of Vastned Belgium's total annual rental income.

There were no other significant events after the balance sheet date.

4.8. Report of the statutory auditor

Statutory auditor's report to the board of directors of Vastned Belgium nv on the review of the Condensed Consolidated Half-yearly Figures as at 30 June 2021 and for the six-month period then ended.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Vastned Belgium nv (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2021, the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement and condensed statement of changes in consolidated shareholders' equity for the six-month period then ended, and notes ("the Condensed Consolidated Half-yearly Figures"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Half-yearly Figures as at 30 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 27 July 2021

EY Bedrijfsrevisoren bv/EY Réviseurs d'Entreprises srl
Statutory auditor
represented by

Joeri Klaykens*
Partner

* Acting on behalf of a bv/srl

4.9. Financial calendar



5. Alternative Performance Measures

5.1. Glossary of Alternative Performance Measures

A complete overview of the alternative performance measures can be found at 'Chapter 8. Alternative performance measures' of the annual report for 2020, or to the Company's website www.vastned.be.

The table below provides an overview of the alternative performance measures employed throughout the half-yearly financial report.

Alternative Performance Measure	Definition	Use
Result per share	<ul style="list-style-type: none"> • Net result per share: Net result divided by the number of shares entitled to dividend • Gross dividend per share: EPRA earnings divided by the number of shares entitled to dividend 	Measure the result of the share and enable comparison with the dividend paid per share.
Net value per share in investment value	This pertains to the book value of the share before deduction of the transaction costs (mainly transfer rights) from the value of the investment properties. It is calculated by dividing the amount of equity attributable to the shareholders of the parent company, where the transfer rights that are recognised under equity at the balance sheet date are deducted, by the number of shares entitled to dividend.	Measure the investment value of the share and enable comparison with its stock market value.
Net value per share in fair value	This pertains to the book value of the share after deduction of the transaction costs (mainly transfer rights) from the value of the investment properties. It is calculated by dividing the amount of equity attributable to the shareholders of the parent company by the number of shares entitled to dividend.	Measure the fair value of the share and enable comparison with its stock market value.
Financial result (excluding changes in the fair value of the financial assets and liabilities)	The 'Financial Result' from which the heading 'Changes in the fair value of financial assets and liabilities' is deducted.	Reflect the Company's actual cost of financing.
Average interest rate of financing	The average interest rate on the Company's financing is calculated by dividing the net interest charges (on an annual basis) by the weighted average debt of the period (based on the daily drawdowns of the financing). Financing includes draw-downs from credit institutions, recognized under the line 'Credit institutions' in the long-term and short-term financial debts of the consolidated balance sheet.	The average interest rate of financing measures the average financing cost of the debts and allows following its evolution over time, depending on the evolution of the company and of the financial markets.

Alternative Performance Measure	Definition	Use
Average yield of the portfolio	The average yield of the portfolio is calculated as the ratio between the rental income and the fair value of investments properties.	Evaluate the income from investment properties.
Portfolio result	The portfolio result includes (i) the result on the disposal of investment properties, (ii) the changes in the fair value of investment properties, and (iii) the other portfolio result.	The portfolio result measures the realised and unrealised profit and loss related to investment properties compared to the valuation of the independent property experts at the end of the previous financial year.
EPRA earnings	EPRA earnings is the operating result before the result on the portfolio from which the financial result, taxes, changes in the fair value of financial derivatives (non-effective hedges in accordance with IFRS 9) and the non-distributable result of subsidiaries are eliminated.	The EPRA earnings measures the result of the strategic operational activities, excluding the following elements (i) the changes in the fair value of financial assets and liabilities (ineffective hedges in accordance with IFRS 9) and (ii) the portfolio result.
EPRA earnings per Share	EPRA earnings per share is the EPRA earnings divided by the number of shares entitled to dividend.	The EPRA earnings per share measures the EPRA earnings per share entitled to dividend and makes it possible to compare it with the gross dividend paid per share.
EPRA NRV	EPRA Net Reinstatement Value (NRV) provide an estimation of the amount required to rebuild the Company through the investment markets based on its current capital and financing structure.	Measure the fair value of the share and enable comparison with its stock market value.
EPRA NTA	EPRA Net Tangible Assets (NTA) assumes that the Company buys and sells assets, which would result in the realization of certain levels of unavoidable deferred tax.	Measure the fair value of the share and enable comparison with its stock market value.
EPRA NDV	The EPRA Net Disposal Value (NDV) represents the value accruing to the Company's shareholders under an asset disposal scenario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax.	Measure the fair value of the share and enable comparison with its stock market value.
EPRA Net Initial Yield (NIR)	Annualised gross rental income based on the contractual rents passing as at the closing date of the annual accounts, less the property charges, divided by the market value of the portfolio, increased by the estimated transaction rights and costs resulting from the hypothetical disposal of investment properties.	This measure offers investors the opportunity to compare portfolio valuations within Europe.

Alternative Performance Measure	Definition	Use
EPRA topped-up NIY	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	This measure, which includes an adjustment to the EPRA NIR before the end of rent-free periods (or other unexpired lease incentives), offers investors the opportunity to compare portfolio valuations within Europe.
EPRA vacancy rate	Estimated market rental value (ERV) of vacant space divided by ERV of the whole portfolio available upon rental.	Displays the percentage of vacancy based on estimated market rental value.
EPRA cost ratio (including direct vacancy costs)	EPRA costs (including direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights.	Measurement of changes in the company's operating costs.
EPRA cost ratio (excluding direct vacancy costs)	EPRA costs (excluding direct vacancy costs) divided by gross rental income less compensations for leasehold estate and long-lease rights.	Measurement of changes in the company's operating costs.

5.2. Reconciliation tables of the Alternative Performance Measures

Result per share

		30.06.2021	30.06.2020
Net result (€ thousands)	A	-363	-8,914
Number of shares entitled to dividend	B	5,078,525	5,078,525
(Diluted) Net result (€)	A/B	-0.07	-1.76
		30.06.2021	30.06.2020
EPRA earnings (€ thousands)	A	6,633	5,517
Number of shares entitled to dividend	B	5,078,525	5,078,525
EPRA earnings per share (€)	A/B	1.31	1.09

Balance figures per share

		30.06.2021	30.06.2020
Equity attributable to the shareholders of the parent company (€ thousands):	A	224,259	235,033
To be excluded:			
• Transfer rights recognised under equity	B	-8,840	-9,363
Equity attributable to the shareholders of the parent company – investment value (€ thousands):	C = A-B	233,099	244,396
Number of shares entitled to dividend	D	5,078,525	5,078,525
Net value (investment value) (€)	C/D	45.90	48.12
		30.06.2021	30.06.2020
Equity attributable to the shareholders of the parent company (€ thousands):	A	224,259	235,033
Number of shares entitled to dividend	B	5,078,525	5,078,525
Net value (fair value) (€)	A/B	44.16	46.28

Financial result (excluding changes in the fair value of the financial assets and liabilities)

(€ thousands)		30.06.2021	30.06.2020
Financial result	A	-468	-710
To be excluded:			
• Variations in the fair value of financial assets and liabilities	B	336	129
Financial result (excluding changes in the fair value of the financial assets and liabilities)	A-B	-804	-839

Average interest rate of financing

		30.06.2021	30.06.2020
Net interest charges (€ thousands)	A	801	837
Average debt over the period (€ thousands)	B	89,768	100,229
Average interest rate of financing (based on 360/365) (%)	A/B	1.7%	1.7%

Result on portfolio

(€ thousands)		30.06.2021	30.06.2020
Result on the disposal of investment properties	A	398	0
Variations in the fair value of investment properties	B	-7,781	-14,249
Other result on portfolio	C	53	-296
Result on portfolio	A+B+C	-7,330	-14,545

EPRA earnings

(€ thousands)		30.06.2021	30.06.2020
Net result	A	-363	-8,914
On condition of elimination from the net result (+/-):			
• Variations in the fair value of investment properties	B	7,781	14,249
• Result on the disposal of investment properties	C	-398	0
• Variations in the fair value of financial assets and liabilities	D	-336	-129
• Other result on portfolio	E	-53	296
• Non-distributable result subsidiaries	F	3	15
EPRA earnings	A-B-C-D-E-F	6,633	5,517

EPRA earnings per share

		30.06.2021	30.06.2020
EPRA earnings (€ thousands)	A	6,633	5,517
Weighted average number of shares	B	5,078,525	5,078,525
EPRA earnings (€/share)	A/B	1.31	1.09

EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV)

(€ thousands)		30.06.2021		
		EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to the shareholders of the parent company:	A	224,259	224,259	224,259
Diluted NAV of fair value	B	224,259	224,259	224,259
To be excluded:	C = D+E+F	1,938	1,778	-
• Deferred taxes pertaining to the revaluation of fair value of real estate investments	D	243	243	
• Fair value of the financial instruments	E	1,695	1,695	
• Intangible fixed assets according to the IFRS Balance Sheet	F		-160	
To be added:	G = H+I	7,919	-	-
• Fair value of fixed interest rate debt	H			
• Real estate transfer tax	I	7,919		
NAV	J = B+C+G	234,116	226,037	224,259
Diluted number of shares	K	5,078,525	5,078,525	5,078,525
NAV (€/share)	J/K	46.10	44.51	44.16

(€ thousands)		31.12.2020		
		EPRA NRV	EPRA NTA	EPRA NDV
IFRS equity attributable to the shareholders of the parent company:	A	235,033	235,033	235,033
Diluted NAV of fair value	B	235,033	235,033	235,033
To be excluded:	C = D+E+F	2,231	2,048	-
• Deferred taxes pertaining to the revaluation of fair value of real estate investments	D	200	200	
• Fair value of the financial instruments	E	2,031	2,031	
• Intangible fixed assets according to the IFRS Balance Sheet	F		-183	
To be added:	G = H+I	8,243	-	-
• Fair value of fixed interest rate debt	H			
• Real estate transfer tax	I	8,243		
NAV	J = B+C+G	245,507	237,081	235,033
Diluted number of shares	K	5,078,525	5,078,525	5,078,525
NAV (€/share)	J/K	48.34	46.68	46.28

EPRA Net Initial Yield (NIR) and EPRA adjusted NIY

(€ thousands)		30.06.2021	31.12.2020
Investment properties ¹³	A	316,952	330,427
To be excluded:			
• IFRS 16 right-of-use assets	B	-207	-725
• Project developments intended for lease	C	0	0
Real estate available for lease	D = A+B+C	316.745	329,702
To be added:			
• Investment value of properties available for lease - including property held by right of use	E	7,919	8,243
Investment value of properties available for lease	F = D+E	324.664	337,945
Annualised gross rental income ¹³	G	17,102	17,351
To be excluded:			
• Property charges ¹⁴	H	-1,571	-1,456
Annualised net rental income	I = G+H	15,532	15,895
Adjustments:			
• Rent expiration of rent free periods or other lease incentives	J	313	555
Annualised "topped-up" net rental income	K = I+J	15,845	16,450
(in %)			
EPRA NET INITIAL YIELD	I/F	4.8%	4.7%
EPRA ADJUSTED NET INITIAL YIELD	K/F	4.9%	4.9%

¹³⁾ Excluding assets held for sale.

¹⁴⁾ The perimeter of the property charges to be excluded for the calculation of the EPRA Net Initial Yield is set out in the EPRA Best Practices and does not correspond to the "Property charges" as presented in the consolidated IFRS accounts.

EPRA vacancy rate

				30.06.2021	31.12.2020
	Leasable space (in m ²)	Estimated rental value (ERV) on vacancy (€ thousands)	Estimated rental value (ERV) (€ thousands)	EPRA vacancy rate (in %)	EPRA vacancy rate (in %)
		A	B	A/B	
Flanders	56,305	175	12,063	1.5%	2.1%
Brussels	8,901	0	2,814	0.0%	7.8%
Walloon Region	10,880	291	1,927	15.1%	10.5%
Total real estate available for lease	76,086	466	16,804	2.8%	4.1%

EPRA Cost Ratios

(€ thousands)

			30.06.2021	31.12.2020
General costs	A		448	510
Write-downs on trade receivables	B		-187	455
Property charges	C		832	1,864
EPRA costs (including direct vacancy costs)	D = A+B+C		1,094	2,829
Direct vacancy costs	E		-97	-116
EPRA costs (excluding direct vacancy costs)	F = D+E		997	2,713
Rental income less compensations for leasehold estate and long-lease rights	G		8,423	16,713
(in %)				
EPRA Cost ratio (including direct vacancy costs)	D/G		13.0%	16.9%
EPRA Cost ratio (excluding direct vacancy costs)	F/G		11.8%	16.2%

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

For more information, please contact Vastned Belgium NV, a public regulated real estate company under Belgian law, Rudi Taelmans – CEO or Sven Bosman – Financial Director, ph. +32 3 361 05 900 // www.vastned.be

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