

## PRESS RELEASE

# ANNUAL RESULTS 2019

*Portfolio virtually fully let;  
growth of direct result 2020 expected*

**Key points 2019**

- **Direct result 2019 € 2.03 per share, in line with forecast**
- **Occupancy rate strongly up in the course of the year to 98.0% at year-end 2019**
- **Like-for-like gross rental decrease of 3.0%, due in particular to the temporary vacancy of Rue de Rivoli 118-120 in Paris**
- **Value of total portfolio virtually unchanged (-0.8%)\***
- **Clusters in Amsterdam expanded by € 13.7 million**
- **Non-strategic assets in the Netherlands and Belgium sold for € 12.1 million**
- **Loan-to-value ratio at year-end 2019 41.6%, within 35%-45% range**
- **Dividend proposal for FY 2019 € 2.05 per share, unchanged from FY 2018**
- **Direct result 2020 expected to grow to € 2.05 - € 2.15 per share due to improved occupancy rate**

\* Excluding acquisitions and divestments

**Amsterdam, 11 February 2020 - Vastned, the listed European retail property company focusing on 'venues for premium shopping', today publishes its annual figures 2019, showing a direct result for 2019 of € 2.03 per share. For 2020, Vastned forecasts the direct result to grow to between € 2.05 and € 2.15 per share.**

Taco de Groot, Vastned CEO: *'The quality of the portfolio improved in the course of the year and the occupancy rate remains high; the portfolio is virtually fully let. Over the past seven years we have created a unique portfolio with a consistent strategy, which in 2019 again proved to be able to attract leading new tenants. Our portfolio now comprises 83% high street retail property in bigger European cities with historic city centres and a strong identity. The market remains challenging and the transition of the retail landscape is ongoing, but with the transformation of its portfolio Vastned has responded in a timely manner to the current trend of retailers reducing the number of their shops and focusing on top locations in the bigger cities.'*

*The direct result for 2019 of € 2.03 per share was lower than for 2018. However, corrected for the non-recurring income in 2018 the 2019 direct result was unchanged from 2018. We are delighted that we have been able to attract JD Sports as a new tenant for our property at Rue de Rivoli 118-120 in Paris at market conditions. We also contracted Skechers as a new tenant for our other property on Rue de Rivoli. In addition, we welcomed retailer Sephora at Calle Serrano 36 in Madrid after the departure of Salvatore Ferragamo. When we relet any of our properties, we are trying to reduce the share of fashion in our portfolio since this is generally a weaker segment in the retail market. The high occupancy rate of our portfolio demonstrates that if you own the right assets in a city, they will continue to generate rent over the longer term. This is also evident from the fact that the value of the total portfolio is virtually stable (-0.8% excluding acquisitions and divestments).*

*In spite of the lower direct result in 2019 compared to 2018 we still have the intention of distributing a dividend of € 2.05, equal to the 2018 dividend. We are confident that the quality of our portfolio will enable us to realise a strong direct result next year. We will keep focusing on maintaining the high occupancy rate of our portfolio. For 2020 we forecast that the direct result will grow to between € 2.05 and € 2.15 per share. This increase is expected to be due especially to the improved average occupancy rate compared to 2019 as a result of contracting JD Sports for the top location on Rue de Rivoli at market conditions. Although we expect the capex level to remain low like it was in previous years, we will continue to invest in historic cities in order to extend the functional lifespan of our assets, make them more sustainable and contribute to the attractiveness and liveability of city centres.'*

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**Key parameters**

The portfolio showed good results in 2019, in spite of the challenging market conditions. Corrected for the non-recurring income in 2018 the 2019 direct result was unchanged from 2018. The value of the portfolio was virtually unchanged from 2018.

**Results**

	FY 2019	FY 2018
Occupancy rate as at 31 December (%)	98.0	98.6
Like-for-like gross rental growth (%)	(3.0)	0.8
Value movements <sup>1</sup> (%)	(0.8)	0.4
Total appraisal value of the portfolio <sup>2</sup> (€ million)	1,571	1,580
Direct result per share (€)	2.03	2.22
Indirect result per share (€)	(0.73)	0.04
Result per share (€)	1.30	2.26

<sup>1</sup> Excluding acquisitions and divestments

<sup>2</sup> Including assets held for sale

**NOTES TO THE PROPERTY PORTFOLIO****Portfolio breakdown**

As at year-end 2019 the appraisal value of the total property portfolio was € 1.6 billion.

**Portfolio breakdown  
(€ million)**

	31 December 2019	% of total
Netherlands	685	44
France	416	26
Belgium	370	24
Spain	100	6
<b>Total</b>	<b>1,571</b>	<b>100</b>

**Occupancy rate**

The occupancy rate rose strongly during 2019 from 93.1% as at 30 June 2019 to 98.0% as at year-end, taking it back to near the same high level as at year-end 2018. This increase was due to the letting of Rue de Rivoli 118-120 in Paris to JD Sports. The portfolio in Spain was fully let throughout 2019.

<b>Occupancy rate (%)</b>	31 December 2019	30 September 2019	30 June 2019	31 December 2018
Netherlands	96.6	95.7	96.2	98.5
France	99.8	99.8	81.9	99.2
Belgium	98.8	97.4	95.7	98.0
Spain	100.0	100.0	100.0	100.0
<b>Total</b>	<b>98.0</b>	<b>97.2</b>	<b>93.1</b>	<b>98.6</b>

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**Leasing activity**

In 2019, Vastned concluded 76 leases for a total annual amount of € 12.4 million, or 16.7% of the total theoretical annual gross rental income. In 2018, in comparison, Vastned concluded 71 leases for a total annual amount of € 10.6 million, or 14.0% of the total theoretical annual gross rental income.

On the 76 leases that Vastned concluded, a rent decrease was realised of € 1.6 million (11.7%), mainly due to the decrease of the rental income for the asset Rue de Rivoli 118-120.

2019	Leasing activity			Rental change	
	numbers of leases	€ million	% of theoretical annual rent	€ million	%
<b>Total</b>	<b>76</b>	<b>12.4</b>	<b>16.7</b>	<b>(1.6)</b>	<b>(11.7)</b>

In addition to the contract with JD Sports, Vastned also concluded new leases with Skechers, Boggi Milano and Snipes in France. In the Netherlands leases were signed with Jumbo and Rituals. In Belgium, leases were concluded with Pampling, Heytens and Edisac.

In addition, leases were renewed with retailers including Mango in Utrecht, UGG in Paris, Zara in Brussels and H&M in Ghent.

Q4 2019	Leasing activity			Rental change	
	numbers of leases	€ million	% of theoretical annual rent	€ '000	%
<b>Total</b>	<b>19</b>	<b>2.4</b>	<b>3.2</b>	<b>56</b>	<b>2.4</b>

**Lease incentives**

Lease incentives, such as rent-free periods, lease discounts and other payments or contributions to tenants, averaged 3.0% of the gross rental income in 2019. This was more than in 2018 (2.7%) and was the result of the decrease of the gross rental income in 2019.

The total lease incentives in 2019 and 2018 were equal at € 2.2 million. The difference between the actual and the IFRS lease incentives is due to the straightlining of lease incentives.

**Lease incentives (as a % of gross rental income)**

	2019		2018	
	Actual	IFRS	Actual	IFRS
<b>Total</b>	<b>3.6</b>	<b>3.0</b>	<b>4.4</b>	<b>2.7</b>

**Value movements**

The value of the property portfolio excluding acquisitions and divestments fell by € 12.5 million, or 0.8%, compared to year-end 2018.

Value movements 2019*	€ million	%
<b>Total</b>	<b>12.5</b>	<b>(0.8)</b>

\* Excluding acquisitions and divestments

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### Acquisitions

Vastned expanded its portfolio further in 2019 by making acquisitions in the Netherlands for a total amount of € 13.7 including acquisition costs.

In Amsterdam the property Nes 67/Sint Barberenstraat 4 was bought for € 7.1 million including acquisition costs. Nes runs parallel to Rokin in a tourist area with a host of food and beverage establishments. The total floor area is over 900 square metres divided over the ground floor, basement and a mezzanine. This food & beverage establishment is let to the Bierfabriek Amsterdam restaurant.

Vastned further expanded its Amsterdam cluster in the Ferdinand Bolstraat. This concerns the corner property at Ferdinand Bolstraat 85/1e Jan Steenstraat 89, including four apartments on the floors above, which was bought for € 4.3 million including acquisition costs. The ground floor has a designated food & beverage use and is let to Bakker Bart.



Vastned also purchased the corner property Keizersgracht 233/Hartenstraat in Amsterdam, including the apartment on the floors above, for € 2.4 million including acquisition costs. The asset is located in the popular shopping area De 9 Straatjes in Amsterdam, which is a tourist area with many listed buildings, trendy boutiques and attractive food and beverage places.

### Divestments

As part of its strategy to further lower the risk profile of the portfolio, Vastned sold non-strategic assets for € 12.1 million in total in the Netherlands and Belgium in 2019.

In the Netherlands, Vastned sold the following properties in 2019: Nieuwstraat 9-11 and Breestraat 65-69 in Beverwijk, Steenstraat 110/d'n Entrepot 3 and Hoogkoopassage 14-18 and 22 in Boxmeer, Stationsstraat 18-20 in Boxtel, In de Cramer 140 in Heerlen, Hoofdstraat 25 in Veenendaal, Wouwsestraat 48 in Bergen op Zoom, Lange Bisschopstraat 34 and 50 in Deventer, Lange Kerkstraat 9 in Goes and Arendstraat 9-13 in Oosterhout. In Belgium, Vastned sold its non-strategic assets at Rue des Français 393 in Ans and Rue Pont d'Île 35 in Liège.

### NOTES TO THE FINANCIAL RESULTS

#### Financial results (€ million)

	2019	2018
Direct result	35,0	40,4
Indirect result	(12,6)	0,7
<b>Result attributable to Vastned Retail shareholders</b>	<b>22,4</b>	<b>41,1</b>
Result attributable to non-controlling interests	1,5	2,5
<b>Result after taxes</b>	<b>23,9</b>	<b>43,6</b>

#### Result attributable to Vastned Retail shareholders

The result attributable to Vastned shareholders, which comprises the direct and indirect results, was € 22.4 million in 2019 (2018: € 41.1 million). The main factor in this lower result was the fall of the indirect result from € 0.7 million positive in 2018 to € 12.6 million negative in 2019.

The direct result fell from € 40.4 million in 2018 to € 35.0 million in 2019, mainly as a result of lower gross rental income due to a buy-out payment of € 5.3 million received in 2018, divestments in particular in the Netherlands and France and the vacancy of the asset Rue de Rivoli 118-120 in Paris.

The indirect result fell from € 0.7 million positive in 2018 to € 12.6 million negative in 2019. This decrease was mainly due to the relatively minor value decrease of the property portfolio of € 13.1, taking account of the write-off of transaction

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costs. In France, the value of the asset Rue de Rivoli 118-120 fell by € 7.4 million, which was almost fully compensated by a value increase of € 7.4 million of the other assets in the French property portfolio. The value of the property portfolios in Belgium and the Netherlands fell by € 10.8 million and € 4.6 million respectively, while the Spanish property portfolio increased in value by € 2.3 million.

**Result per share**

In 2019, Vastned bought back 742,616 shares for a total amount of € 24.9 million including costs. Due to this share buyback in conjunction with the share buybacks in 2017 and 2018 the average number of shares in issue fell from 18.2 million to 17.3 million as at year-end 2019.

The result per share attributable to Vastned shareholders was € 1.30 in 2019 (2018: € 2.26 per share). The result is comprised of the direct result per share of € 2.03 (2018: € 2.22 per share) and the indirect result per share of € 0.73 negative (2018: € 0.04 positive per share).

**NET INCOME FROM PROPERTY****Gross rental income**

The gross rental income including non-recurring items was € 69.3 million in 2019 against € 77.1 million in 2018.

*Non-recurring items (€ 4.8 million decrease)*

In 2018, a non-recurring buy-out payment of € 5.3 million was received from the former tenant of the asset Kalverstraat 11-17/Rokin 12-16 in Amsterdam. In addition, a non-recurring buy-out payment of € 0.5 million was paid to the departing tenant of the asset Kalverstraat 162-164 in Amsterdam. These non-recurring items were fully recognised in the 2018 direct result. In order to present a balanced view of the like-for-like gross rental growth, these non-recurring payments have been spread over the duration of the leases with the new tenants. As a result, the gross rental income recognised in the income statement 2019 was € 0.8 million lower than the gross rental income stated in the table.

<b>Gross rental income (€ thousand)</b>	<b>Netherlands before adjustment for nonrecurring items</b>	<b>Adjustment for nonrecurring items</b>	<b>Netherlands after adjustment for nonrecurring items</b>	<b>France</b>	<b>Belgium</b>	<b>Spain</b>	<b>Total</b>
Gross rental income 2018	38,189	(4,041)	34,148	16,291	19,779	2,801	73,019
Acquisitions	757	-	757	869	-	123	1,749
Divestments	(1,696)	-	(1,696)	(799)	(70)	-	(2,565)
Like-for-like rental growth	(4,682)	4,817	135	(2,719)	(45)	490	(2,139)
<b>Gross rental income 2019</b>	<b>32,568</b>	<b>776</b>	<b>33,344</b>	<b>13,642</b>	<b>19,664</b>	<b>3,414</b>	<b>70,064</b>
Other income	-	-	-	272	-	-	272
Operating expenses	(3,684)	-	(3,684)	(1,079)	(1,383)	(387)	(6,533)
<b>Net rental income 2019</b>	<b>28,884</b>	<b>776</b>	<b>29,660</b>	<b>12,835</b>	<b>18,281</b>	<b>3,027</b>	<b>63,803</b>
Net rental income 2018	34,745	(4,041)	30,702	15,320	18,102	2,611	66,735
Operating expenses as a % of gross rental income 2019	11.3	-	11.0	7.8	7.0	11.3	9.3
Operating expenses as a % of gross rental income 2018	9.0	-	10.1	8.2	8.5	6.8	9.1

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### *Acquisitions (€ 1.7 million increase)*

In 2018 and 2019 Vastned expanded its portfolio by acquiring assets in major European cities with a historic city centre in its core countries. This caused the gross rental income to rise in 2019 by € 1.7 million compared to 2018, of which € 1.4 million related to acquisitions made in 2018 and € 0.3 to transactions completed in 2019.

In Amsterdam in the Netherlands the properties Ferdinand Bolstraat 85h, 85.1, 85.3, 85.4/1e Jan Steenstraat 89.3, Nes 67/ Sint Barberenstraat 4 and Keizersgracht were acquired in 2019. These properties combined with a number of acquisitions in Amsterdam and Utrecht in 2018 led to an increase in gross rental income in the Netherlands of € 0.7 million.

In France the assets Rue des Francs Bourgeois 10 and 12 in Paris were acquired. These assets together brought an increase of the gross rental income in France of € 0.9 million in 2019.

Finally, in 2018 in Madrid the property Calle de Fuencarral 27 was bought, which resulted in an increase of the gross rental income of € 0.1 million in 2019.

### *Divestments (€ 2.6 million decrease)*

In order to further improve the quality of the portfolio Vastned sold property for € 70.7 million and € 12.1 million in 2018 and 2019 respectively. This caused a € 2.6 million fall in the gross rental income in 2019 compared to 2018. Property divestments in the Netherlands accounted for € 1.7 million of this decrease, of which € 0.4 million was due to divestments in 2019 and € 1.3 million to divestments in 2018. In France, properties were sold in Nancy, Marseille and Limoges in 2018, resulting in a € 0.8 million decrease of the gross rental income in 2019. In Belgium, assets in Liège and Ans were sold in 2019, leading to a fall of the gross rental income of € 0.1 million compared to 2018.

### *Like-for-like gross rental growth (€ 2.1 million decrease)*

The total like-for-like gross rental growth in 2019 was € 2.1 million negative, due to the vacancy of the property at Rue de Rivoli 118-120 in Paris. As a result of this, the like-for-like rental growth of the gross rental income was € 2.7 million negative. In Spain, the like-for-like rental growth was € 0.5 million positive due to the letting of the property Calle de Serrano 36 in Madrid. Taking adjustments for non-recurring items into account the like-for-like rental growth in the Netherlands was € 0.1 million positive. In Belgium the like-for-like gross rental growth was less than € 0.1 million negative. Corrected for two outliers in Spain in France the total like-for-like gross rental growth in 2019 was 0.1% positive.

The decrease of the gross rental growth resulted in a like-for-like gross rental growth of 3% negative for the total portfolio.

### **Operating expenses (including ground rents and net service charge expenses)**

Total operating expenses decreased from € 6.7 million in 2018 to € 6.5 million in 2019. This was caused by divestments of nonstrategic assets in the Netherlands, France and Belgium. On the one hand, the operating expenses decreased as a result of divestments of non-strategic assets in the Netherlands, France and Belgium by € 0.8 million, on the other hand, the operating expenses increased on a like-for-like basis by € 0.6 million, due to higher maintenance and letting costs. The operating expenses equalled 9.4% of the gross rental income (not corrected for non-recurring items) (2018: 8.6%).

### **Property value movements**

The value movements in 2019 totalled € 13.1 million negative (2018: € 4.1 million positive), taking account of deduction of property acquisition costs of € 0.8 million. The value movements of the French property portfolio were virtually nil on balance. The value of the asset Rue de Rivoli 118-120 in Paris fell by € 7.4 million, and this represented a large portion of the value decrease of the total portfolio. The decrease was almost fully compensated, however, by a value increase of € 7.4 million of the other assets in the French property portfolio.

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The value movements further comprised value decreases in the Belgian and Dutch property portfolios of € 10.8 million and € 4.6 million respectively, while on the other hand there was a € 2.3 million value increase in the Spanish property portfolio.

### Net result on divestments of property

In 2019, Vastned sold property for € 11.8 million (book value). Of these divestments, the Dutch property portfolio accounted for € 9.4 million; in Belgium non-strategic assets were sold for € 2.4 million. The net result on divestments realised in 2019 was € 0.3 million positive after deduction of sales costs, so that the net income from the divestments was € 12.1 million.

### EXPENDITURE

#### Net financing costs

The net financing costs including value movements of financial derivatives increased from € 17.2 million in 2018 to € 17.6 million in 2019. The development of the net financing costs is presented in the table below.

#### Development of net financing costs

##### (€ million)

Net financing costs 2018	17.2
Increase due to higher average interest-bearing debts	1.4
On balance increase due to lower average interest rate and changes in fixed/floating interest and working capital	(1.7)
Decrease of the non-cash component of convertible bond loan due to redemption of loan	(0.6)
Value movements in financial derivatives	1.3
<b>Net financing costs 2019</b>	<b>17.6</b>

The net financing costs fell by € 1.4 million due to higher average interest-bearing debts resulting in particular from the share buyback programme. Due to changes in the composition of the loan and interest rate derivatives portfolio the average interest rate fell by 31 basis points from 2.53% in 2018 to 2.22% in 2019, reducing the interest expenses by € 1.7 million. As a result of the changed market interest rate, the value movements of the interest rate derivatives were € 2.7 million negative compared to € 1.4 million negative in 2018.

#### General expenses

The general expenses came to € 8.1 million in 2019 compared to € 8.7 million in 2018. The € 0.6 million decrease was mainly due to lower personnel costs and IT costs in 2019.

#### Abortive purchase costs

The abortive purchase costs were nil in 2019. In 2018, these costs were € 1.5 million, and concerned costs incurred in the context of the unsuccessful takeover bid for the shares in Vastned Retail Belgium not yet held by the company.

#### Current income tax expense

The income tax payable for the regularly taxed entities in the Netherlands, Belgium and Spain was € 0.7 million (2018: € 0.5 million). The € 0.2 increase was due to a higher tax expense of the entities subject to taxation in the Netherlands.

#### Movement in deferred tax assets and liabilities

The movement in deferred tax assets and liabilities was € 0.1 million positive in 2019 (2018: € 3.4 million negative).

### FINANCING STRUCTURE

Financing is a one of the pillars of Vastned's strategy. Vastned aims for a conservative financing structure, with a loan-to-value ratio of between 35% and 45%, diversification of financing sources e.g. by placing long-term bond loans with institutional investors (such as 'private placements'). With these private placements, Vastned has extended the duration of the long-term loan portfolio and realised a better spreading of its financing over lenders. The existing interest rate policy to

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fix the interest rate of approximately two thirds of the loan portfolio was continued in 2019.

In January 2019, Vastned placed a new € 50.0 million long-term bond loan with Pricoa Capital Group with a seven-year duration. In September 2019, a new € 40.0 loan with a five-year duration was placed with Barings. The new loans were used to refinance the loans that fell due in 2019, including the convertible bond loan redeemed in April 2019.

In 2019, Vastned settled part of its derivatives portfolio of a notional amount of € 135.0 million at the market value of € 5.3 million negative; new interest rate derivatives were then concluded with a notional amount of € 150.0 million based on the current market interest rate.

During 2019, Vastned extended the duration of its existing € 325.0 million syndicated loan facility by one year to 12 September 2024.

As at 31 December 2019, Vastned's balance sheet showed a healthy financing structure with a loan-to-value of 41.6% (year-end 2018: 39.0%).

Financing structure	31 December 2019	31 December 2018
Loan-to-value (%)	41.6	39.0
Solvency* (%)	56.6	59.0
Interest coverage ratio	4.2	4.5

\* Group equity plus deferred tax liabilities divided by the balance sheet total

With a solvency ratio of 56.6% (year-end 2018: 59.0%) and an interest coverage ratio of 4.2 Vastned complies with all loan covenants. All financing contracts stipulate a 45% minimum solvency ratio and usually require a 2.0 interest coverage ratio. Most financing agreements include a negative pledge clause, with a limited threshold for putting up security.

#### Loan portfolio as at 31 December 2019 (€ million)

	Fixed interest*	Floating interest	Total	% of total
Long-term liabilities	444.9	135.5	580.4	89.1
Short-term liabilities	62.5	8.3	70.8	10.9
<b>Total</b>	<b>507.4</b>	<b>143.8</b>	<b>651.2</b>	<b>100.0</b>
% of total	77.9	22.1	100.0	

\* Interest rate derivatives taken into account

As at year-end 2019, the loan portfolio was 77.9% fixed interest. The share of non-bank loans was 42.6% as at year-end 2019, well above the internal target of 25%.

#### DEVELOPMENT OF NET ASSET VALUE PER SHARE

As a result of the combined direct and indirect results per share of € 1.30 positive, the other movements of € 0.50 positive and the 2018 final dividend distribution of € 1.34 and the interim dividend distribution 2019 of € 0.58, the net asset value per share fell from € 46.40 at year-end 2018 to € 46.28 as at year-end 2019. The other movements referred to above of € 0.50 positive were mainly due to the share buyback below net asset value. The EPRA NNNNAV per share as at year-end 2019 was € 46.20 vs. € 46.49 at year-end 2018.

#### DIVIDEND DISTRIBUTION FOR 2018 AND DIVIDEND PROPOSAL FOR 2019

The Annual General Meeting of 18 April 2019 declared a dividend for the 2018 financial year of € 2.05 per share, which was charged to the freely distributable reserves. In August 2018, an interim dividend of € 0.71 per share had already been distributed, so the final dividend came to € 1.34 per share.



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In accordance with the dividend policy, on 20 August 2019 60% of the direct result for the first half year of 2019, or € 0.58 per share, was distributed as interim dividend. In the Annual General Meeting of shareholders of 16 April 2020, Vastned will propose to declare a dividend for the 2019 financial year of € 2.05 per share, unchanged from the four years before, and charge it to the freely distributable reserves. Taking the interim dividend of € 0.58 into account that has already been distributed, a final dividend will be declared of € 1.47 per share. The final dividend will be made payable on 4 May 2020.

**SHARE BUYBACK PROGRAMME**

On 19 October 2018, Vastned started a share buyback programme of € 40 million maximum which, after extension, ran through to 17 April 2019, and was financed from the credit facilities available to the Company. In 2019, Vastned bought back 742,616 shares for € 24.9 million including costs. The repurchased shares will be held as treasury shares.

Share buyback	Number of shares	Average price (€)	Total amount (€ million)
Q4 2018	292,208	33.47	9.8
Q1 2019	607,336	33.22	20.2
Q2 2019	135,280	34.78	4.7
<b>Total</b>	<b>1,034,824</b>	<b>33.50</b>	<b>34.7</b>

**EVENTS AFTER BALANCE SHEET DATE**

After balance sheet date no material events have taken place.

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### OUTLOOK 2020

Vastned remains cautious about the market conditions in view the transition in the retail landscape. Next to low unemployment, economic growth and high consumer confidence, income growth of consumers will remain decisive for a healthy retail market in 2020. Points of attention in this context are international trade disputes, the worldwide debt mountain and global economic growth levelling off. Vastned observes that in this challenging market retailers are even more selective in choosing the location of their shops and are more inclined to move shops to top locations in city centres than open shops in secondary locations. Vastned has anticipated this development in time.

For this reason, Vastned is confident that the quality of its portfolio will ensure that a strong direct result can be realised in the year ahead. The company will keep focusing on maintaining the high occupancy rate of our portfolio. For 2020 a direct result between € 2.05 and € 2.15 per share is expected, a limited rise compared to 2019. This growth is expected to be caused in particular by the high average occupancy rate compared to 2019, by contracting a new tenant for one of Vastned's assets on Rue de Rivoli in Paris. Vastned will continue to invest in historic cities in order to extend the functional lifespan of the properties and contribute to the attractiveness and liveability of city centres.

### CONFERENCE CALL

On 12 February 2020 at 10am, Vastned will comment on the annual results 2019 in a conference call and presentation for investors and analysts. The conference call can be followed live on [www.vastned.com/webcast](http://www.vastned.com/webcast).

### FINANCIAL CALENDAR 2020

5 March 2020	before trading	Annual Report 2019
16 April 2020		Annual General Meeting of shareholders
20 April 2020		Ex final dividend date 2019
21 April 2020		Final dividend record date 2019
4 May 2020		Payment date final dividend 2019
6 May 2020	after trading	Q1 trading update 2020
29 July 2020	after trading	Half-year results 2020
3 August 2020		Ex interim dividend date 2020
4 August 2020		Interim dividend record date 2020
17 August 2020		Interim dividend payment date 2020
27 October 2020	after trading	9M trading update 2020

### ABOUT VASTNED

Vastned is a listed European retail property company (Euronext Amsterdam: VASTN) focusing on 'venues for premium shopping'. Vastned invests in selected cities in Europe with a clear focus on the best retail property in the most popular high streets in the bigger cities. Vastned's tenants are strong and leading international and national retail brands. The property portfolio had a size of approximately € 1.6 billion as at 31 December 2019.

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## KEY FIGURES

## Results (€ thousand)

	31 December 2019	31 December 2018
Gross rental income	69,288	77,060
Direct result	35,041	40,354
Indirect result	(12,606)	741
<b>Result</b>	<b>22,435</b>	<b>41,095</b>

## Balance sheet (€ thousand)

Property (appraisal value)	1,571,363 <sup>1</sup>	1,579,569 <sup>2</sup>
Equity	882,866	923,029
Equity Vastned Retail shareholders	793,734	830,392
Long-term liabilities	612,083	505,337
Solvency (%)	56.6	59.0
Loan-to-value (%)	41.6	39.0
Interest coverage ratio	4.2	4.5
Financial occupancy rate property portfolio (%)	93.6	96.7
Average number of shares in issue	17,270,106	18,151,962
Number of shares in issue (end of period)	17,151,976	17,894,592

## Per share (€)

Equity Vastned Retail shareholders start of period (including final dividend)	46.40	46.05
Final dividend previous financial year	(1.34)	(1.41)
<i>Equity Vastned Retail shareholders start of period (excluding final dividend)</i>	45.06	(1.41)
Direct result	2.03	2.22
Indirect result	(0.73)	0.04
<b>Result</b>	<b>1.30</b>	<b>2.26</b>
Remeasurement of defined benefit pension obligations , after taxes	(0.06)	0.01
Reclassification of unrealised results on financial derivatives to profit and loss account, after taxes	(0.01)	(0.01)
Other movements	0.57	0.21
Interim dividend	(0.58)	(0.71)
<i>Equity Vastned Retail shareholders end of period (including final dividend)</i>	<b>46.28</b>	<b>46.40</b>
<b>Share price (end of period)</b>	26.70	31.30
<b>Premium/(Discount) (%)</b>	(42.3)	(32.5)

<sup>1</sup> Including Assets held for sale of € 1,575<sup>2</sup> Including Assets held for sale of € 3,500

## DIRECT AND INDIRECT RESULT (€ THOUSAND)

## Direct result

	FY 2019	FY 2018	HY2 2019	HY2 2018
Gross rental income	69,288	77,060	34,358	35,695
Other income	272	368	129	179
Ground rents paid	-	(124)	-	(62)
Net service charge expenses	(244)	(501)	(115)	(205)
Operating expenses	(6,289)	(6,027)	(2,439)	(2,247)
<b>Net rental income</b>	<b>63,027</b>	<b>70,776</b>	<b>31,933</b>	<b>33,360</b>
Financial income	18	40	5	25
Financial expenses	(14,693)	(15,035)	(7,216)	(7,632)
<b>Net financing costs</b>	<b>(14,675)</b>	<b>(14,995)</b>	<b>(7,211)</b>	<b>(7,607)</b>
General expenses	(8,137)	(8,753)	(3,657)	(4,311)
<b>Direct result before taxes</b>	<b>40,215</b>	<b>47,028</b>	<b>21,065</b>	<b>21,442</b>
Current income tax expense	(682)	(529)	(374)	(186)
Movement deferred tax assets and liabilities	591	(1,110)	229	141
<b>Direct result after taxes</b>	<b>40,124</b>	<b>45,389</b>	<b>20,920</b>	<b>21,397</b>
<b>Direct result attributable to non-controlling interests</b>	<b>(5,083)</b>	<b>(5,035)</b>	<b>(2,547)</b>	<b>(2,577)</b>
<b>Direct result attributable to Vastned Retail shareholders</b>	<b>35,041</b>	<b>40,354</b>	<b>18,373</b>	<b>18,820</b>

## Indirect result

Value movements in property in operation	(13,110)	4,345	(6,364)	(10,361)
Value movements in assets held for sale	-	(250)	-	-
<b>Total value movements in property</b>	<b>(13,110)</b>	<b>4,095</b>	<b>(6,364)</b>	<b>(10,361)</b>
Net result on divestments of property	332	201	629	492
Financial expenses	(221)	(816)	-	(411)
Value movements in financial derivatives	(2,953)	(1,473)	837	(825)
Reclassification of unrealised results on financial derivatives from equity	266	116	208	58
Abortive purchase costs	-	(1,599)	-	(101)
<b>Indirect result before taxes</b>	<b>(15,686)</b>	<b>524</b>	<b>(4,690)</b>	<b>(11,148)</b>
Movement deferred tax assets and liabilities	(513)	(2,319)	(188)	(871)
<b>Indirect result after taxes</b>	<b>(16,199)</b>	<b>(1,795)</b>	<b>(4,878)</b>	<b>(12,019)</b>
<b>Indirect result attributable to non-controlling interests</b>	<b>3,593</b>	<b>2,536</b>	<b>518</b>	<b>2,268</b>
<b>Indirect investment result attributable to Vastned Retail shareholders</b>	<b>(12,606)</b>	<b>741</b>	<b>(4,360)</b>	<b>(9,751)</b>
<b>Result attributable to Vastned Retail shareholders</b>	<b>22,435</b>	<b>41,095</b>	<b>14,013</b>	<b>9,069</b>

## Per share (€)

Direct investment result attributable to Vastned Retail shareholders	2.03	2.22	1.07	1.04
Indirect investment result attributable to Vastned Retail shareholders	(0.73)	0.04	(0.26)	(0.54)
<b>Result attributable to Vastned Retail shareholders</b>	<b>1.30</b>	<b>2.26</b>	<b>0.81</b>	<b>0.50</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNT (€ THOUSAND)

	FY 2019	FY 2018	HY2 2019	HY2 2018
<b>Net income from property</b>				
Gross rental income	69,288	77,060	34,358	35,695
Other income	272	368	129	179
Ground rents paid	-	(124)	-	(62)
Net service charge expenses	(244)	(501)	(115)	(205)
Operating expenses	(6,289)	(6,027)	(2,439)	(2,247)
<i>Net rental income</i>	63,027	70,776	31,933	33,360
Value movements in property in operation	(13,110)	4,345	(6,364)	(10,361)
Value movements in assets held for sale	-	(250)	-	-
<i>Total value movements in property</i>	(13,110)	4,095	(6,364)	(10,361)
Net result on divestments of property	332	201	629	492
<i>Total net income from property</i>	<b>50,249</b>	<b>75,072</b>	<b>26,198</b>	<b>23,491</b>
<b>Expenditure</b>				
Financial income	18	40	5	25
Financial expenses	(14,914)	(15,851)	(7,216)	(8,043)
Value movements in financial derivatives	(2,953)	(1,473)	837	(825)
Reclassification of unrealised results on financial derivatives from equity	266	116	208	58
<i>Net financing costs</i>	(17,583)	(17,168)	(6,166)	(8,785)
General expenses	(8,137)	(8,753)	(3,657)	(4,311)
Abortive purchase costs	-	(1,599)	-	(101)
<i>Total expenditure</i>	<b>(25,720)</b>	<b>(27,520)</b>	<b>(9,823)</b>	<b>(13,197)</b>
<i>Result after taxes</i>	<b>24,529</b>	<b>47,552</b>	<b>16,375</b>	<b>10,294</b>
Current income tax expense	(682)	(529)	(374)	(186)
Movement deferred tax assets and liabilities	78	(3,429)	41	(730)
<i>Total income tax</i>	(604)	(3,958)	(333)	(916)
<i>Result after taxes</i>	<b>23,925</b>	<b>43,594</b>	<b>16,042</b>	<b>9,378</b>
<i>Result attributable to Vastned Retail shareholders</i>	22,435	41,095	14,013	9,069
<i>Result attributable to non-controlling interests</i>	1,490	2,499	2,029	309
	<b>23,925</b>	<b>43,594</b>	<b>16,042</b>	<b>9,378</b>
<b>Per share (€)</b>				
<i>Result</i>	1.30	2.26	0.81	0.50
<i>Diluted result</i>	1.30	2.14	0.81	0.50

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ THOUSAND)

	FY 2019	FY 2018	HY2 2019	HY2 2018
Result after taxes	23,925	43,594	16,042	9,378
<b>Items not reclassified to the profit and loss account</b>				
Remeasurement of defined benefit obligation	(974)	259	(28)	259
Taxes on items not reclassified to the profit and loss account	-	-	-	-
<b>Items that have been or could be reclassified to the profit and loss account</b>				
Reclassification of unrealised results on financial derivatives to profit and loss account	(267)	(116)	(209)	(58)
Taxes on items that have been or could be reclassified to the profit and loss account	-	-	-	-
<i>Other comprehensive income after tax</i>	(1,241)	143	(237)	201
<i>Comprehensive income</i>	<b>22,684</b>	<b>43,737</b>	<b>15,805</b>	<b>9,579</b>
Attributable to:				
Vastned Retail shareholders	21,194	41,238	13,776	9,270
Non-controlling interests	1,490	2,499	2,029	309
	<b>22,684</b>	<b>43,737</b>	<b>15,805</b>	<b>9,579</b>

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER (€ THOUSAND)

	2019	2018
<b>Assets</b>		
Property in operation	1,568,461	1,571,727
Accrued assets in respect of lease incentives	4,721	4,342
<b>Total property</b>	<b>1,573,182</b>	<b>1,576,069</b>
Intangible fixed assets	474	-
Tangible fixed assets	1,038	1,114
Rights-of-use assets	633	-
	2,145	1,114
<b>Total fixed assets</b>	<b>1,575,327</b>	<b>1,577,183</b>
Assets held for sale	1,575	3,500
Debtors and other receivables	9,204	8,905
Income tax	37	116
Cash and cash equivalents	961	1,546
<b>Total current assets</b>	<b>11,777</b>	<b>14,067</b>
<b>Total assets</b>	<b>1,587,104</b>	<b>1,591,250</b>
<b>Equity and liabilities</b>		
Capital paid-up and called	95,183	95,183
Share premium reserve	468,555	472,640
Hedging reserve in respect of financial derivatives	-	267
Other reserves	207,561	221,207
Result attributable to Vastned Retail shareholders	22,435	41,095
Equity Vastned Retail shareholders	793,734	830,392
Equity non-controlling interests	89,132	92,637
<b>Total equity</b>	<b>882,866</b>	<b>923,029</b>
Deferred tax liabilities	15,550	15,628
Provisions in respect of employee benefits	6,092	5,362
Long-term interest-bearing loans	580,427	475,638
Long-term lease liabilities	3,698	-
Financial deriva	2,678	5,031
Guarantee deposits and other long-term liabilities	3,638	3,698
<b>Total long-term liabilities</b>	<b>612,083</b>	<b>505,357</b>
Payable to banks	8,283	6,020
Redemption of long-term interest-bearing loans	62,470	134,661
Short-term lease liabilities	320	-
Income tax	526	159
Other liabilities and accruals	20,556	22,024
<b>Total short-term liabilities</b>	<b>92,155</b>	<b>162,864</b>
<b>Total equity and liabilities</b>	<b>1,587,104</b>	<b>1,591,250</b>

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY (€ THOUSAND)

	Capital paid up and called	Share premium reserve	Hedging reserve in respect of financial derivatives	Other reserves	Result attributable to Vastned Retail shareholders	Vastned Retail shareholders	Equity non-controlling interests	Total equity
<b>Balance as at 01 January 2018</b>	<b>95,183</b>	<b>472,640</b>	<b>383</b>	<b>174,669</b>	<b>94,645</b>	<b>837,520</b>	<b>94,730</b>	<b>932,250</b>
Result	-	-	-	-	41,095	41,095	2,499	43,594
Other comprehensive income	-	-	(116)	259	-	143	-	143
<b>Comprehensive income</b>	-	-	<b>(116)</b>	<b>259</b>	<b>41,095</b>	<b>41,238</b>	<b>2,499</b>	<b>43,737</b>
Final dividend for previous financial year in cash	-	-	-	-	(25,644)	(25,644)	(4,592)	(30,236)
Interim dividend 2018 in cash	-	-	-	(12,912)	-	(12,912)	-	(12,912)
Contribution from profit appropriation	-	-	-	69,001	(69,001)	-	-	-
Share buyback	-	-	-	(9,810)	-	(9,810)	-	(9,810)
<b>Balance as at 31 December 2018</b>	<b>95,183</b>	<b>472,640</b>	<b>267</b>	<b>221,207</b>	<b>41,095</b>	<b>830,392</b>	<b>92,637</b>	<b>923,029</b>
Result	-	-	-	-	22,435	22,435	1,490	23,925
Other comprehensive income	-	-	(267)	(974)	-	(1,241)	-	(1,241)
<b>Comprehensive income</b>	-	-	<b>(267)</b>	<b>(974)</b>	<b>22,435</b>	<b>21,194</b>	<b>1,490</b>	<b>22,684</b>
Final dividend for previous financial year in cash	-	-	-	-	(22,984)	(22,984)	(4,995)	(27,979)
Interim dividend 2019 in cash	-	-	-	(9,948)	-	(9,948)	-	(9,948)
Contribution from profit appropriation	-	-	-	18,111	(18,111)	-	-	-
Equity component of convertible bond loan	-	(4,085)	-	4,085	-	-	-	-
Buyback of shares	-	-	-	(24,920)	-	(24,920)	-	(24,920)
<b>Balance as at 31 December 2019</b>	<b>95,183</b>	<b>468,555</b>	-	<b>207,561</b>	<b>22,435</b>	<b>793,734</b>	<b>89,132</b>	<b>882,866</b>



## CONSOLIDATED CASH FLOW STATEMENT (€ THOUSAND)

	2019	2018
<b>Cash flow from operating activities</b>		
Result after tax	23,925	43,594
<b>Adjustments for:</b>		
Value movements in property	13,110	(4,095)
NNet result on divestments of property	(332)	(201)
Net financing costs	17,583	17,168
Income tax	604	3,958
<i>Cash flow from operating activities before changes in working capital and provisions</i>	54,890	60,424
Movement in current assets	(886)	(7,431)
Movement in short-term liabilities	(1,399)	3,105
Movement in provisions	(360)	30
	<b>52,245</b>	<b>56,128</b>
Interest received	18	40
Interest paid	(13,829)	(14,190)
Income tax paid	(236)	(749)
<b>Cash flow from operating activities</b>	<b>38,198</b>	<b>41,229</b>
<b>Cash flow from investing activities</b>		
Property acquisitions	(13,749)	(52,730)
Capital expenditure on property	(2,679)	(3,646)
Divestments of property	12,464	70,141
<b>Cash flow from property</b>	<b>(3,964)</b>	<b>13,765</b>
Movement in other fixed assets	(398)	6
<b>Cash flow from investing activities</b>	<b>(4,362)</b>	<b>13,771</b>
<b>Cash flow from financing activities</b>		
Buyback of shares	(24,920)	(9,810)
Dividend paid	(32,932)	(38,556)
Dividend paid to non-controlling interests	(4,995)	(4,592)
Interest-bearing loans drawn down	169,038	49,805
Interest-bearing loans redeemed	(135,438)	(52,241)
Settlement of interest rate derivatives	(5,306)	-
Movements in guarantee deposits and other long-term liabilities	132	(137)
<b>Cash flow from financing activities</b>	<b>(34,421)</b>	<b>(55,531)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(585)</b>	<b>(531)</b>
Cash and cash equivalents as at 1 January	1,546	2,077
<b>Cash and cash equivalents as at 31 December</b>	<b>961</b>	<b>1,546</b>

## SEGMENT INFORMATION (€ THOUSAND)

Result	Netherlands		France		Belgium		Spain		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net rental income	28,884	34,743	12,835	15,320	18,281	18,102	3,027	2,611	63,027	70,776
Value movements in property in operation	(4,605)	18,395	(43)	(8,487)	(10,762)	(7,114)	2,300	1,551	(13,110)	4,345
Value movements in assets held for sale	-	(250)	-	-	-	-	-	-	-	(250)
Net result on divestments of property	(486)	(12)	(40)	213	858	-	-	-	332	201
<b>Total net income from property</b>	<b>23,793</b>	<b>52,876</b>	<b>12,752</b>	<b>7,046</b>	<b>8,377</b>	<b>10,988</b>	<b>5,327</b>	<b>4,162</b>	<b>50,249</b>	<b>75,072</b>
Net financing costs									(17,583)	(17,168)
General expenses									(8,137)	(8,753)
Abortive purchase costs									-	(1,599)
Income tax									(604)	(3,958)
<b>Result after taxes</b>									<b>23,925</b>	<b>43,594</b>

## PROPERTY IN OPERATION

	Netherlands		France		Belgium		Spain		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Balance as at 31 December	677,484	648,742	414,717	395,580	382,427	388,025	97,099	91,376	1,571,727	1,523,723
Right-of-use assets ground lease contracts (adjustment in respect of IFRS 16)	2,573	-	-	-	924	-	-	-	3,497	-
Balance as at 1 January	680,057	648,742	414,717	395,580	383,351	388,025	97,099	91,376	1,575,224	1,523,723
- Acquisitions	13,749	16,635	-	28,005	-	-	-	4,172	13,749	48,812
- Investments	1,320	1,532	460	889	643	1,516	-	-	2,423	3,937
- Transferred from Assets held for sale	-	3,000	-	-	-	-	-	-	-	3,000
- Transferred to Assets held for sale	(3,704)	(3,500)	-	-	(1,488)	-	-	-	(5,192)	(3,500)
- Divestments	(3,770)	(7,320)	-	(1,270)	(863)	-	-	-	(4,633)	(8,590)
	687,652	659,089	415,177	423,204	381,643	389,541	97,099	95,548	1,581,571	1,567,382
- Value movements	(4,605)	18,395	(43)	(8,487)	(10,762)	(7,114)	2,300	1,551	(13,110)	4,345
<b>Balance as at 31 December</b>	<b>683,047</b>	<b>677,484</b>	<b>415,134</b>	<b>414,717</b>	<b>370,881</b>	<b>382,427</b>	<b>99,399</b>	<b>97,099</b>	<b>1,568,461</b>	<b>1,571,727</b>
Accrued assets in respect of lease incentives	3,509	3,426	695	619	246	216	271	81	4,721	4,342
<b>Total property in operation</b>	<b>686,556</b>	<b>680,910</b>	<b>415,829</b>	<b>415,336</b>	<b>371,127</b>	<b>382,643</b>	<b>99,670</b>	<b>97,180</b>	<b>1,573,182</b>	<b>1,576,069</b>
Lease liabilities	(2,571)	-	-	-	(823)	-	-	-	(3,394)	-
<b>Appraisal value as at 31 December</b>	<b>683,985</b>	<b>680,910</b>	<b>415,829</b>	<b>415,336</b>	<b>370,304</b>	<b>382,643</b>	<b>99,670</b>	<b>97,180</b>	<b>1,569,788</b>	<b>1,576,069</b>

## ASSETS HELD FOR SALE (€ THOUSAND)

	2019	2018
Balance as at 1 January	3,500	65,202
Transferred from Properties in operation	5,192	3,500
Transferred to Property in op	-	(3,000)
Transferred from Accrued assets in respect of lease incentives	13	-
Divestments	(7,130)	(61,952)
	<b>1,575</b>	<b>3,750</b>
Value movements	-	(250)
<b>Balance as at 31 December</b>	<b>1,575</b>	<b>3,500</b>

In 2019, 6 assets in the Netherlands and one asset in Belgium were sold.  
As at 31 December 2019 two assets were being held for sale.

## INTEREST-BEARING DEBTS

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

	2019	2018
<i>Long-term interest-bearing debts</i>		
Unsecured loans	580,427	475,638
Lease liabilities	3,698	-
<b>Total long-term interest-bearing debts</b>	<b>584,125</b>	<b>475,638</b>
<i>Short-term interest-bearing debts</i>		
Payable to banks	8,283	6,020
Redemption of long-term interest-bearing loans	62,470	25,000
Redemption convertible bond loan	-	109,661
Short-term lease liabilities	320	-
<b>Total short-term interest-bearing debts</b>	<b>71,073</b>	<b>140,681</b>
<b>Total interest-bearing debts</b>	<b>655,198</b>	<b>616,319</b>

Movements in the interest-bearing debts were as follows:

	2019	2018
Balance as at 31 December	616,319	617,074
Adjustment in respect of IFRS 16	4,413	-
<b>Stand per 1 januari</b>	<b>620,732</b>	<b>617,074</b>
Interest-bearing loans drawn down	169,038	49,805
Repayments	(135,438)	(52,241)
Application of effective interest method	866	1,681
<b>Balance as at 31 December</b>	<b>655,198</b>	<b>616,319</b>

The accounting policies used in this press release comply with the International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Property and financial derivatives are valued at fair value. The other items in the financial statements are valued at historical cost.

In the presentation of the annual accounts the Executive Board has made judgements concerning estimates and assumptions which impact the figures included in the financial statements. The estimates and underlying assumptions concerning the future are based on historical experience and other relevant factors, given the circumstances on the balance sheet date. The actual results may deviate from these estimates. The estimates and underlying assumptions are evaluated regularly. Any adjustments are recognised in the period in which the estimate was reviewed, or if the estimate also impacts future periods, also in these future periods.

During 2019 none of the members of the Supervisory Board and Executive Board of Vastned Retail had a personal interest in the investments made by Vastned Retail. To Vastned Retail's best knowledge, no property transactions were effected during the period under review involving persons or institutions that could be regarded as parties with direct interests in Vastned Retail.

This press release is based on the 2019 financial statements which were prepared on 11 February 2020, and for which Ernst & Young Accountants LLP has issued an unqualified opinion. The press release concerns only part of the financial statements. The financial statements have not yet been published in accordance with the statutory provisions and have not yet been adopted. The Annual General Meeting of shareholders will be held on 16 April 2020.

The EPRA Best Practices Recommendations ('BPR') published by EPRA's Reporting and Accounting Committee contain recommendations for the determination of key performance indicators of the property portfolio. Vastned acknowledges the importance of standardising the reporting on performance indicators for the sake of comparability and improving the quality of the information provision to investors and other users. The financial statements in this chapter are presented in euros; amounts are rounded off to thousands of euros, unless stated differently.

The financial statements in this chapter are presented in euros; amounts are rounded off to thousands of euros, unless stated differently. The EPRA BPR checklist is available on Vastned's website [www.vastned.com](http://www.vastned.com).

EPRA prestatie-indicator	Table	(€ THOUSAND)		PER SHARE (€)	
		2019	2018	2019	2018
EPRA Earnings	1	35.041	40.354	2.03	2.22
EPRA NAV	2	810.855	849.526	47.28	47.47
EPRA NNNAV	3	792.420	831.906	46.20	46.49
EPRA Net Initial Yield (NIY)	4 (i)	3.7%	3.8%		
EPRA 'topped-up' NIY	4(ii)	4.0%	4.1%		
EPRA Vacancy Rate	5	2.1%	1.5%		
EPRA Cost Ratio (including direct vacancy costs)	6 (i)	21.1%	19.8%		
EPRA Cost Ratio (excluding direct vacancy costs)	6 (ii)	20.3%	18.9%		
Capital expenditure	7				

## 1 EPRA EARNINGS

	2019	2018
<i>Result in accordance with consolidated IFRS Profit and loss account</i>	23,925	43,594
Value movements in property	13,110	(4,095)
Net result on divestments of property	(332)	(201)
Financial expenses	221	816
Value movements in financial derivatives	2,687	1,357
Movement in deferred tax assets and liabilities	513	2,319
Attributable to non-controlling interests	(5,083)	(5,035)
<b>EPRA Earnings</b>	<b>35,041</b>	<b>38,755</b>
Company-specific adjustments		
Abortive purchase costs	-	<b>1,599</b>
<b>EPRA Earnings after company-specific adjustments</b>	<b>35,041</b>	<b>40,354</b>
<b>EPRA Earnings per share (EPS)</b>	<b>2.03</b>	<b>2.14</b>
<b>Company-specific adjustments</b>		
Abortive purchase costs	-	<b>0.08</b>
<b>Adjusted earnings per share</b>	<b>2.03</b>	<b>2.22</b>

## 2 EN 3 EPRA NAV EN EPRA NNAV

	31-12-2019		31-12-2018	
	per share (€)		per share (€)	
Equity Vastned Retail shareholders	793,734	46.28	830,392	46.40
Market value of financial derivatives	1,857	0.11	4,310	0.24
Deferred taxes	15,264	0.89	14,824	0.83
<b>EPRA NAV</b>	<b>810,855</b>	<b>47.28</b>	<b>849,526</b>	<b>47.47</b>
Market value of financial derivatives	(1,857)	(0.11)	(4,310)	(0.24)
Market value of interest-bearing loans <sup>1)</sup>	(6,486)	(0.38)	(3,893)	(0.21)
Deferred taxes	(10,092)	(0.59)	(9,417)	(0.53)
<b>EPRA NNAV</b>	<b>792,420</b>	<b>46.20</b>	<b>831,906</b>	<b>46.49</b>

<sup>1)</sup> The calculation of the market value is based on the swap yield curve at year-end 2019 and the credit spreads in effect at year-end 2019.

#### 4 EPRA NET INITIAL YIELD & EPRA TOPPED-UP NET INITIAL YIELD AS AT 31 DECEMBER

	Netherlands		France		Belgium		Spain		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Property	684,410	677,514	415,829	415,336	370,304	382,643	99,670	97,180	1,571,363	1,579,569
addition:										
Estimated transaction fees	47,989	47,909	29,537	30,048	9,258	9,566	2,701	2,634	89,485	90,157
<b>Investment value of property (B)</b>	<b>733,549</b>	<b>732,319</b>	<b>445,366</b>	<b>445,384</b>	<b>379,562</b>	<b>392,209</b>	<b>102,371</b>	<b>99,814</b>	<b>1,660,848</b>	<b>1,669,726</b>
Annualised gross rental income	33,277	31,207	12,022	16,413	19,229	20,251	3,673	2,531	68,201	70,402
Non-recoverable operating expenses	(4,406)	(4,151)	(568)	(674)	(1,831)	(1,808)	(240)	(230)	(7,045)	(6,863)
<b>Annualised net rental income (A)</b>	<b>28,871</b>	<b>27,056</b>	<b>11,454</b>	<b>15,739</b>	<b>17,398</b>	<b>18,443</b>	<b>3,433</b>	<b>2,301</b>	<b>61,156</b>	<b>63,539</b>
Effect of rent-free periods and other lease incentives	78	2,688	3,874	213	804	221	234	1,000	4,990	4,122
<b>Topped-up annualised net rental income (C)</b>	<b>28,949</b>	<b>29,744</b>	<b>15,328</b>	<b>15,952</b>	<b>18,202</b>	<b>18,664</b>	<b>3,667</b>	<b>3,301</b>	<b>66,146</b>	<b>67,661</b>
(i) EPRA Net Initial Yield (A/B)	3.9%	3.7%	2.6%	3.5%	4.6%	4.7%	3.4%	2.3%	3.7%	3.8%
(ii) EPRA Topped-up Net Initial Yield (C/B)	3.9%	4.1%	3.4%	3.6%	4.8%	4.8%	3.6%	3.3%	4.0%	4.1%

## 5 EPRA VACANCY RATE

31 December 2019

	Gross rental income	Net rental income	Lettable floor area (sqm)	Annualised gross rental income	Estimated rental value (ERV) of vacant properties	Estimated rental value (ERV)	EPRA Vacancy Rate
Netherlands	32,568	28,884	107,589	33,277	1,196	33,551	3.6%
France	13,642	12,835	21,126	12,022	33	17,394	0.2%
Belgium	19,664	18,281	86,738	19,229	240	18,945	1.3%
Spain	3,414	3,027	3,419	3,673	-	3,823	-
<i>Total property</i>	<b>69,288</b>	<b>63,027</b>	<b>218,872</b>	<b>68,201</b>	<b>1,469</b>	<b>73,717</b>	<b>2.0%</b>

31 december 2018

	Gross rental income	Net rental income	Lettable floor area (sqm)	Annualised gross rental income	Estimated rental value (ERV) of vacant properties	Estimated rental value (ERV)	EPRA Vacancy Rate
Netherlands	38,189	34,743	117,617	31,207	569	34,273	1.7%
France	16,291	15,320	21,151	16,413	133	17,629	0.8%
Belgium	19,779	18,102	92,637	20,251	419	19,574	2.1%
Spain	2,801	2,611	3,419	2,531	-	3,776	-
<i>Total property</i>	<b>77,060</b>	<b>70,776</b>	<b>234,824</b>	<b>70,402</b>	<b>1,121</b>	<b>75,252</b>	<b>1.5%</b>

<b>6 EPRA cost ratios</b>	<b>2019</b>	<b>2018</b>
General expenses	8,137	8,753
Ground rents paid	-	124
Operating expenses	6,289	6,027
Net service charge expenses	244	501
less:		
Ground rents paid	-	(124)
<b>EPRA costs (including vacancy costs) (A)</b>	<b>14,670</b>	<b>15,281</b>
Vacancy costs	(566)	(676)
<b>EPRA costs (excluding vacancy costs) (A)</b>	<b>14,104</b>	<b>14,605</b>
<b>Gross rental income less ground rents paid <sup>1</sup></b>	<b>69,560</b>	<b>77,304</b>
(i) EPRA Cost Ratio (including vacancy costs) (A/C)	<b>21.1%</b>	<b>19.8%</b>
(ii) EPRA Cost Ratio (excluding vacancy costs) (B/C)	<b>20.3%</b>	<b>18.9%</b>

<sup>1)</sup> Including other income of € 272 (2018: € 368)

In 2019, no operating expenses were capitalised (2018: nil).

Vastned capitalises the operating expenses directly attributable to property under renovation during the period that the property under renovation is not available for leasing. General expenses (overheads) are not capitalised.

<b>7 CAPITAL EXPENDITURE</b>	<b>2019</b>	<b>2018</b>
Acquisitions <sup>1</sup>	13,749	48,812
Development	-	-
Like-for-like-portfolio <sup>2)</sup>	2,423	3,937
Other	-	-
<b>Total</b>	<b>16,172</b>	<b>52,749</b>

<sup>1)</sup> Concerns property acquisitions in Amsterdam (2018: Amsterdam, Utrecht, Paris and Madrid).

<sup>2)</sup> Concerns improvements to several properties already held in various countries.

Vastned has no interests in joint ventures.