



Half year 2020 results

Taco de Groot – CEO
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30 July 2020

Highlights H1 2020

Impacted by COVID-19, but strong performer in retail real estate peer group

Portfolio occupancy increased to 97.4% due to tailor made approach with tenants

Like-for-like rental growth of 0.3% (-6.3% incl. COVID-19)

78% collection rate in H1 2020 (84% at 24 July 2020) due to tailor made approach with tenants

Reduction of general costs by 14% YoY, whilst being cost effective

Strong financial position with refinancing covered until 2024

-2.5% revaluation reflecting portfolio quality and liquidity

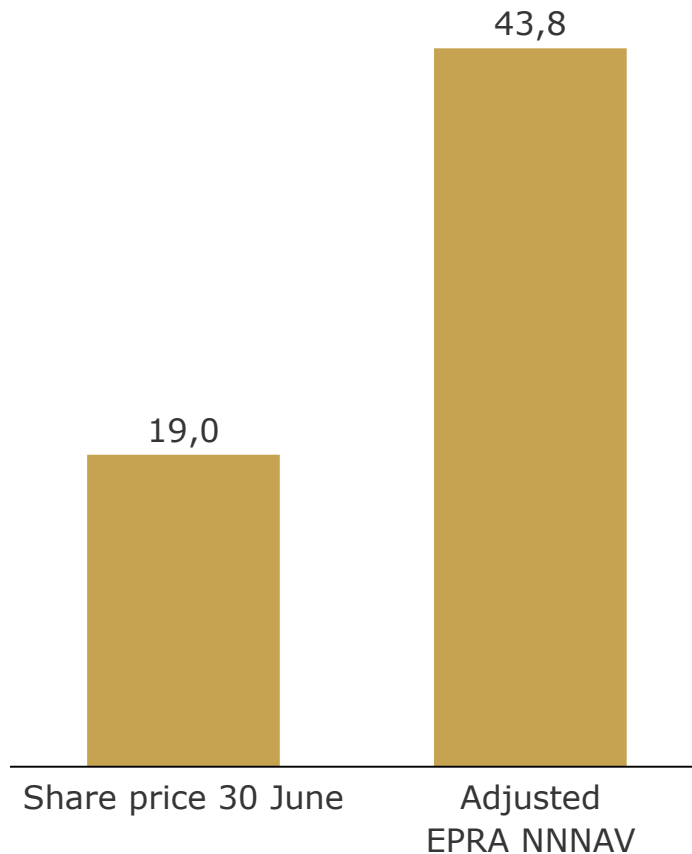
LTV of 42.6% within bandwidth of 35%-45% with an average cost of debt of 2.0%

Direct result 2020 expected to be € 1.70 - € 1.85 per share

Start of strategic update, reviewing all options to unlock value dislocation

Vastned to unlock shareholder value

Start of strategic update, reviewing all options to unlock value dislocation



- Unique €1.5 billion high street retail portfolio (6% resi and office) in selective large historic cities (83%) in the Netherlands, France, Belgium and Spain
- Highly concentrated portfolio with 75% in Top 10 cities (Amsterdam (22%), Paris (15%), Utrecht (7%), Bordeaux (6%), Antwerp (6%) and Madrid (6%))
- High 97.4% occupancy rate and limited capex vs resi, offices and shopping centres
- Relatively high 84% collection rate as per 24 July 2020 and limited –2.5% revaluation reflecting quality and high liquidity of the portfolio
- Further reduction of costs to remain cost effective (21% of costs (in)directly related to listing)
- Implied net yield of 6.7%* which is well above market yields
- Flexible debt structure and no expected break costs in case of a change of control

* Annualized rental income €73.6m vs. €1,532m investment properties adjusted for discount to NAV of €432m at 30 June 2020

Half year 2020 financial key figures

Direct result:
€ 0.85 per share

Collection rate:
78%

EPRA NNNAV:
€43.76 per share

	H1 2020 / 30 June 2020	H2 2019 / 31 December 2019	H1 2019 / 30 June 2019
Direct result per share	€0.85	€1.07	€0.96
Indirect result per share	€(2.09)	€(0.25)	€(0.48)
Like-for-like gross rental income ex COVID-19	(6.3)% 0.3%	(1.3)%	(2.3)%
Value movements*	(2.5)%	(0.4)%	(0.4)%
Loan-to-value ratio	42.6%	41.6%	41.9%
Average interest rate (spot)	2.0%	2.2%	2.3%
NAV	€44.21	€46.28	€46.05
EPRA NNNAV**	€43.76	€46.20	€45.84

* Excluding acquisitions and divestments; ** As per 30-6-2020 NAV amounts to €758.4m, EPRA NNNAV to €750.5m



Operational performance

Occupancy increased in Q2, portfolio nearly fully let at 97.4%

- Q2 2020 occupancy rate increased 0.4% compared to Q1 2020 and 4.3% compared to Q2 2019
- The portfolio in Spain and France completely let
- Occupancy in Belgium increased as a result of new leases following a decline due to bankruptcies in Q1

Occupancy rates remain high showing the quality of the locations

Occupancy rate	Q2 2020		Q1 2020	Year-end 2019	Q2 2019	Year-end 2018
%	% of GRI	Occupancy	Occupancy	Occupancy	Occupancy	Occupancy
The Netherlands	46	96.0	96.0	96.6	96.2	98.5
France	22	99.8	99.9	99.8	81.9	99.2
Belgium	27	97.5	95.8	98.8	95.7	98.0
Spain	5	100.0	100.0	100.0	100.0	100.0
Total	100	97.4	97.0	98.0	93.1	98.6

Leasing activity continued in H1 2020

- Signed new contracts with H&M, Rituals, Vkusvill, Lidl, Holland & Barrett and Spar in the Netherlands and with Dunkin Donuts and Keukens De Abdij in Belgium
- A new Paris office contract was signed with Streamroot at the first floor of Rue de Rivoli 102
- Rental change of (3.6%) mainly driven by the new lease to H&M on the Steenweg in Utrecht

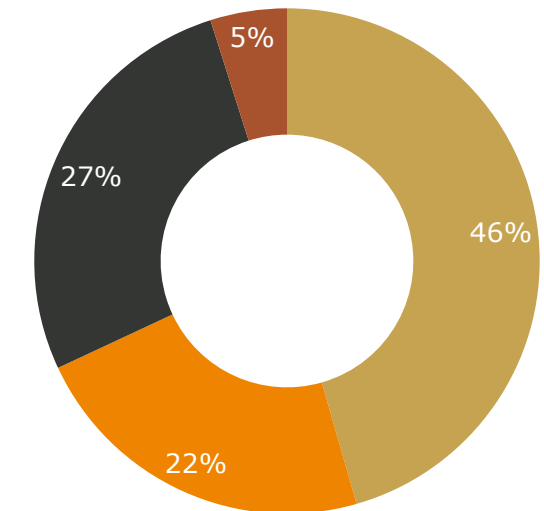
Leasing activity	H1 2020	FY 2019
Number of leases	38	76
Rental income (€ million)	5.1	12.4
% Of total theoretical annual rent	6.8%	16.7%
Rental change (€ million)	(0.2)	(1.6)
Rental change	(3.6%)	(11.7%)



Ferdinand Bolstraat 85 in Amsterdam

All stores are open again since end of June

- Significant number of international retail chains in the Netherlands were closed without regulatory obligation to do so
- Footfall in “open air” high street retail remained relatively strong apart from tourist destinations in certain cities
- Conversion ratios increased significantly partly offsetting lower footfall


Gross rental income H1 2020


Tailor-made solutions for almost all tenants resulting in high collection rates and continuity of rental income

- Almost all rental contracts have been negotiated by our 9 portfolio managers benefitting from new property management system installed in 2019
- Tailor-made solutions have been created, resulting in temporarily lower rents, but longer leases and higher rental increases
- Total H1 2020 collection rate per 30 June was 78% and for the period up to 24 July 84%

COVID-19 measures

Country	Comment	Waiver
The Netherlands	– Waivers and deferrals for mainly fashion and food & beverages tenants. Waivers are in some cases combined with contract extensions	€1.4m
France	– Waivers and deferrals for mainly fashion and food & beverages tenants	€0.7m
Belgium	<ul style="list-style-type: none"> – Majority of tenants received 1 month waiver – Waiver is required for small retailers to apply for government support 	€1.0m
Spain	– Waivers mostly combined with contract modifications such as extensions and increased rent for remaining part of contract duration	<€0.1m

Vastned is very well on track with rent collection for H1 2020

- H1 2020 collection rate increased from 78% to 84% since balance sheet date

Collection rate	24 July 2020	Δ	H1 2020
	€ million	€ million	€ million
Total invoiced*	40.0	0.0	40.0
Waivers**	3.1	0.6	2.5
Deferrals	0.9	0.0	0.9
Outstanding	2.4	(3.0)	5.4
Payments received	33.5	2.4	31.1
Collection rate	83.7%		77.8%
Waivers	7.8%		6.4%
Deferrals	2.3%		2.2%
Outstanding	6.1%		13.6%
Total	100.0%		100.0%

- Total of €3.1m of waivers were granted, of which €0.6m was signed post reporting date
- €0.9m deferrals will be paid in H2 2020 and 2021
- €2.4m of non-collected H1 invoices, have been paid since 30 June
- Collection rate increased from 78% to 84% in the last four weeks

* Including service charges, VAT, etc.; ** Including VAT

Receivables	24 July 2020	Δ	H1 2020
	€ million	€ million	€ million
Receivables period till 30 June 2020	5.6	(2.4)	8.0
Waivers	(0.6)	(0.6)	0.0
Receivables post waivers	5.0	(3.0)	8.0
Provision	(2.5)	0.0	(2.5)
Net receivables	2.5	(3.0)	5.5
Receivables Q3 2020 pre-invoicing	3.5	(4.8)	8.3
Gross receivables	8.5	(7.8)	16.3
Net receivables	6.0	(7.8)	13.9

- €8.0m of receivables on 30 June 2020 include:
 - €5.4m outstanding payment
 - €0.9m deferrals from H1 2020
- €2.4m of non-collected H1 invoices, have been paid since 30 June
- €4.8m of the €8.3m invoices over Q3 2020 have already been paid
- Net receivables are €6.0m which is significantly below received guarantees and deposits

Like-for-like rental growth

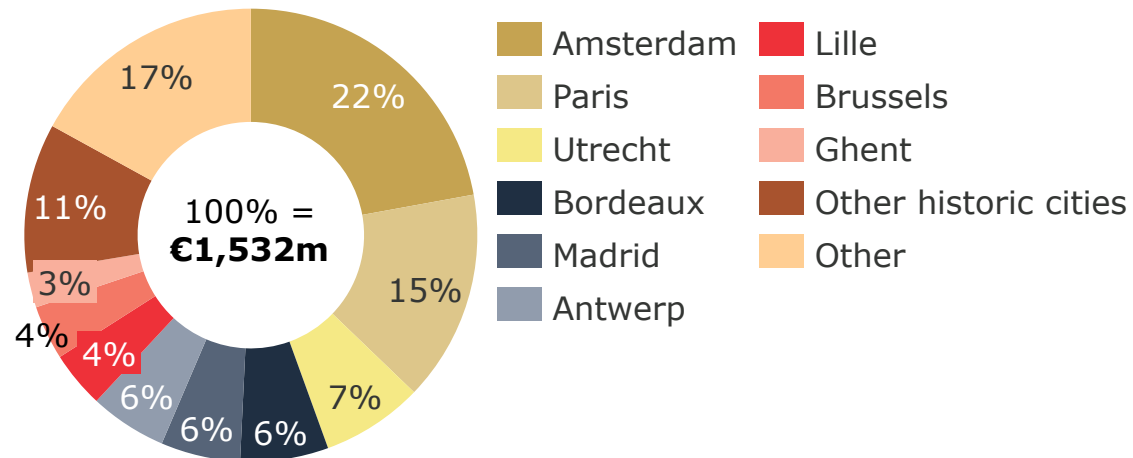
- Like-for-like rental growth adjusted for waivers for the total portfolio was 0.3% in H1 2020. Including waivers, the like for like rental growth was (6.3%) for the total portfolio
- The increase in France is driven by the new lease with JD Sports at Rue de Rivoli 118-120

Rental growth	H1 2020		H1 2020 adjusted for waivers		H1 2019	
	€ million	%	€ million	%	€ million	%
The Netherlands	(1.3)	(7.6)	(0.2)	(1.1)	0.2	1.2
France	(0.1)	(0.8)	0.5	7.4	(1.1)	(14.4)
Belgium	(0.9)	(8.8)	(0.2)	(2.5)	0.1	0.5
Spain	0.0	(1.1)	0.1	0.6	0.0	1.9
Total	(2.2)	(6.3)	0.1	0.3	(0.8)	(2.3)

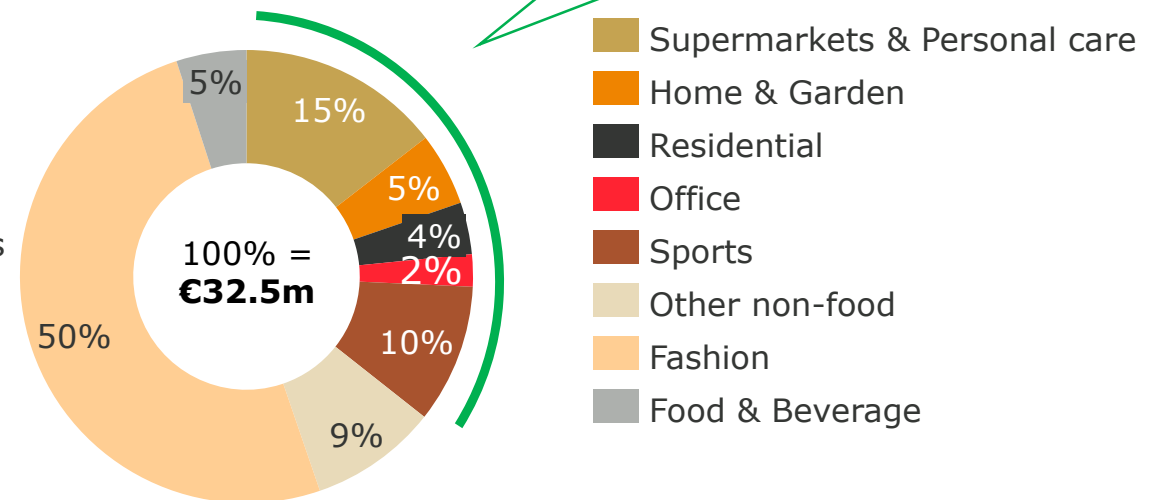
Certain tenants have performed stronger during COVID-19

- Majority (83%) of the portfolio is located in strong cities with an historic city centre
- Income from residential and offices is currently at 6% and expected to grow following extensions
- Supermarkets & personal care, sports and home & garden are performing better than pre COVID-19

Portfolio value per H1 2020

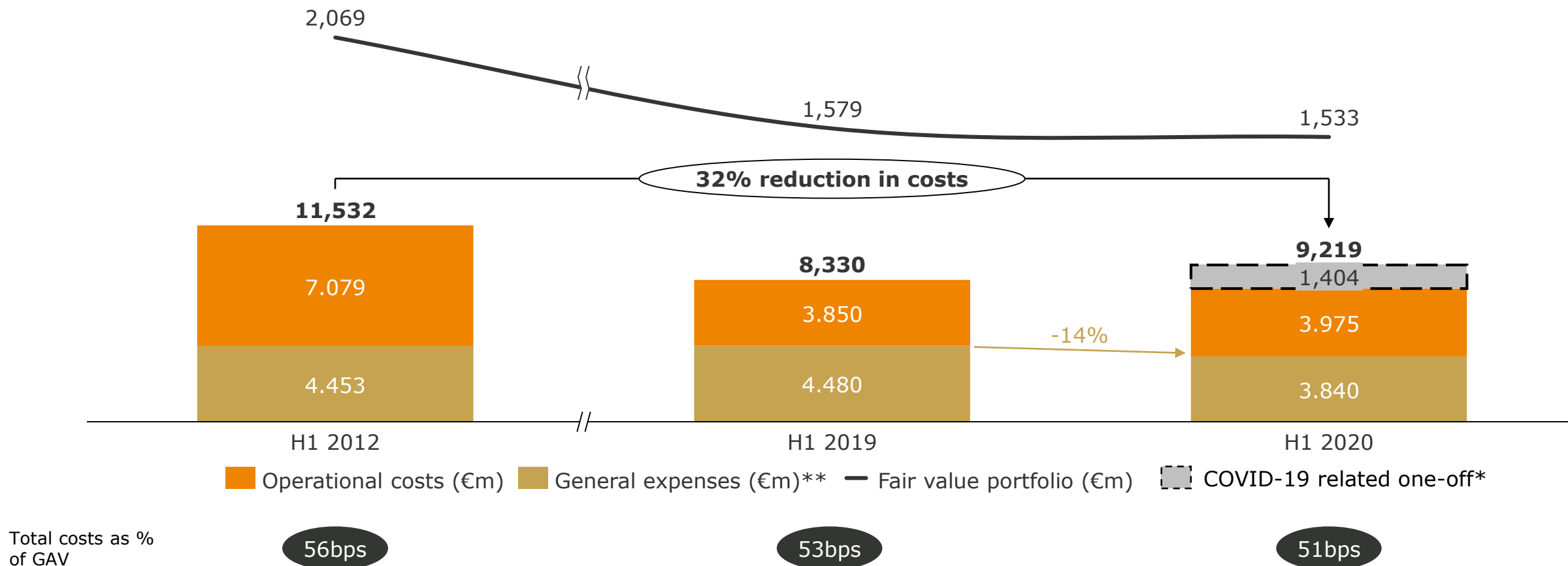


Gross rental income H1 2020



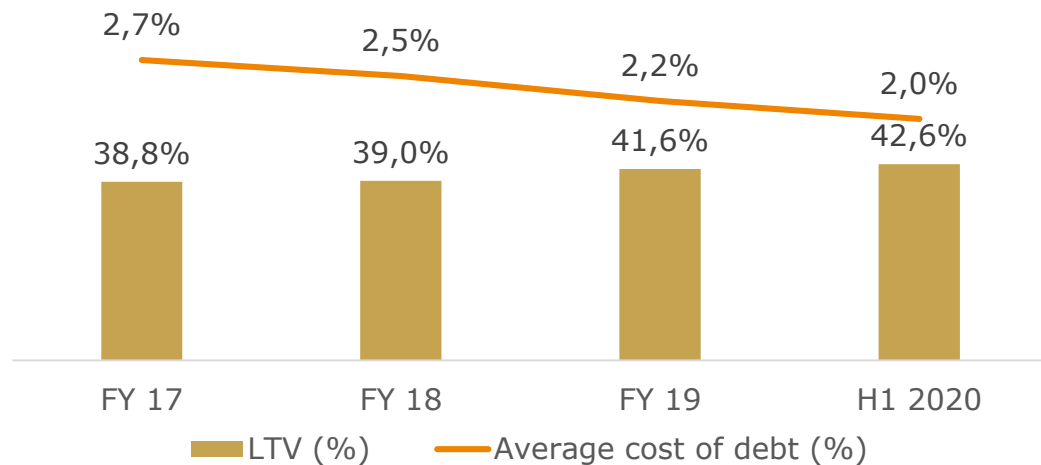
Vastned will continue to focus on cost efficiency

- Since the implementation of Vastned's updated strategy, Vastned dramatically reduced its costs

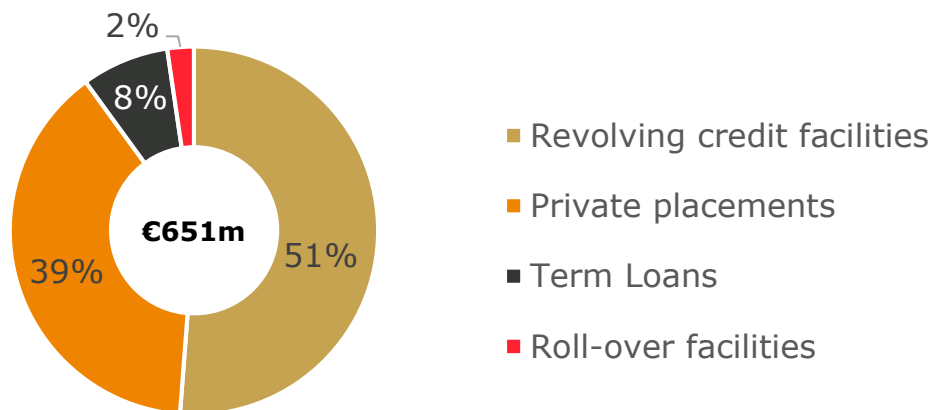


Vastned has a very solid financing structure in place

Loan to value vs. Average cost of debt



Debt structure



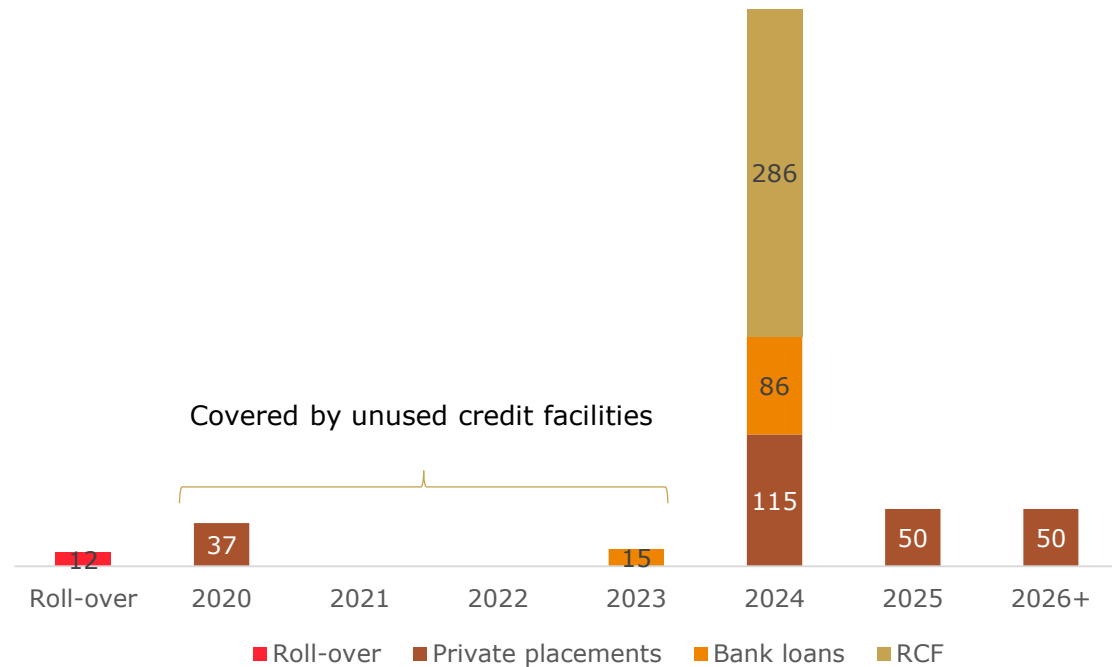
	30 June 2020	31 December 2019
Total used credit facilities	€651 million	€651 million
Unused credit facilities	€95 million	€119 million
Loan-to-value ratio	42.6%	41.6%
Average interest rate (spot)	2.0%	2.2%
Average maturity contract revision (LTD)	4.4 year	4.9 year
Interest coverage ratio	4.1	4.2
Share of non-bank financing of interest-bearing loans	38.8%	42.6%
Share of fixed interest rate loans	74.1%	77.9%

- Fully unsecured capital structure
- Vastned has no credit rating (costs) since it has no public bonds
- No make-whole costs if private placement holders put their notes resulting from a change of control

All debt maturities covered until 2024 with average cost of debt coming down further

- Average maturity of the loan portfolio (LTD) is 4.4 years

(€ million)



	Roll-over	2020	2023	2024	2025	2026+	Total
Maturities (€m)	56.6	37.5	15.0	536.4	49.8	49.9	745.3
o/w drawn (€m)	12.1	37.5	15.0	486.4	49.8	49.9	650.8
Interest revisions (€m)	12.1	193.8	15.0	180.1	199.8	49.9	650.8
o/w floating (€m)	12.1	156.3	-	-	-	-	168.4
Avg. floating rate	1.25%	1.40%	-	-	-	-	1.39%
Avg. fixed rate	-	5.57%	1.85%	1.95%	1.84%	2.78%	2.27%

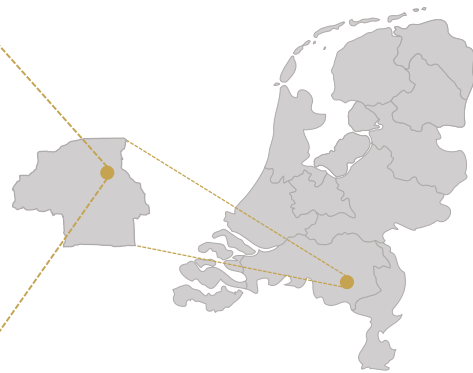
Other developments in H1 2020

- Funding highlights:
 - Initiated the refinancing process of the €37.5m private placement maturing in October 2020
- During H1 2020 management and supervisory board have started a strategic update in order to evaluate all available options in times of a changing retail landscape and the potential aftermath of the COVID-19 pandemic
 - Results of the strategic update will be presented during the publication of the FY20 results in February 2021
- Currently Vastned is finalizing a residential study comprising of 100+ units above its asset on the Orionstraat in Eindhoven (Albert Heijn)



Geographical location

Shopping centre Eckart



Eindhoven

234k inhabitants
(5th largest city in NL)



Artist impression of residential study

Facts:

- Land plot already owned
- Size of land plot c.4.6k sqm



Financial Results

Half year 2020 results - Profit & loss statement

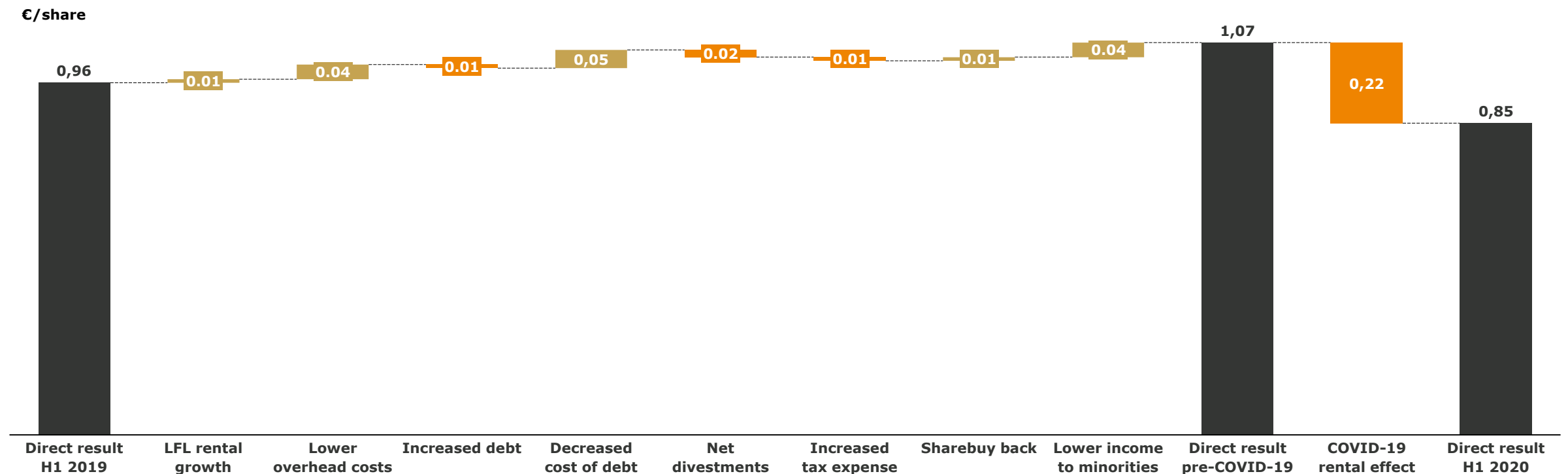
Profit & loss statement	H1 2020 / 30 June 2020	H2 2019 / 31 Dec. 2019	H1 2019 / 30 June 2019
(€ '000)			
Gross rental income	32,497	34,358	34,930
Operating expenses	(5,309)	(2,425)	(3,836)
Net rental income	27,188	31,933	31,094
Value movements	(40,831)	(6,364)	(6,746)
Net proceeds of divestments	50	629	(297)
Total net income from property	(13,593)	26,198	24,051
Financial expenses	(6,687)	(7,211)	(7,627)
Value movements in derivatives	(2,061)	1,045	(3,790)
Net financial expenses	(8,748)	(6,166)	(11,417)
General expenses	(3,840)	(3,657)	(4,480)
Result before taxes	(26,181)	16,375	8,154
Total income taxes	1,967	(333)	(271)
Result after taxes	(24,214)	16,042	7,883
Attributable to Vastned Retail shareholders	(21,138)	14,013	8,422
Attributable to non-controlling interests	(3,076)	2,029	(539)

Key observations:

- Gross rental income: Gross rental income decreased by c. €2.5m to €32.5m as a result of waivers being given to selected tenants on the back of the impact of the COVID-19 pandemic
- Operating expenses increased mainly as a result of €1.4m related to the COVID-19 credit-loss provision (H1 2019 was nihil)
- Financial expenses declined by €1.0m as a result of lower interest rates following refinancing and will likely come down further in H2 2020
- Value movements of derivatives turned negative as a result of lower market rates
- General expenses declined €0.6m as a result of mainly lower remuneration of senior staff

Direct result per share H1 2020 impacted by COVID-19

- Direct result per share decreased to €0.85
- Excluding the effect of COVID-19, underlying rents have remained stable YoY



Half year 2020 results – Balance sheet

Balance sheet	H1 2020	H2 2019	H1 2019
(€ '000)			
Property in operation	1,530,361	1,568,461	1,571,355
Accrued assets in respect of lease incentives	5,492	4,721	5,003
Total property	1,535,853	1,573,182	1,576,358
Other fixed assets	2,012	2,145	1,878
Assets held for sale	-	1,575	6,047
Receivables	19,952	9,204	9,935
Income tax	-	37	111
Cash and cash equivalents	1,574	961	1,253
Total assets	1,559,391	1,587,104	1,595,582
Equity Vastned Retail shareholders	758,346	793,734	789,906
Equity non-controlling interests	80,974	89,132	87,103
Total equity	839,320	882,866	877,009
Long term interest bearing loans	601,170	580,427	623,345
Employee benefits	5,826	6,092	6,059
Other long-term liabilities	25,528	25,564	26,566
Total long-term liabilities	632,524	612,083	655,970
Payable to banks	12,143	8,283	14,715
Redemption of long-term interest-bearing debt	37,489	62,470	25,000
Other short-term liabilities	37,915	21,402	22,888
Total short-term liabilities	87,547	92,155	62,603
Total equity and liabilities	1,559,391	1,587,104	1,595,582

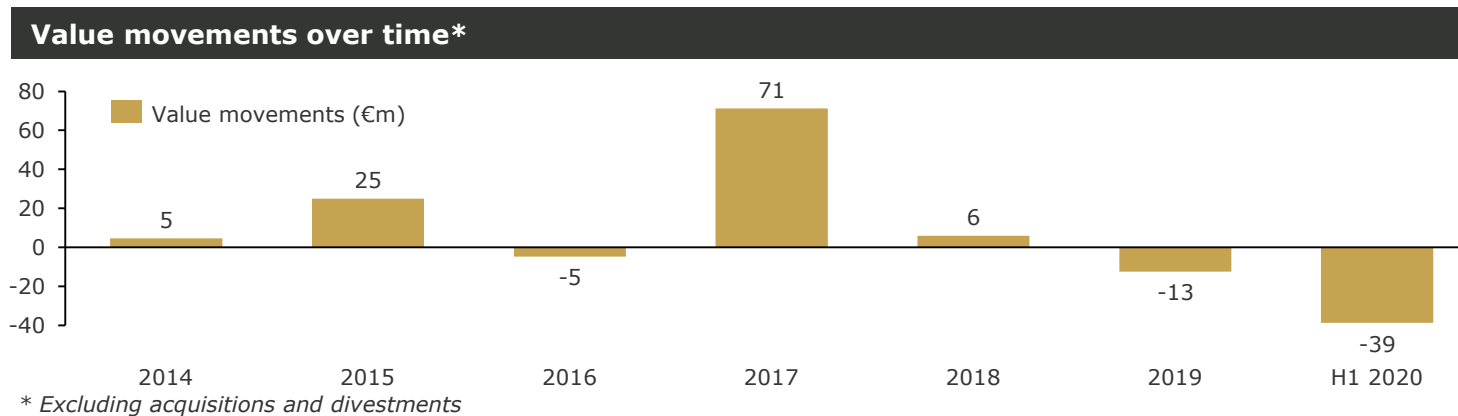
Key observations:

- Property in operation declined as a result of revaluation (€38.9m) in H1 2020
- Receivables increased by €10.0m mainly as a result of c.€5.0m of outstanding COVID-19 related H1 2020 receivables as well as an increase in the amount of pre-invoiced Q3 rents that would have been paid under normal market circumstances. Since the balance sheet date we have received €2.4m of H1 2020 rents and €4.8m in relation to the Q3 rents
- Long term debt increased by €21m following extension of shorter term maturities that declined by €25m

High quality and liquidity of the portfolio resulted in limited negative revaluation

Value movements*	H1 2020		H1 2019		FY 2019		FY 2018	
	€m	Δ%	€m	Δ%	€m	Δ%	€m	Δ%
The Netherlands	665	-3.0%	687	-0.3%	685	-0.6%	685	2.9%
France	414	-0.4%	418	0.5%	416	0.0%	415	-1.7%
Belgium	356	-4.0%	374	-2.2%	370	-2.8%	383	-1.8%
Spain	98	-2.0%	100	2.3%	100	2.4%	97	0.9%
Total	1,533	-2.5%	1,579	-0.4%	1,571	-0.8%	1,580	0.4%

- In H1 2020 we have seen a marginal -2.5% decrease in the value of our properties on the back of minor changes throughout the portfolio
- During H1 2020 the 3-yearly rotation of the independent appraisers was due, CBRE and Cushman & Wakefield have critically reviewed each others work
- In the Netherlands the independent appraisers are actively applying “303 rents”, adjusting rents to surrounding market rates and reflecting these in our valuations





Outlook 2020

Outlook for 2020

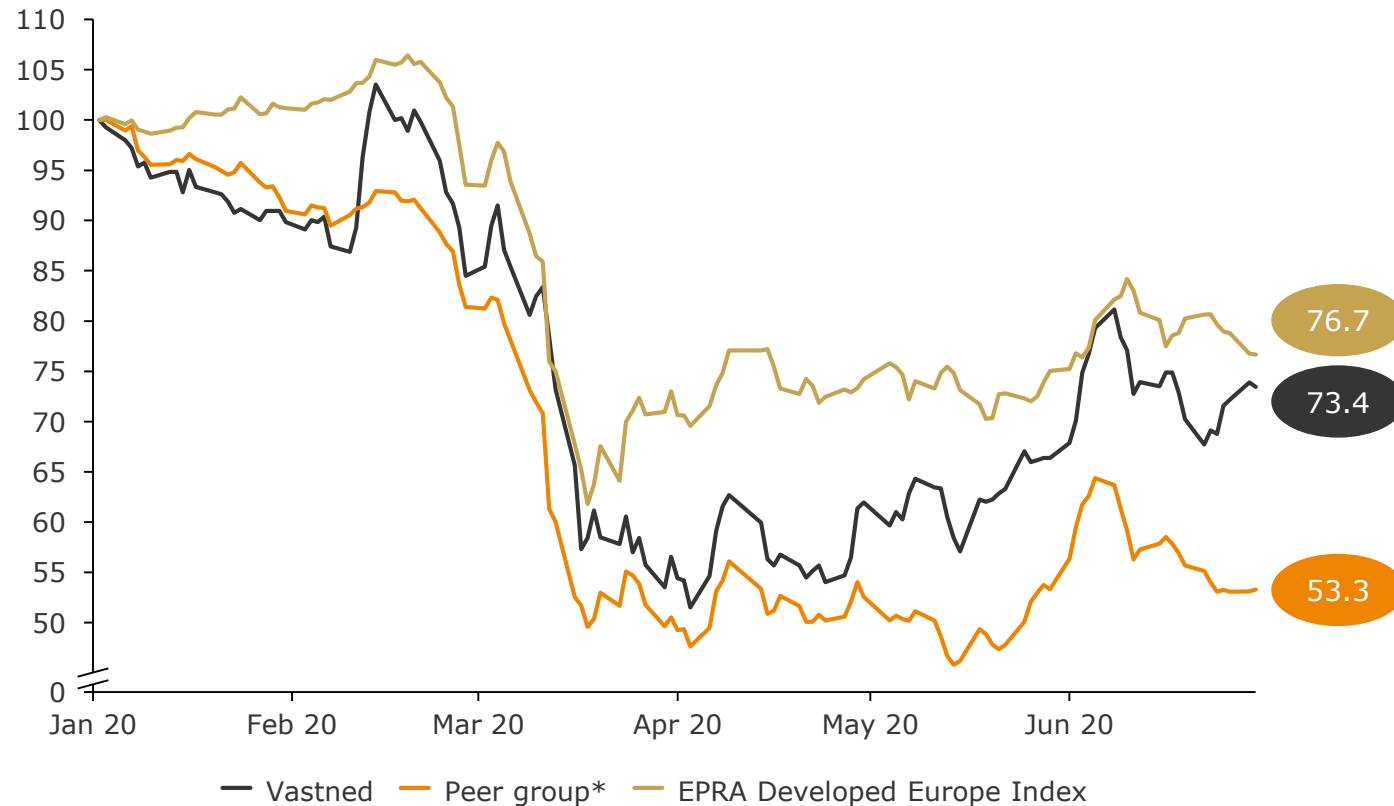
- In its Q1 2020 trading update Vastned withdrew its forecast of its direct result due to the impact of COVID-19
- Lockdowns in Vastned's countries have been lifted, tenants are back in business and tailor-made solutions have been agreed with virtually all tenants, we can afford to look ahead once more
- Footfall in our high street locations has strongly increased, although visits from tourists are still lagging behind. A full recovery is expected to take quite some time
- For our 2020 outlook, we expect a lower COVID-19 impact and no nation wide lockdowns, but potential local lockdowns to control local outbreaks
- We will continue our focus on high occupancy rate, high collection rates and cost efficiency
- The number of bankruptcies in the portfolio is limited, but in our 2020 outlook we do take into account that the number of tenants who are facing bankruptcy will increase
- Based on this, Vastned forecasts a direct result for 2020 between €1.70 - €1.85 per share



Appendix

Total return and analyst coverage

YTD total return performance vs selected peers (indexed)



Analyst recommendations and price targets


Analyst	Date	Price target	Recommendation
ABN-AMRO	24 July 2020	23	Buy
BERENBERG <small>PARTNERSHIP SINCE 1590</small>	7 May 2020	19	Hold
Degroof Petercam	8 May 2020	24	Hold
J.P.Morgan	16 Jan. 2020	26	Hold
Kempen	6 July 2020	18	Hold
Kepler Cheuvreux	7 May 2020	21	Hold

Source: Bloomberg, as per 30 June 2020

*Equally weighted peer group, including Atrium, Capital and Counties, Citycon, Deutsche Euroshop, Hammerson, Immobiliaria Grande Distribuzione, Klépierre, Mercialis, Shaftesbury, Unibail-Rodamco-Westfield, Wereldhave, Eurocommercial Properties

Vastned is highly cost effective despite benefitting less from economies of scale

Cost overview (FY 2019) for the Vastned peer group with portfolio values up to €5 billion

		Peer Group Average ¹
Collection rate (as reported)	Period till 24 July: 84%	61% ³
GAV (€m)	1,571	3,654
GRI (€m)	69	209
Countries (#)	4	3
Contracts (#)	701	2,607
Assets (#)	288	39
Opex ² (€m)	6.5	25.1
Genex (€m)	8.1	20.5
Total costs (€m)	14.7	45.7
Capex (€m)	2.4	23.2
Total costs as % of GAV (BPS)	★ ¹ 93.4	★ ² 125.0
Total costs as % of GRI	★ ¹ 21.2%	★ ² 21.8%
Total costs per contract (€)	★ ² 20,928	★ ¹ 17,518
Total costs per asset (€)	★ ¹ 50,940	★ ² 1,186,000

Source: FY19 company reports and quarterly reports and press releases; Notes: 1. Peer group includes Wereldhave, Mercialis, Citycon and Eurocommercial. DES excluded because of external management contract and manager is owned by largest shareholder; 2. Opex includes net service charge expenses; 3. Based on reported collection rates of Wereldhave (Q2 2020), Mercialis (Q2 2020) and Citycon (May 2020)

Shareholders overview of holders with a >3% voting share

Investor	% Outstanding shares	AFM register date
Van Herk Investments	24.98%	21/08/2018
BlackRock	4.54%	21/06/2020
Tikehau Capital Advisors SAS	3.05%	24/07/2020
Société Fédérale de Participations et d'Investissement (SFPI)	3.02%	21/01/2020
Welgelegen Beheer B.V. (Perridon M.J.C.W.)	3.00%	16/03/2020
Treasury shares	9.90%	
Other shares	51.51%	
Total shares	100.00%	
<i>19,036,646 shares</i>		

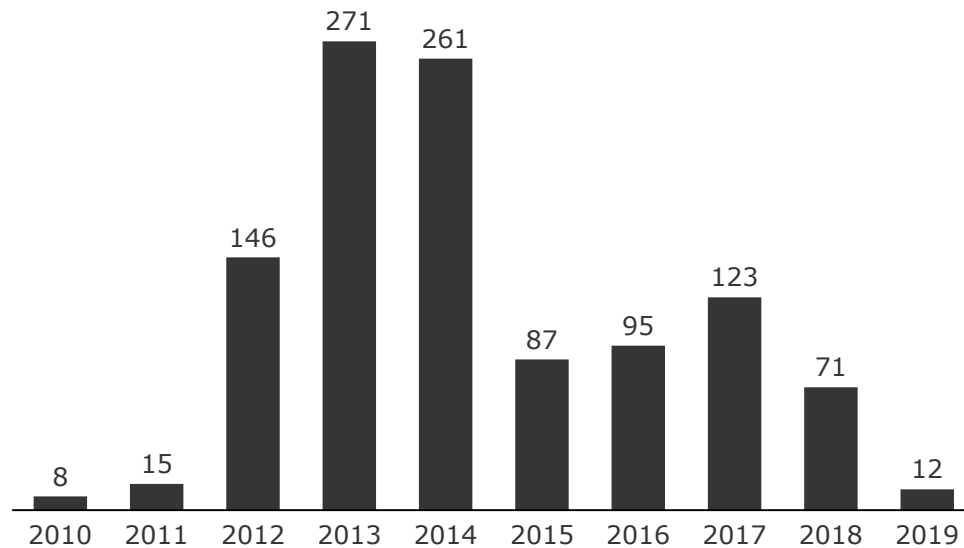
Note: AFM reporting thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%
Source: AFM

Vastned has been very actively rotating its portfolio from spread high yield/high risk to a core high street retail portfolio

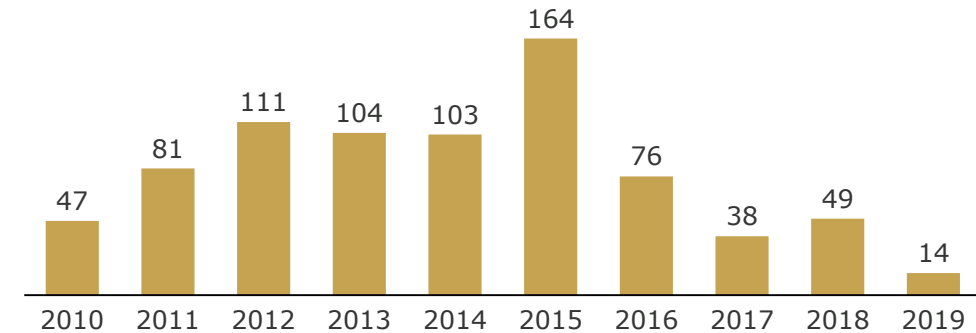
Sale of high risk / high yield Turkish high street and Spanish shopping centres ahead of significant value decline

Disposal proceeds reinvested in core regions and 10% share buyback

Disposals (€m)

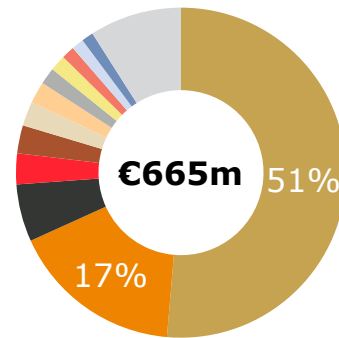


Acquisitions (€m)



91% of the Dutch portfolio is located in top 12 cities

Overview of Vastned's portfolio in the Netherlands

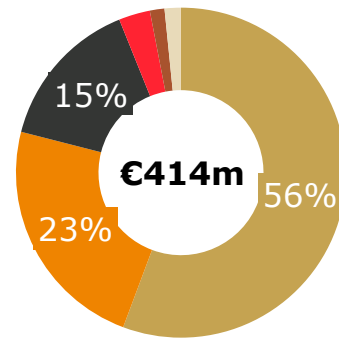
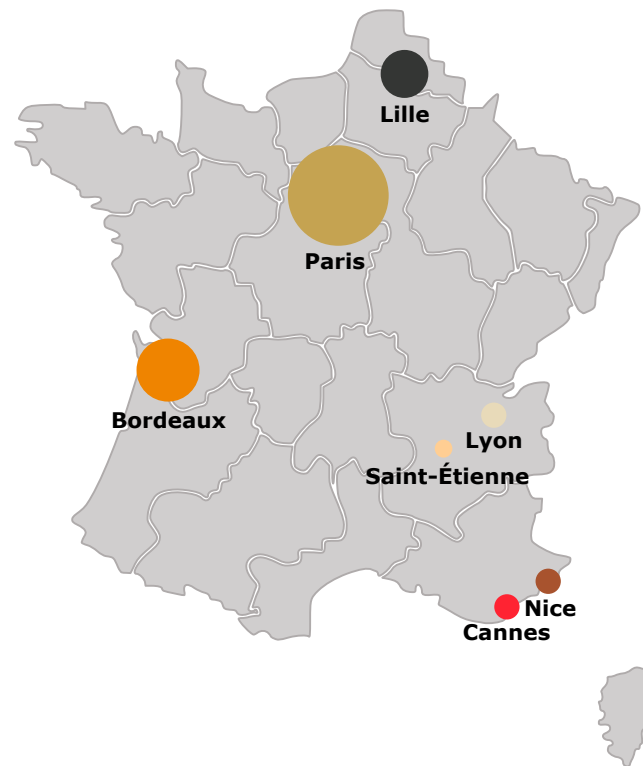


	City	% of portfolio	Gross initial yield*
1	Amsterdam	51%	3.9%
2	Utrecht	17%	4.7%
3	Den Haag		
4	Maastricht		
5	Eindhoven		
Top 5 cities		80%	4.3%
6	Tilburg		
7	Breda		
8	Arnhem		
9	's-Hertogenbosch		
10	Zwolle		
11	Nijmegen		
12	Rotterdam		
Top 12 cities		91%	4.6%
	Other cities	9%	9.1%
Total Netherlands		100%	5.0%

* Defined as annualized contracted rent divided by market value

94% of the French portfolio is located in Paris, Bordeaux and Lille

Overview of Vastned's portfolio in France

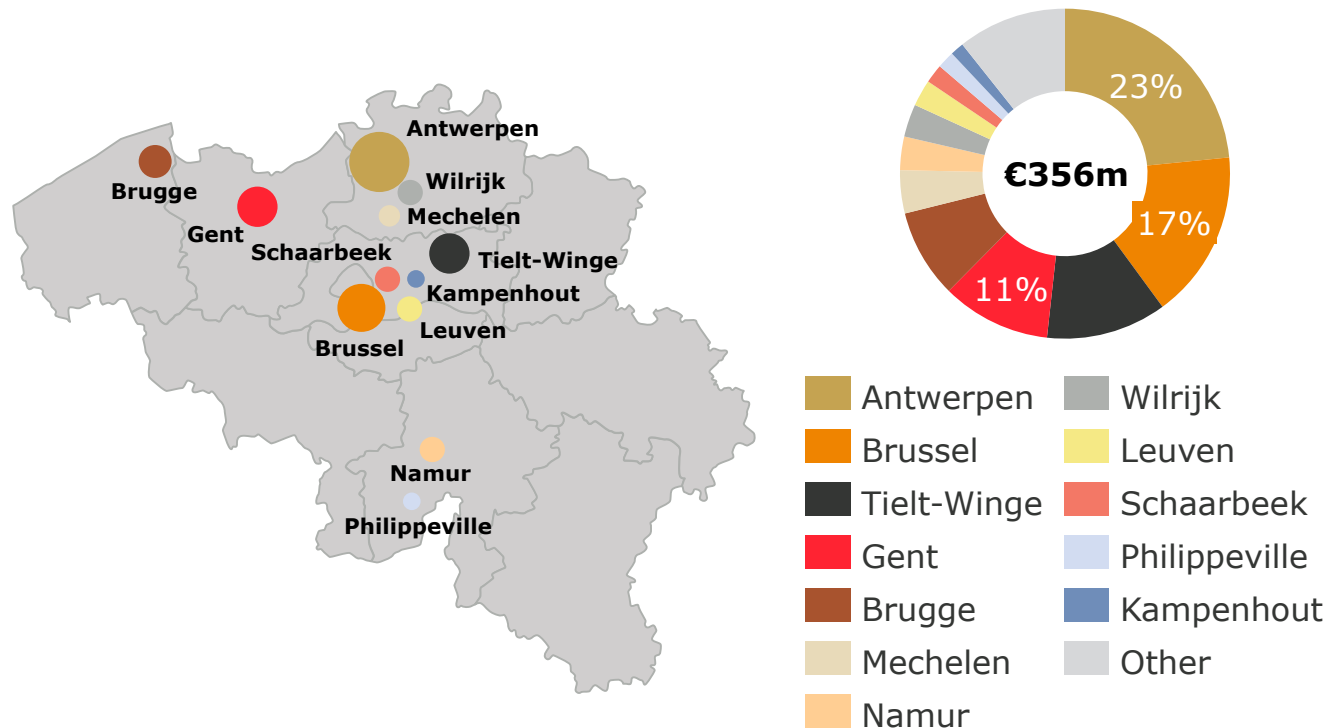


	City	% of portfolio	Gross initial yield*
1	Paris	56%	3.8%
2	Bordeaux	23%	4.1%
3	Lille	15%	5.0%
4	Cannes		
5	Nice		
6	Lyon		
7	Saint-Étienne		
Total France		100%	4.0%

* Defined as annualized contracted rent divided by market value

89% of the Belgian portfolio is located in top 12 cities

Overview of Vastned's portfolio in Belgium

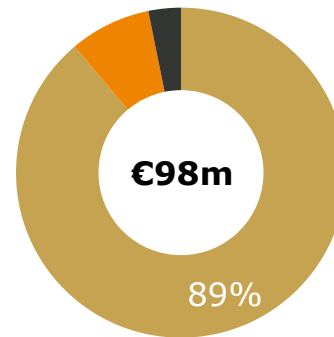


	City	% of portfolio	Gross initial yield*
1	Antwerpen	23%	4.7%
2	Brussel	17%	4.8%
3	Tielt-Winge		
4	Gent	11%	5.8%
5	Brugge		
Top 5 cities		71%	5.2%
6	Mechelen		
7	Namur		
8	Wilrijk		
9	Leuven		
10	Schaarbeek		
11	Philippeville		
12	Kampenhout		
Top 12 cities		89%	5.4%
	Other cities	11%	7.7%
Total Belgium		100%	5.6%

* Defined as annualized contracted rent divided by market value

89% of the Spanish portfolio is located in Madrid

Overview of Vastned's portfolio in Spain



	City	% of portfolio	Gross initial yield*
1	Madrid	89%	3.5%
2	Málaga		
3	León		
Total Spain		100%	3.7%

* Defined as annualized contracted rent divided by market value

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