PRESS RELEASE

HALF-YEAR REPORT 2020

COVID-19 impact on results as of April 2020;
payment arrangements with tenants for virtually entire property portfolio

Highlights HY1 2020

- **Direct result HY1 2020 € 0.85 per share vs. € 0.96 in HY1 2019; decrease caused by impact of COVID-19**
- **Payment arrangements agreed for virtually entire property portfolio due to intensive contacts with tenants**
- **Relatively high rent collection of 84% as of 24 July 2020 for HY1 2020 due to tailored arrangements with tenants**
- **Occupancy rate slightly up compared to Q1 2020 to 97.4% as at 30 June 2020**
- **Like-for-like gross rental growth was 0.3%, corrected for rent waivers due to COVID-19, especially as a result of the reletting of Rue de Rivoli 118-120**
- **Value of property portfolio robust; limited 2.5% value decrease compared to 31 December 2019 leading to an indirect result of € 2.09 negative per share**
- **Loan-to-value ratio of 42.6% as at the end of June 2020, within the 35%-45% range**
- **Good liquidity position; Vastned remains well within bank covenants**
- **General expenses decreased by € 0.7 million in H1 2020**
- **No 2020 interim dividend distribution, as stated in Q1 2020 report**
- **New forecast for 2020 direct result of € 1.70 - € 1.85 per share**

Amsterdam, 29 July 2020 – Vastned, the listed European retail property company focusing on 'venues for premium shopping', is feeling the impact that the COVID-19 crisis is having on its tenants in its first-half figures. Vastned reports a direct result for HY1 2020 of € 0.85 per share, which is lower than in HY1 2019 due to the impact of COVID-19. After the outbreak and spreading of COVID-19 Vastned has succeeded in Q2 2020 to make payment arrangements with tenants for virtually the entire portfolio. The occupancy rate remains high at 97.4% and the value of the property portfolio is robust, with only a limited decrease of 2.5% during HY1 2020. Vastned's new forecast for the FY 2020 direct result is € 1.70 - € 1.85 per share.

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Taco de Groot, Vastned CEO: *'The impact of the outbreak and spreading of COVID-19 and the measures taken by the government became visible as of the second quarter of 2020. The health of our employees, tenants and their staff and customers is our foremost priority. Second is the continuity of our company through the relations and arrangements with our tenants.*
Belgium, France and Spain went into a mandatory lockdown for a number of months, during which all food & beverage establishments and non-essential shops were obliged to close; in the Netherlands the lockdown was somewhat less strict. Even so, some international retailers in the Netherlands shut down their shops on their own initiative. The COVID-19 pandemic and the government measures had negative implications for our tenants and this in turn affected Vastned's results. The Vastned team has worked very hard indeed to find solutions. A crucial element in this was to find workable tailored solutions with our tenants, many of whom have suffered badly. Due to a proactive approach and intensive contacts with our tenants we have been able to come to arrangements for virtually the entire portfolio that are in line with the arrangements in the industry. This will negatively impact the result in the short term because with these arrangements Vastned came to the aid of tenants who were struggling in the face of the crisis. In the first half of 2020, Vastned granted € 2.3 million in rent waivers, and deferred rent payments totalling € 0.9 million. The objective has always been to find a solution together with our tenants, so that the outcome in the long term is positive for both parties. The arrangements give Vastned, especially in these uncertain times, more grip on the continuity of the rental income and on maintaining the high occupancy rate.

And not only has our organisation proved to be highly robust in this crisis, the same goes for our high-quality property portfolio. It is showing the robustness of its value, with only a limited value decrease in these economic crisis conditions of 2.5% in the first half year of 2020. The high occupancy rate of 97.4% also demonstrates that Vastned has the right mix of quality assets that are still highly in demand. Of course, we are working hard to control our costs, which has resulted in a significant decrease of general expenses of € 0.7 million compared to HY1 2019. Vastned's liquidity position remains excellent, with a well-balanced credit portfolio, unused credit facilities of € 94.5 million and a loan-to-value ratio of 42.6% as at 30 June 2020.

During the publication of the Q1 2020 trading update Vastned withdrew its forecast for the 2020 direct result because at that time we were already facing the COVID-19 crisis. Now the lockdowns in the countries in which Vastned is active have been lifted, all tenants are back in business and good arrangements have been made with tenants, we can afford to look ahead once more. For our 2020 outlook, we are assuming there will not be any more national lockdowns, and the focus will remain on maintaining the high occupancy rate and also on further cost control. In this context the Executive Board has decided to waive any bonuses for 2020 and maintains its decision to reduce its fixed salaries by 15% for the remainder of 2020. The same goes for the remuneration of the Supervisory Board. The number of bankruptcies in the portfolio is small, but in our 2020 outlook we do take into account that a rising number of tenants will go bankrupt. Based on this Vastned forecasts a direct result of between € 1.70 and € 1.85 per share. The quality of the portfolio in conjunction with the arrangements made with tenants will enable Vastned to weather the storm.'

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COVID-19 impact

Since the start of the outbreak and the spreading of COVID-19 the health and safety of the employees, tenants, their staff and patrons has the highest priority for Vastned. The company continues to closely follow the instructions of the World Health Organization and of government authorities. All employees are still working from home as far as possible, supported by excellent IT facilities. The team is in close contact with each other and with the tenants of Vastned's property portfolio. The investments in a new property management system ensure that negotiations with tenants can take place proactively and effectively based on real-time information. Furthermore, meanwhile there are some limited opportunities for our staff to physically work in the Amsterdam head office. For this a schedule and protocol have been established of which hygiene regulations and the 1.5 metre rule form part.

The government measures as a result of the global outbreak of COVID-19 were introduced as of the middle of March 2020 in the countries where Vastned operates, as a result of which almost half the property portfolio was confronted with closures in the final weeks of March, all of April and May and part of June 2020. In Belgium, France and Spain mandatory lockdowns were ordered with forced closure of all food and beverage establishments and non-essential shops, while the Netherlands had a less strict lockdown, with only mandatory closure of bars and restaurants. However, some international retailers in the Netherlands shut down their shops on their own initiative. Currently, bars and restaurants in the Netherlands still face restrictions in terms of the number of guests they may cater to. These government measures and of course the heath and economic crisis in general are having a negative impact on Vastned's tenants. As a result, Vastned's results were also affected as of the second quarter 2020.

From the introduction of the government measures Vastned has been in intensive discussions with its tenants and has made payment arrangements with virtually all tenants that are in line with the arrangements made in the industry. These arrangements with tenants are tailored, taking account of the specific situation that the tenant is in, while at the same time taking the interests of all stakeholders into consideration, including Vastned's shareholders. The payment arrangements made range from spreading payments for the quarter over a number of months, paying not in advance but in arrears, deferment of payment of the entire or part of the rent, up to partial rent waivers.

Almost all tenants in our portfolio who paid the rent quarterly have changed to paying monthly. In exchange for these payment arrangements Vastned has modified leases in a number of cases. For example, agreements have been reached with tenants on contract extensions, removal of break options or future rent rises. This has yielded improved continuity for Vastned both in terms of rental income and occupancy rate.

Below, more information is given regarding the arrangements made with tenants in the different countries in which Vastned operates.

Netherlands

In the Netherlands Vastned has actively contributed to the discussion with the trade organisation and the government in order to arrive at tailored arrangements with tenants. In its property portfolio, Vastned has agreed with part of the fashion retailers that one month's rent will be waived in conjunction with a contract adjustment (often an extension of the term of the agreement). Furthermore, many tenants have been granted a deferment of payment. In the food & beverage segment deferments of payment have been agreed with bigger tenants, while small entrepreneurs in this industry have also been granted waivers. In total, in the Dutch portfolio € 1.1 million in rent waivers were granted in HY1 2020.

Belgium

In the portfolio in Belgium generally one month of rent has been waived. This was a condition in Belgium for small entrepreneurs to receive government support. The total amount of rent waivers in Belgium was € 0.6 million in HY1 2020.

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France

In France, most tenants were granted a deferment of payment during the lockdown, while in some cases waivers were agreed. The rent waivers in France totalled € 0.6 million in HY1 2020.

Spain

In Spain, the strictest lockdown was declared of all the countries where Vastned operates. In the context of this lockdown one month of rent was waived in a number of cases. For a number of tenants contract adjustments were made, such as contract extensions or rent increases for the remainder of the lease term. In total, in the Spanish portfolio waivers were granted of less than € 0.1 million in HY1 2020.

The arrangements made with tenants have the following implications for the HY1 2020 result:

- € 2.3 million in rent waivers in HY1 2020. This has been deducted directly and fully from the gross rental income in HY1 2020.
- Deferment of rent payments due over the period of April up to and including June 2020 totalling € 0.9 million.
- Vastned has allocated € 1.4 million to the provision for expected credit losses due to the elevated risk of uncollectibility of rent receivables due to COVID-19.

The item 'accounts receivable and other receivables' rose to € 13.8 million in HY1 2020 (HY1 2019: € 3.6 million). Of this amount, € 8.3 million is related to rent invoiced in advance for Q3 2020. The rent collection for HY1 was 78% as at 30 June. This was calculcated as follows: all amounts received were divided by all amounts invoiced for HY1 2020. The waivers and the deferred amounts were not deducted from the amounts invoiced in this calculation.

Now the lockdowns have been lifted, Vastned is seeing the number of visitors to the streets where its property is located increase. The number of tourists in the historic city centres has not returned to the previous level, and a full recovery is expected to take some time to materialise. The ratio of visitors that actually makes a purchase (conversion ratio) is higher than before COVID-19, which bodes well for retailers' sales.

Strategy update

As Vastned been indicating for some time, the retail landscape is changing, and the outbreak and spreading of COVID-19 has accelerated this development. In the interests of the company, the Executive Board and the Supervisory Board therefore have started a strategy update process in which all strategy options are on the table. A strategy update must be carried out carefully, robustly and comprehensively, and this obviously will take time. It will take into consideration the impact of COVID-19 on the economy and on the property sector, as well as an extensive cost analysis. The update will be revealed in February 2021 at the publication of the 2020 financial statements.

Annual General Meeting

Vastned's postponed shareholders' meeting for the year 2019 was held on 25 June 2020. Some the proposals put to the Annual General Meeting (AGM) were not adopted, including the proposal to amend the remuneration policy for the Executive Board and the proposal to adopt a separate remuneration policy for the Supervisory Board. The changes comprised some technical adjustments to bring the policy into line with the recently introduced statutory regulations to implement the revised European Shareholders' Rights Directive ((EU) 2017/828 directive), in which proposal the total remuneration per member would remain unchanged. As these proposals were not adopted, the current remuneration policy will remain in effect. At the next AGM a proposal to change and adopt the remuneration policies will again be put to the shareholders. The members of the Executive Board and the Supervisory Board have taken note of these voting results at the shareholders' meeting, and will continue to engage in discussions with shareholders as normal.

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Venues for Premium Shopping

Key parameters

The direct result per share in HY1 2020 was € 0.85 vs € 0.96 in HY1 2019. This decrease was caused by the fall of the net rental income as a result of rent waivers of € 2.3 million due to COVID-19, and the € 1.4 million allocation to the provision for expected credit losses. The value of the portfolio fell slightly, while the occupancy rate increased sharply (97.4% as at 30 June 2020 as against 93.1% as at 30 June 2019) due to the letting of Rue de Rivoli 118-120 in Paris to JD Sports. The occupancy rate also increased compared to the first quarter of this year (from 97.0% in Q1 2020 to 97.4% in Q2 2020).

Results	HY1 2020	HY1 2019
Occupancy rate as at 30 June (%)	97.4	93.1
Like-for-like gross rental growth (%)	(6.3)	(2.3)
Value movements [1] (%)	(2.5)	(0.4)
Total appraisal value of the portfolio [2] (€ million)	1,533	1,579
Direct result per share (€)	0.85	0.96
Indirect result per share (€)	(2.09)	(0.48)
Result per share (€)	(1.24)	0.48

[1] *Excluding acquisitions and divestments*

[2] *Including assets held for sale*

NOTES TO THE PROPERTY PORTFOLIO

Portfolio breakdown

The appraisal value of the total property portfolio was € 1.5 billion as at 30 June 2020; this was only a limited 2.5% decrease compared to year-end 2019.

Portfolio breakdown (€ million)	30 June 2020	% of total
Netherlands	665	44
France	414	27
Belgium	356	23
Spain	98	6
Total	**1,533**	**100**

Occupancy rate

The occupancy rate of the full portfolio rose slightly compared to Q1 2020 and strongly compared to 30 June 2019 (97.4% as at 30 June 2020 vs. 93.1% as at 30 June 2019). The rise compared to 30 June 2019 was caused mainly by the letting of Rue de Rivoli 118-120 in Paris to JD Sports. The portfolio in France and Spain was fully let as at 30 June 2020. The increase of the occupancy rate in Belgium from 95.8% in Q1 2020 to 97.5% as at 30 June 2020 was caused by two new leases.

Occupancy rate (%)	30 June 2020	31 March 2020	31 December 2019	30 June 2019
Netherlands	96.0	96.0	96.6	96.2
France	99.8	99.9	99.8	81.9
Belgium	97.5	95.8	98.8	95.7
Spain	100.0	100.0	100.0	100.0
Total	**97.4**	**97.0**	**98.0**	**93.1**

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Leasing activity

In the first six months of 2020, Vastned concluded 38 leases for a total annual amount of € 5.1 million, or 6.8% of the total theoretical annual gross rental income.

On the 38 leases Vastned concluded a 3.6% rent decrease was realised, caused in particular by the lease to H&M on Steenweg in Utrecht. In the Netherlands Vastned furthermore concluded new leases with Rituals, Vkusvill, Lidl, Holland & Barrett and Spar. In Belgium leases were concluded with Dunkin' Donuts and Keukens De Abdij. In France new leases were agreed with Sézane and Streamroot. As of 15 July 2020, Streamroot is leasing office space on the first floor of the property at Rue de Rivoli 102 in Paris.

Leasing activity	HY1 2020
Number of leases	38
Rental income (€ million)	5.1
% of total theoretical annual rent	6.8
Rental change (€ million)	(0.2)
% rental change	(3.6)

Value movements

Bigger properties with an expected value of at least € 2.5 million are appraised every six months by internationally reputed external appraisers. In Belgium appraisals take place quarterly. Smaller properties, with an expected value of below € 2.5 million, are appraised externally once a year. Vastned's appraisal policy states that external appraisers are rotated every three years. This rotation took place this year. Vastned ensures that the external appraisers have all the relevant information needed to arrive at a well-considered assessment. The value of the property portfolio excluding acquisitions and divestments as at the end of June 2020 fell only slightly by 2.5% (being the market value determined by external appraisers) compared to year-end 2019 due to the deteriorating economy. The value decreases of the Dutch, Belgian, French and Spanish property portfolios were € 21.1 million, € 15.1 million, € 2.7 million and € 1.9 million respectively, or € 40.8 million in total.

Acquisitions and divestments

No acquisitions or divestments were made in HY1 2020.

NOTES TO THE FINANCIAL RESULTS

Financial results (€ million)	HY1 2020	HY1 2019
Direct result	14.6	16.7
Indirect result	(35.7)	(8.3)
Result attributable to Vastned Retail shareholders	**(21.1)**	**8.4**
Result attributable to non-controlling interests	(3.1)	(0.5)
Result after taxes	**(24.2)**	**7.9**

Result attributable to Vastned Retail shareholders

The result attributable to Vastned's shareholders, which comprises the direct and indirect results, was € 21.1 million negative in the first half year of 2020 (HY1 2019: € 8.4 million positive). The main cause of the lower result was the decrease of the indirect result from € 8.3 million negative in HY1 2019 to € 35.7 million negative in HY1 2020 due to the € 40.8 million value decrease of the property portfolio in the first half of year 2020 (HY1 2019: value decrease of € 6.7 million). In addition, the direct result fell from € 16.7 million in HY1 2019 to € 14.6 million in HY1 2020 due to lower net rental income due to the impact of COVID-19.

Result per share

The result per share attributable to Vastned shareholders was € 1.24 negative in HY1 2020 (HY1 2019: € 0.48 million positive). The result is comprised of the direct result per share of € 0.85 (HY1 2019: € 0.96) and the indirect result per share of € 2.09 negative (HY1 2019: € 0.48 negative).

NET INCOME FROM PROPERTY

Gross rental income

After adjustment for non-recurring items, the gross rental income was € 32.9 million in HY1 2020 compared to € 35.3 million in HY1 2019. These movements are broken down per country in the table below.

Gross rental income (€ thousand)	Netherlands before adjustment for non-recurring items	Adjustment for non-recurring items	Netherlands after adjustment for non-recurring items	France	Belgium	Spain	Total
Gross rental income HY1 2019	16,338	402	16,740	6,974	9,916	1,702	35,332
Acquisitions	146	-	146	-	-	-	146
Divestments	(242)	-	(242)	(18)	(130)	-	(390)
Waivers	(1,072)	-	(1,072)	(574)	(620)	(29)	(2,295)
Like-for-like rental growth	(182)		(182)	518	(241)	11	106
Gross rental income HY1 2020	**14,988**	**402**	**15,390**	**6,900**	**8,925**	**1,684**	**32,899**
Other income	-	-	-	152	43	-	195
Allocation to provision for expected credit losses	(266)	-	(266)	(229)	(666)	(243)	(1,404)
Operating expenses	(2,364)	-	(2,364)	(597)	(986)	(153)	(4,100)
Net rental income HY1 2020	**12,358**	**402**	**12,760**	**6,226**	**7,316**	**1,288**	**27,590**
Net rental income HY1 2019	13,992	402	14,394	6,522	9,184	1,396	31,496
Operating expenses as a % of gross rental income HY1 2020	17.5%	-	17.1%	12.0%	18.5%	23.5%	16.7%
Operating expenses as a % of gross rental income HY1 2019	14.4%	-	14.0%	8.5%	7.4%	18.0%	11.3%

Acquisitions (€ 0.1 million increase)

No acquisitions were made in HY1 2020. Vastned's gross rental income rose by € 0.1 million in HY1 2020 compared to HY1 2019 due to the expansion of its Amsterdam cluster in 2019.

Divestments (€ 0.4 million decrease)

No divestments were made in HY1 2020. In order to further improve the quality of the portfolio Vastned sold property for € 12.1 million in the Netherlands and Belgium in 2019. This caused a € 0.4 million drop in the gross rental income in HY1 2020 compared to HY1 2019.

Waivers in the context of COVID-19 (€ 2.3 million decrease)

As a result of the impact of COVID-19 an amount of € 2.3 million in rent arrears was waived. The waivers in the Netherlands, Belgium and France was € 1.1 million, € 0.6 million and 0.6 million respectively. In Spain virtually no rent payments were waived.

Like-for-like gross rental growth (€ 0.1 million increase)

The like-for-like rental growth of the gross rental income was € 0.1 million positive. In France the like-for-like growth of the gross rental income was € 0.5 million positive due to the reletting of the property Rue de Rivoli 118-120 in Paris. In Spain there was a small amount of like-for-like rental growth.

The like-for-like rental was € 0.2 million negative in both the Netherlands and Belgium.

Corrected for the COVID-19 waivers, the like-for-like growth of the gross rental income was 0.3% positive for the total portfolio. Taking account of the COVID-19 waivers, the like-for-like growth of the gross rental income was 6.3% negative for the total portfolio.

Adjustment for non-recurring items

This concerns the spreading of substantial buy-out payments received from and paid to tenants in 2018. 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. On balance, this means that both in 2019 and in 2020 € 0.4 million in additional gross rental income is presented compared to the IFRS direct result.

Operating expenses (including net service charge expenses)

The total operating expenses excluding the allocation to the provision for expected credit losses increased slightly from € 4.0 million in HY1 2019 to € 4.1 million in HY1 2020. Maintenance costs increased by € 0.3 million and letting costs decreased by € 0.2 million. The allocation to the provision for expected credit losses increased from virtually nil in HY1 2019 to € 1.4 million in HY1 2020. This rise was almost completely due to COVID-19.

The operating expenses expressed as a percentage of the gross rental income (including credit losses) came to 16.7% (HY1 2019: 11.3%).

Value movements in property

The value movements in HY1 2020 totalled € 40.8 million negative (HY1 2019: € 6.7 million negative). The value decreases of the Dutch, Belgian, French and Spanish property portfolios were € 21.1 million, € 15.1 million, € 2.7 million and € 1.9 million respectively.

Net result on divestments of property

No divestments were made in HY1 2020. The net result on divestments of € 0.1 million positive concerned subsequent income in relation to previously realised divestments.

EXPENDITURE

Net financing costs

The net financing costs including value movements of financial derivatives decreased from € 11.4 million in HY1 2019 to € 8.7 million in HY1 2020. The development of the net financing costs is explained in the table below.

Development of net financing costs (€ million)

Net financing costs HY1 2019	11.4
Increase due to higher average interest-bearing debts	0.1
Decrease on balance due to lower average interest rate and changes in fixed/floating interest rates and working capital	(1.1)
Decrease of negative value movements in financial derivatives	(1.7)
Net financing costs HY1 2020	**8.7**

The net financing costs increased by € 0.1 million due to higher average interest-bearing debts resulting in particular from the share buyback programme during HY1 2019. Due to changes in the composition of the loan and interest rate derivatives portfolio the average interest rate fell by 28 basis points from 2.31% in HY1 2019 to 2.03% in HY1 2020, reducing the interest expenses by € 1.1 million. As a result of the changed market interest rate, the value movements of the interest rate derivatives were € 2.0 million negative in HY 2020 compared to € 3.7 million negative in HY1 2019.

General expenses

General expenses came to € 3.8 million in HY1 2020 compared to € 4.5 million in HY1 2019. The € 0.7 million decrease was mainly due to lower personnel costs and other general expenses in HY1 2020.

Current income tax expense

The income tax payable for the regularly taxed entities in the Netherlands, Belgium and Spain was € 0.3 million in HY1 2020 (HY1 2019: € 0.3 million).

Movement in deferred tax assets and liabilities

The movement in deferred tax assets and liabilities fell by € 2.2 million in HY1 2020 (HY1 2019: no change). The decrease of the provision for deferred tax liabilities in HY1 2020 was mainly due to value decreases of assets in the Netherlands and Spain that are held by regularly taxed entities.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

As at 30 June 2020, Vastned had a total accounts receivable position of € 16.3 million (30 June 2019: € 4.5 million), of which € 2.5 million was provisioned for (end of HY1 2019: € 1.2 million). The total amount of accounts receivable, after deduction of the provision for expected credit losses, can be broken down as follows by the nature of the receivable:

Accounts receivable and other receivables (€ million)	Outstanding	Provision for expected credit losses	Total
Accounts receivable unrelated to COVID-19	1.5	(1.2)	0.3
Accounts receivable related to COVID-19	5.0	(1.2)	3.8
Accounts receivable for which a deferment has been granted in the context of COVID-19	0.9	(0.1)	0.8
Pre-invoiced rent	8.3	-	8.3
Other receivables	0.6	-	0.6
Total	**16.3**	**(2.5)**	**13.8**

Part of this total accounts receivable position are receivables whose due date is more than one year in the past and that have been fully provisioned for, but cannot yet be written off because the bankruptcy has not been fully settled. These are for the most part accounts receivable that are unrelated to COVID-19.

In the period from 1 July 2020 up to and including 24 July 2020 a total amount of € 7.2 million in payments was received for accounts receivable that are part of the receivables position stated above.

FINANCING STRUCTURE

Vastned aims for a conservative financing structure, with a loan-to-value ratio of between 35% and 45% and good diversification of financing sources, e.g. by placing long-term bond loans with institutional investors (such as private placements).

Financing structure	**30 June 2020**	**31 December 2019**
Loan-to-value (%)	42.6	41.6
Solvency* (%)	54.7	56.6
Interest coverage ratio	4.1	4.2

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

As at 30 June 2020, Vastned's balance sheet showed a healthy financing structure with a loan-to-value ratio of 42.6% (year-end 2019: 41.6%) and a solvency, being group equity plus deferred tax liabilities divided by the balance sheet total, of 54.7% (year-end 2019: 56.6%). The interest coverage ratio for the first six months of 2020 was 4.1; the interest coverage ratio for the past twelve months was 4.3.

With a solvency ratio of 54.7% (31 December 2019: 56.6%) and an interest coverage ratio of 4.1 Vastned amply 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 30 June 2020 (€ million)

	Fixed interest*	**Floating interest**	**Total**	**% of total**
Long-term debt	444.9	156.3	601.2	92.4
Short-term debt	37.5	12.1	49.6	7.6
Total	**482.4**	**168.4**	**650.8**	**100.0**
% of total	74.1	25.9	100.0	

** Interest rate derivatives taken into account*

At the end of June 2020, 74.1% of the loan portfolio comprised fixed-interest loans as a result of the use of interest rate derivatives and the fixed coupon private placements.

The share of non-bank loans was 38.8%, well above the internal target of 25%.

In January 2020, Vastned repaid a € 25.0 million private placement to Pricoa Capital Group, which was financed from the unused credit facilities. Part of the short-term liabilities is a € 37.5 million private placement that will expire in October 2020.

Taking the unused credit facilities of € 94.5 million as at 30 June 2020 into account, there is ample liquidity to fulfil short-term payment obligations.

DEVELOPMENT OF NET ASSET VALUE PER SHARE

As a result of the combined direct and indirect results per share of € 1.24 negative in total, the other movements of € 0.02 positive and the 2019 final dividend distribution of € 0.85 per share, the net asset value per share fell from € 46.28 at year-end 2019 to € 44.21 as at 30 June 2020. The EPRA NNNAV per share as at 30 June 2020 was € 43.76 vs. € 46.20 at year-end 2019.

INTERIM DIVIDEND 2020

Vastned's liquidity position is robust. As the company already stated in the Q1 2020 trading update of 6 May 2020, in view of the current uncertainty there will be no interim dividend distribution for 2020, so as to further support the company's liquidity position.

EVENTS AFTER BALANCE SHEET DATE

Of the total amount in accounts receivable and other receivables of € 16.3 million as explained in note 9, Vastned had received € 7.2 million in payments in the period from 1 July 2020 up to and including 24 July 2020, and granted waivers for another € 0.6 million. The € 7.2 million in payments can be broken down into € 2.4 million relating to HY1 2020 and € 4.8 million relating to HY2 2020. As at 24 July 2020 the rent collection had reached 84%.

OUTLOOK 2020

At the publication of the Q1 2020 trading update Vastned withdrew its forecast for the direct result 2020 because at that time it was already facing the impact of COVID-19. Now the lockdowns in the countries in which Vastned is active have been lifted, all tenants are back in business and good arrangements have been made with virtually all tenants in the property portfolio, we can afford to look ahead once more. The number of visitors to the streets where our assets are located 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 are assuming there will not be any more national lockdowns, and we will continue to focus on maintaining the high occupancy rate and also on further cost control. The number of bankruptcies in the portfolio is limited, but in our 2020 outlook we do take into account that a rising number of tenants will go bankrupt. Based on this Vastned forecasts a direct result of between € 1.70 and € 1.85 per share.

RESPONSIBILITY STATEMENT

In accordance with Article 5.25d of the Financial Supervision Act, the Executive Board states that to the best of its knowledge:

- the consolidated interim financial statements give a true and fair view of the assets and liabilities, the financial position and the result of Vastned and its consolidated subsidiaries; and
- the interim report gives a true and fair view of the main events that occurred in the first six months of the financial year and their impact on the interim financial statements, gives a true and fair description of the main risks and uncertainties in the remaining six months of this financial year, and gives a true and fair overview of the main transactions with related parties.

The main risks and uncertainties for the remaining six months of this financial year have not been defined, but are identical to the 2019 annual report, with the exception of the COVID-19 related risks and uncertainties. These risks and uncertainties have been adequately described by the Executive Board to the best of its knowledge and to the extent known in the half-year report of the management board and the condensed interim financial statements.

Amsterdam, 29 July 2020

Executive Board:
Taco de Groot, CEO
Reinier Walta, CFO

CONFERENCE CALL

On 30 July 2020 at 10am, Vastned will comment on the half-year results 2020 in a conference call and presentation for investors and analysts. The conference call can be followed live on www.vastned.com/webcast.

FINANCIAL CALENDAR 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 € 1.5 billion as at 30 June 2020.

Further information:
Remco Vergeer Investor Relations Manager
Tel: +31 20 2424 368

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KEY FIGURES

Results (€ thousand)

	30 June 2020	31 December 2019	30 June 2019
Gross rental income	32,497	69,288	34,930
Direct result	14,637	35,041	16,668
Indirect result	(35,775)	(12,606)	(8,246)
Result	**(21,138)**	**22,435**	**8,422**

Balance sheet (€ thousand)

	30 June 2020	31 December 2019	30 June 2019
Property (appraisal value)	1,532,504	1.571.363[1]	1.578.960[2]
Equity	839,320	882,866	877,009
Equity Vastned Retail shareholders	758,346	793,734	789,906
Long-term liabilities	632,524	612,083	655,970
Solvency (%)	54.7	56.6	55.9
Loan-to-value (%)	42.6	41.6	41.9
Interest coverage ratio	4.1	4.2	4.0
Financial occupancy rate of property portfolio (%)	97.1	93.6	94.9
Average number of shares in issue	17,151,976	17,270,106	17,390,195
Number of shares in issue (end of period)	17,151,976	17,151,976	17,151,976

Per share (€)

	30 June 2020	31 December 2019	30 June 2019
Equity Vastned Retail shareholders at beginning of period (including final dividend)	46.28	46.40	46.40
Final dividend previous financial year	(0.85)	(1.34)	(1.34)
Equity Vastned Retail shareholders (excluding final dividend)	45.43	45.06	45.06
Direct result	0.85	2.03	0.96
Indirect result	(2.09)	(0.73)	(0.48)
Result	(1.24)	1.30	0.48
Remeasurement of defined benefit pension obligations	0.02	(0.06)	(0.05)
Reclassification of unrealised results on financial derivatives to profit and loss account, after taxes	-	(0.01)	-
Other movements	-	0.57	0.56
Interim dividend	-	(0.58)	-
Equity Vastned Retail shareholders at end of period (including final dividend)	**44.21**	**46.28**	**46.05**
Share price (end of period)	19.00	26.70	28.40
Premium/(Discount) (%)	(57.0)	(42.3)	(38.3)

[1] Including Assets held for sale of € 1,575
[2] Including Assets held for sale of € 6,047

DIRECT AND INDIRECT RESULT (€ THOUSAND)	HY1 2020	HY1 2019
Direct result		
Gross rental income	32,497	34,930
Other income	195	143
Net service charge expenses	(125)	(129)
Operating expenses	(5,379)	(3,850)
Net rental income	**27,188**	**31,094**
Financial income	3	13
Financial expenses	(6,690)	(7,477)
Net financing costs	(6,687)	(7,464)
General expenses	(3,840)	(4,480)
Direct result before taxes	16,661	19,150
Current income tax expense	(268)	(308)
Movement in deferred tax assets and liabilities	143	362
Direct result after taxes	16,536	19,204
Direct result attributable to non-controlling interests	(1,899)	(2,536)
Direct result attributable to Vastned Retail shareholders	**14,637**	**16,668**
Indirect result		
Value movements in property in operation	(40,831)	(6,746)
Total value movements in property	(40,831)	(6,746)
Net result on divestments of property	50	(297)
Financial expenses	-	(221)
Value movements in financial derivatives	(2,061)	(3,790)
Reclassification of unrealised results on financial derivatives from equity	-	58
Indirect result before taxes	(42,842)	(10,996)
Movement in deferred tax assets and liabilities	2,092	(325)
Indirect result after taxes	(40,750)	(11,321)
Indirect result attributable to non-controlling interests	4,975	3,075
Indirect investment result attributable to Vastned Retail shareholders	**(35,775)**	**(8,246)**
Result attributable to Vastned Retail shareholders	**(21,138)**	**8,422**

PER SHARE (€)		
Direct investment result attributable to Vastned Retail shareholders	0.85	0.96
Indirect investment result attributable to Vastned Retail shareholders	(2.09)	(0.48)
	(1.24)	0.48

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 below are presented in euros; amounts are rounded off to thousands of euros, unless stated differently.

EPRA PERFORMANCE INDICATORS

		(€ THOUSAND)		PER SHARE (€)	
EPRA performance indicator	**Table**	**HY1 2020**	**HY1 2019**	**HY1 2020**	**HY1 2019**
EPRA Earnings	1	14,637	16,668	0.85	0.96
EPRA NRV	2	858,257	894,830	50.04	52.17
EPRA NTA	2	775,958	807,681	45.24	47.09
EPRA NDV	2	746,732	780,858	43.54	45.53
EPRA NAV	2	775,505	807,681	45.21	47.08
EPRA NNNAV	2	750,487	786,214	43.76	45.84
EPRA Net Initial Yield (NIY)	3 (I)	3.9%	3.7%[1]		
EPRA topped-up NIY	3 (II)	4.2%	4.0%[1]		
EPRA Vacancy Rate	4	2.6%	2.0%[1]		
EPRA Cost Ratio (including direct vacancy costs)	5 (I)	28.6%	24.1%		
EPRA Cost Ratio (excluding direct vacancy costs)	5 (II)	27.7%	23.3%		
Capital expenditure	6	1,156	12,130		

[1] 31 December 2019

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1 EPRA EARNINGS

	HY1 2020	HY1 2019
Result in accordance with consolidated IFRS profit and loss account	(21,138)	8,422
Value movements in property	40,831	6,746
Net result on divestments of property	(50)	297
Financial expenses	-	221
Value movements in financial derivatives	2,061	3,732
Movement in deferred tax assets and liabilities	(2,092)	325
Attributable to non-controlling interests	(4,975)	(3,075)
EPRA Earnings	**14,637**	**16,668**
EPRA Earnings per share (EPS)	**0.85**	**0.96**

2 EPRA NET ASSET VALUE METRICS

	30 June 2020					30 June 2019
	Fair value	**As a percentage of total portfolio**	**Percentage of excluded deferred taxes**	**Fair value**	**As a percentage of total portfolio**	**Percentage of excluded deferred taxes**
Portfolio that is subject to deferred tax and intention is to hold and not to sell in the long run	221,505	14	100	230,754	15	100

	30 June 2020					30 June 2019				
	EPRA NRV	**EPRA NTA**	**EPRA NDV**	**EPRA NAV**	**EPRA NNAV**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**	**EPRA NAV**	**EPRA NNAV**
Equity Vastned Retail shareholders	**758,346**	**758,346**	**758,346**	**758,346**	**758,346**	**789,906**	**789,906**	**789,906**	**789,906**	**789,906**
Hybrid instruments	-	-	-	-	-	-	-	-	-	-
Diluted NAV	**758,346**	**758,346**	**758,346**	**758,346**	**758,346**	**789,906**	**789,906**	**789,906**	**789,906**	**789,906**
Diluted NAV at fair value	**758,346**	**758,346**	**758,346**	**758,346**	**758,346**	**789,906**	**789,906**	**789,906**	**789,906**	**789,906**
Deferred taxes related to fair value gains of property	13,197	13,197	-	13,197	3,755	15,149	15,149	-	15,149	5,356
Fair value financial derivatives	3,962	3,962	-	3,962	-	2,626	2,626	-	2,626	-
Intangible fixed assets	-	453	-	-	-	-	-	-	-	-
Fair value of fixed-rate interest-bearing debts	-	-	(11,614)	-	(11,614)	-	-	(9,048)	-	(9,048)
Real Estate Transfer Tax	82,752	-	-	-	-	87,149	-	-	-	
NAV	**858,257**	**775,958**	**746,732**	**775,505**	**750,487**	**894,830**	**807,681**	**780.858**	**807,681**	**786,214**
Fully diluted number of shares	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**	**17,151,976**
NAV per share	**50.04**	**45.24**	**43.54**	**45.21**	**43.76**	**52.17**	**47.09**	**45.53**	**47.08**	**45.84**

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3 EPRA NET INITIAL YIELD AND EPRA TOPPED-UP NET INITIAL YIELD AS AT 30 JUNE 2020

	Netherlands		France		Belgium		Spain		Total	
	30 June 2020	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**	**30 June 2020**	**31 December 2019**
Property	664,688	685,560	414,288	415,829	355,688	370,304	97,840	99,670	1,532,504	1,571,363
addition: Estimated transaction fees	44,034	47,989	29,888	29,537	8,889	9,258	3,009	2,701	85,820	89,485
Investment value of property (B)	**708,722**	**733,549**	**444,176**	**445,366**	**364,577**	**379,562**	**100,849**	**102,371**	**1,618,324**	**1,660,848**
Annualised gross rental income	32,789	33,277	15,435	12,022	17,646	19,229	3,526	3,673	69,396	68,201
Non-recoverable operating expenses	(3,430)	(4,406)	(758)	(568)	(1,664)	(1,831)	(135)	(240)	(5,987)	(7,045)
Annualised net rental income (A)	**29,359**	**28,871**	**14,677**	**11,454**	**15,982**	**17,398**	**3,391**	**3,433**	**63,409**	**61,156**
Effect of rent-free periods and other lease incentives	709	78	752	3,874	2,184	804	153	234	3,798	4,990
Topped-up annualised net rental income (C)	**30,068**	**28,949**	**15,429**	**15,328**	**18,166**	**18,202**	**3,544**	**3,667**	**67,207**	**66,146**
(i) EPRA Net Initial Yield (A/B)	4.1%	3.9%	3.3%	2.6%	4.4%	4.6%	3.4%	3.4%	3.9%	3.7%
(ii) EPRA Topped-up Net Initial Yield (C/B)	4.2%	3.9%	3.5%	3.4%	5.0%	4.8%	3.5%	3.6%	4.2%	4.0%

4 EPRA VACANCY RATE

30 June 2020

	Gross rental income	Net rental income	Lettable floor area (m2)	Annualised gross rental income	Estimated rental value (ERV) of vacancy	Estimated rental value (ERV)	EPRA vacancy rate
Netherlands	14,987	12,357	107,589	32,789	1,380	34,059	4.1%
France	6,900	6,226	21,126	15,435	34	17,638	0.2%
Belgium	8,925	7,316	86,738	17,646	502	18,567	2.7%
Spain	1,685	1,289	3,419	3,526	-	3,569	-
Total property	**32,497**	**27,188**	**218,872**	**69,396**	**1,916**	**73,833**	**2.6%**

31 December 2019

	Gross rent income	Net rental income	Lettable floor area (m2)	Annualised gross Rental Income	Estimated rental value (ERV) of Vacancy	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	-
Total property	**69,288**	**63,027**	**218,872**	**68,201**	**1,469**	**73,713**	**2.0%**

5 EPRA COST RATIOS

	HY1 2020	HY1 2019
General expenses	3,840	4,480
Operating expenses	5,379	3,850
Net service charge expenses	125	129
EPRA costs (including vacancy costs) (A)	**9,344**	**8,459**
Vacancy costs	(287)	(283)
EPRA costs (excluding vacancy costs) (B)	**9,057**	**8,176**
Gross rental income [1] (C)	**32,692**	**35,073**
(i) EPRA Cost Ratio (including vacancy costs) (A/C)	**28.6%**	**24.1%**
(ii) EPRA Cost Ratio (excluding vacancy costs) (B/C)	**27.7%**	**23.3%**

[1] Including other income € 195 (HY1 € 2019 € 143)

6 CAPITAL EXPENDITURE

	HY1 2020	HY1 2019
Acquisitions [1]	-	10,813
Development	-	-
Like-for-like portfolio [2]	1,156	1,317
Other	-	-
	1,156	**12,130**

[1] Concerns acquisition of two assets in Amsterdam in 2019
[2] Concerns improvements to several assets already held in various countries

Vastned has no interests in joint ventures.

CONDENSED INTERIM FINANCIAL STATEMENTS 2020

Contents

CONSOLIDATED PROFIT AND LOSS ACCOUNT (€ THOUSAND)

	Note	HY1 2020	HY1 2019
Net income from property			
Gross rental income	4, 5	32,497	34,930
Other income	4	195	143
Net service charge expenses	4	(125)	(129)
Operating expenses	4	(5,379)	(3,850)
Net rental income		27,188	31,094
Value movements in property in operation	4	(40,831)	(6,746)
Total value movements in property		(40,831)	(6,746)
Net result on divestments of property	4	50	(297)
Total net income from property		**(13,593)**	**24,051**
Expenditure			
Financial income		3	13
Financial expenses		(6,690)	(7,698)
Value movements financial derivatives	13	(2,061)	(3,790)
Reclassification of unrealised results on financial derivatives from equity		-	58
Net financing costs		(8,748)	(11,417)
General expenses		(3,840)	(4,480)
Total expenditure		**(12,588)**	**(15,897)**
Result before taxes		**(26,181)**	**8,154**
Current income tax expense		(268)	(308)
Movement in deferred tax assets and liabilities		2,235	37
Total income tax		(1,967)	(271)
Result after taxes		**(24,214)**	**7,883**
Result attributable to Vastned Retail shareholders		(21,138)	8,422
Result attributable to non-controlling interests		(3,076)	(539)
		(24,214)	**7,883**
Per share (€)			
Result		(1.24)	0.48
Diluted result		(1.24)	0.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (€ THOUSAND)

	HY1 2020	HY1 2019
Result after taxes	(24,214)	7,883
Items not reclassified to the profit and loss account		
Remeasurement of defined benefit pension obligations	329	(946)
Items that have been or could be reclassified to the profit and loss account		
Reclassification of unrealised results on financial derivatives to profit and loss account	-	(58)
Other comprehensive income after tax	329	(1,004)
Comprehensive income	**(23,885)**	**6,879**
Attributable to:		
Vastned Retail shareholders	(20,809)	7,418
Non-controlling interests	(3,076)	(539)
	(23,885)	**6,879**

CONSOLIDATED BALANCE SHEET (€ THOUSAND)

	Notes	30 June 2020	31 December 2019	30 June 2019
Assets				
Property in operation	4, 8	1,530,361	1,568,461	1,571,355
Accrued assets in respect of lease incentives	4	5,492	4,721	5,003
Total property		1,535,853	1,573,182	1,576,358
Intangible fixed assets		518	474	-
Tangible fixed assets		982	1,038	1,139
Rights-of-use assets		512	633	739
Total fixed assets		**1,537,865**	**1,575,327**	**1,578,236**
Assets held for sale		-	1,575	6,047
Debtors and other receivables	9	19,952	9,204	9,935
Income tax		-	37	111
Cash and cash equivalents		1,574	961	1,253
Total current assets		**21,526**	**11,777**	**17,346**
Total assets		**1,559,391**	**1,587,104**	**1,595,582**
Equity and liabilities				
Capital paid-up and called		95,183	95,183	95,183
Share premium reserve		468,555	468,555	468,555
Hedging reserve in respect of financial derivatives		-	-	209
Other reserves	10	215,746	207,561	217,537
Result attributable to Vastned Retail shareholders		(21,138)	22,435	8,422
Equity Vastned Retail shareholders		758,346	793,734	789,906
Equity non-controlling interests	3	80,974	89,132	87,103
Total equity		**839,320**	**882,866**	**877,009**
Deferred tax liabilities		13,315	15,550	15,591
Provisions in respect of employee benefits	11	5,826	6,092	6,059
Long-term interest-bearing loans	12	601,170	580,427	623,345
Long-term lease liabilities	12	3,702	3,698	3,944
Financial derivatives	13	4,738	2,678	3,515
Guarantee deposits and other long-term liabilities		3,773	3,638	3,516
Total long-term liabilities		**632,524**	**612,083**	**655,970**
Payable to banks	12	12,143	8,283	14,715
Redemption long-term loans	12	37,489	62,470	25,000
Short-term lease liabilities	12	140	320	240
Income tax		549	526	334
Other liabilities and accruals		37,226	20,556	22,314
Total long-term liabilities		**87,547**	**92,155**	**62,603**
Total equity and liabilities		**1,559,391**	**1,587,104**	**1,595,582**

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CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY (€ THOUSAND)

	Paid-up and called up capital	Share premium reserve	Hedging reserve in respect of financial derivatives	Other reserves	Result attributable to Vastned Retail shareholders	Equity Vastned Retail shareholders	Equity non-controlling interests	Total equity
Balance as at 1 January 2019	**95,183**	**472,640**	**267**	**221,207**	**41,095**	**830,392**	**92,637**	**923,029**
Result					8,422	8,422	(539)	7,883
Other comprehensive income			(58)	(946)		(1,004)		(1,004)
Comprehensive income	-	-	**(58)**	**(946)**	**8,422**	**7,418**	**(539)**	**6,879**
Final dividend for previous financial year in cash					(22,984)	(22,984)	(4,995)	(27,979)
Contribution from profit appropriation				18,111	(18,111)	-		-
Equity component of convertible bond loan		(4,085)		4,085		-		-
Share buyback				(24,920)		(24,920)		(24,920)
Balance as at 30 June 2019	**95,183**	**468,555**	**209**	**217,537**	**8,422**	**789,906**	**87,103**	**877,009**
Balance as at 1 January 2020	**95,183**	**468,555**	-	**207,561**	**22,435**	**793,734**	**89,132**	**882,866**
Result					(21,138)	(21,138)	(3,076)	(24,214)
Other comprehensive income				329		329		329
Comprehensive income	**-**	**-**	**-**	**329**	**(21,138)**	**(20,809)**	**(3,076)**	**(23,885)**
Final dividend for previous financial year in cash					(14,579)	(14,579)	(5,082)	(19,661)
Contribution from profit appropriation				7,856	(7,856)	-		-
Balance as at 30 June 2020	**95,183**	**468,555**	-	**215,746**	**(21,138)**	**758,346**	**80,974**	**839,320**

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CONSOLIDATED CASH FLOW STATEMENT (€ THOUSAND)

	Notes	HY1 2020	HY1 2019
Cash flow from operating activities			
Result after taxes		(24,214)	7,883
Adjustments for:			
Value movements in property	4	40.831	6.746
Net result on divestments of property	4	(50)	297
Net financing costs		8.748	11.417
Income tax		(1.967)	271
Cash flow from operating activities before changes in working capital and provisions		**23,348**	**26,614**
Movement in current assets		(11,673)	(1,902)
Movement in short-term liabilities		2,972	704
Movement in provisions		19	(307)
		14,666	**25,109**
Interest received		3	13
Interest paid		(6,938)	(7,318)
Income tax paid		(208)	(128)
Cash flow from operating activities		**7,523**	**17,676**
Cash flow from investing activities			
Property acquisitions		-	(10,813)
Capital expenditure on property		(1,175)	(1,610)
Divestments of property		-	6,922
Cash flow from property		**(1,175)**	**(5,501)**
Movement in other fixed assets		12	(25)
Cash flow from investing activities		**(1,163)**	**(5,526)**
Cash flow from financing activities			
Share buyback	10	-	(24,920)
Dividend paid	6	-	(22,984)
Dividend paid to non-controlling interests		(5,082)	(4,995)
Interest-bearing loans drawn down		24,395	181,173
Interest-bearing loans redeemed and lease obligations		(25,195)	(135,229)
Settlement of interest rate derivatives		-	(5,306)
Movements in guarantee deposits and other long-term liabilities		135	(182)
Cash flow from financing activities		**(5,747)**	**(12,443)**
Net increase/(decrease) in cash and cash equivalents		613	**(293)**
Cash and cash equivalents as at 1 January		961	1,546
Cash and cash equivalents at end of period		**1,574**	**1,253**

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1 GENERAL

Vastned Retail N.V. (hereinafter also referred to as 'the Company' or 'Vastned'), with its registered office in Amsterdam, the Netherlands, is a property company that invests sustainably in top quality retail property with a clear focus on the best retail property in popular high streets of larger European cities. Smaller investments are also made in retail assets in other cities, Belgian 'baanwinkel' shops, a number of supermarkets and in (parts of) smaller shopping centres. The property is located in the Netherlands, France, Belgium and Spain.

Vastned is registered in the trade register of the Chamber of Commerce under number 24262564.
Vastned is listed on the Euronext stock exchange in Amsterdam.
The interim financial statements of Vastned comprise the Company and its subsidiaries (jointly referred to as 'the Group').

The interim financial statements were drawn up by the Executive Board and authorised for publication by the Supervisory Board on 29 July 2020.

The financial information for the first half of 2020 and the first half of 2019 has been reviewed by Ernst & Young Auditors LLP.
The financial information as at year-end 2019 was audited by Ernst & Young Auditors LLP.

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2 PRINCIPLES APPLIED IN THE PRESENTATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

These condensed interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as endorsed by the European Union. The condensed interim financial statements do not contain all the information required for full financial statements, and therefore should be read in conjunction with the 2019 consolidated financial statements.

The principles applied in the preparation of the condensed interim financial statements are consistent with the principles set out in the annual report for the 2019 financial year, with the exception of the application of new standards and interpretations described below. In view of the specific situation during the first half of 2020 as a result of the COVID-19 pandemic, the most relevant principles applied in these statements are also included below.

Valuation of property

The COVID-19 pandemic has caused significant lower levels of transaction activity and liquidity in the (retail) property market over the past period. In view of the uncertain future impact of COVID-19 on the property market and the difficulty in separating short-term impacts and structural long-term market changes, the valuation of Vastned's property portfolio is reported as being subject to 'material valuation uncertainties' as described in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, which means that less certainty – and a greater degree of prudence – should be attached to the valuation as at 30 June 2020 than would normally be the case. For further explanation, reference is made to note 8.

Debtors and provision for expected credit losses

Debtors and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less expected credit losses. The Group employs a provisions matrix for the calculation of expected credit losses on receivables. The provision rates are based on the historical credit loss experience of the Group, corrected for forward-looking factors that are specific to the debtors and the economic environment. Due to the impact of the COVID-19 crisis the provision has been increased based on the status of the negotiations regarding past-due rent payments and the sector in which the tenants operate.

Income from operational lease contracts

In the accounting of the lease income in the case of an operating lease, the Group considers what can reasonably be expected concerning the performance and the effect of the lease contract, including the most probable lease term, partly based on specifically agreed matters and economic circumstances and incentives. The impact of the COVID-19 pandemic, including concessions granted to tenants, is accounted for in accordance with

IFRS 9, with the exception of cases in which a concession qualifies as a lease modification. In that case IFRS 16 applies. The group distinguishes the following categories:

- **Waiver of rent arrears after due date of the invoice**
  Waivers are charged to the gross rental income. The accounting and impact of these concessions granted is explained in note 5.
- **Expected uncollectability of rent receivables for which no arrangements have (as yet) been made**
  Recognition as expected credit losses through application of the simplified approach in accordance with IFRS 9, see also the principle 'Debtors and provision for expected credit losses'. The expected impact of the ongoing negotiations on receivables is recognised as an impairment and taken directly to the profit and loss account as part of the operating expenses. For further explanation, reference is made to note 9.
- **Waivers of rent in advance and/or waivers in conjunction with contract modifications**
  These concessions qualify as a lease modification under IFRS 16 and are straight-lined over the new minimum duration of the lease and deducted from the gross rental income as explained in note 5.

Other concessions granted by Vastned to its tenants (see note 9), with the exception of the fact that receivables related to this have been included in the calculation of the provision for expected credit losses, do not affect the accounting.

Going concern

During the first quarter of 2020 the rapid spreading of the COVID-19 virus and its major impact on public health has caused a crisis with global implications. The property sector is also experiencing the consequences of this crisis; landlords of retail properties are faced with retailers who, either due to government measures or otherwise, have had to close for business and as a result have found themselves in immediate financial difficulties, or expect this to happen at some point in the future. A significant number of tenants has informed Vastned even at the start of the measures issued by the government that they would not (be able to) pay the (full contracted) rent. In response, Vastned has taken the approach of making individual arrangements with tenants, taking account of all relevant facts and circumstances. The concessions Vastned has had to make to its tenants have negatively impacted its 2020 result, leading to the retraction of the forecast for the result. However, the Executive Board believes that in spite of the foregoing, the company's liquidity position for the next twelve months will be fully adequate to continue to meet its obligations and also to remain within the current covenants agreed with its lenders. The negative impact of the crisis on the valuation of Vastned's property portfolio has remained limited due to the strategic choice for the best retail properties in the most popular high streets; as a result, the company will be able to continue to comply with the solvency ratios agreed with lenders. For these ratios at the balance sheet date, reference is made to note 12. Based on these facts and considerations, the Executive Board concludes that there is no uncertainty about the Company's ability to continue as a going concern.

New or amended standards and interpretations that became effective on 1 January 2020

- Amendments to IAS 1 and IAS 8: Definition of Material

The amendments clarify the definition of material and how it should be applied by including guidelines in the definition that were previously included elsewhere in the IFRS standards. Furthermore, the notes to the definition were improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS standards. The amendments do not affect the financial results and/or position of the Group, or the presentation and/or the notes.

- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

The amendments offer temporary relief to entities that apply hedge accounting during the period of uncertainty before an existing interest benchmark is replaced by an alternative, almost risk-free interest rate, so that they can continue to apply hedge accounting. Vastned does not apply hedge accounting, so the changes do not affect the financial results and/or position of the Group, or the presentation and/or the notes.

- Amendments to IFRS 3: Definition of a Business

The amendment aims to simplify the decision as to whether an acquisition of operations and assets should be qualified as a business combination or the acquisition of a group of assets. The amendment might be relevant for future acquisitions, and in such cases it will be applied by the Group; the amendments are not expected to have any impact on the financial results and/or position of the Group, or on the presentation and/or the notes.

New or amended standards and interpretations not yet adopted by the European Union

The following standards, amended standards and interpretations that have not yet been adopted by the European Union are therefore not yet being applied by the Group:

- **IFRS 17 Insurance Contracts** (if adopted, effective for financial years starting on or after 1 January 2023)

- **Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework** (if adopted, effective for financial years starting on or after 1 January 2022)

- **Amendments to IFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9** (if adopted, effective for financial years starting on or after 1 January 2021)

- **Amendments to IFRS 16 Leases: Covid 19-Related Rent Concessions** (if adopted, effective for financial years starting on or after 1 June 2020)

- **Amendments to IFRS 17 Insurance Contracts** (if adopted, effective for financial years starting on or after 1 January 2023)

- **Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non Current** (if adopted, effective for financial years starting on or after 1 January 2023)

- **Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use** (if adopted, effective for financial years starting on or after 1 January 2022)

- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract** (if adopted, effective for financial years starting on or after 1 January 2022)

- **Improvements to IFRS Standards 2018-2020** (if adopted, effective for financial years starting on or after 1 January 2022)

The Executive Board does not expect the application in future periods of the standards mentioned above will have any material impact on the financial statements and/or the position of the Group, or on the presentation and/or the notes.

3 SCOPE OF CONSOLIDATION

The scope of consolidation has not changed in the first half of 2020.

Vastned holds a 65.5% interest in the publicly regulated property company under Belgian law Vastned Retail Belgium NV, which is listed on Euronext Brussels. The 34.5% interest in the equity and the result of this company attributable to non-controlling interests is recognised separately in the balance sheet and the profit and loss account.

Vastned has a 100% interest in and full control over all its other subsidiaries.

4 SEGMENTED INFORMATION

The segmented information is only presented based on the countries where the properties are located.

Result	Netherlands		France		Belgium		Spain		Total	
	HY1 2020	**HY1 2019**	**HY1 2020**	**HY1 2019**	**HY1 2020**	**HY1 2019**	**HY1 2020**	**HY1 2019**	**HY1 2020**	**HY1 2019**
Net rental income	12,358	13,992	6,226	6,522	7,316	9,184	1,288	1,396	27,188	31,094
Value movements in property in operation	(21,064)	(2,921)	(2,711)	2,176	(15,161)	(8,252)	(1,895)	2,251	(40,831)	(6,746)
Net result on divestments of property	-	(194)	50	50	-	(153)	-	-	50	(297)
Total net income from property	**(8,706)**	**10,877**	**3,565**	**8,748**	**(7,845)**	**779**	**(607)**	**3,647**	**(13,593)**	**24,051**
Net financing costs									(8,748)	(11,417)
General expenses									(3,840)	(4,480)
Income tax									1,967	(271)
Result after taxes									**(24,214)**	**7,883**

Property in operation:

	Netherlands		France		Belgium		Spain		Total	
	HY1 2020	HY1 2019	HY1 2020	HY1 2019	HY1 2020	HY1 2019	HY1 2020	HY1 2019	HY1 2020	HY1 2019
Property in operation Balance as at 1 January	**683,047**	**680,056**	**415,134**	**414,717**	**370,881**	**383,352**	**99,399**	**97,099**	**1,568,461**	**1,575,224**
Acquisitions	-	10,813	-	-	-	-	-	-	-	10,813
Capital expenditure	557	620	470	75	129	622	-	-	1,156	1,317
Transferred from Assets held for sale	1,575	-	-	-	-	-	-	-	1,575	-
Transferred to Assets held for sale	-	(3,535)	-	-	-	(2,500)	-	-	-	(6,035)
Divestments	-	(2,355)	-	-	-	(863)	-	-	-	(3,218)
	685,179	685,599	415,604	414,792	371,010	380,611	99,399	97,099	1,571,192	1,578,101
Value movements	(21,064)	(2,921)	(2,711)	2,176	(15,161)	(8,252)	(1,895)	2,251	(40,831)	(6,746)
Balance as at 30 June	**664,115**	**682,678**	**412,893**	**416,968**	**355,849**	**372,359**	**97,504**	**99,350**	**1,530,361**	**1,571,355**
Accrued assets in respect of lease incentives	3,147	3,833	1,395	708	614	185	336	277	5,492	5,003
Total property in operation	**667,262**	**686,511**	**414,288**	**417,676**	**356,463**	**372,544**	**97,840**	**99,627**	**1,535,853**	**1,576,358**
Lease liabilities	(2,574)	(2,572)	-	-	(775)	(873)	-	-	(3,349)	(3,445)
Appraisal value as at 30 June	**664,688**	**683,939**	**414,288**	**417,676**	**355,688**	**371,671**	**97,840**	**99,627**	**1,532,504**	**1,572,913**

5 GROSS RENTAL INCOME

The gross rental income of the first half 2020 includes waivers of rent arrears of € 2.3 million. The table below shows the impact of COVID-19 on the gross rental income in the first half of 2020:

	HY1 2020
Gross rental income before concessions	34,873
COVID-19 waivers[1]	(2,295)
Other rent concessions[2]	(12)
Gross rental income after concessions	32,566
Other incentives	(69)
Gross rental income	32,497

[1] *These concern subsequent waivers of rent arrears, not being lease modifications, that are charged to the gross rental income.*

[2] *These concern concessions that, either with or without contract modifications, have been classified as a lease modification and are therefore straight-lined over the contract duration.*

6 DIVIDEND

On 13 July 2020, the final dividend for the 2019 financial year was made payable. The dividend was € 0.85 per share in cash. The dividend distribution totalled € 14.6 million. As the dividend had not been distributed as at the balance sheet date, but the obligation to do so was created by the approval of the dividend proposal during the Annual General Meeting, this amount is included in the balance sheet as a liability.

7 FAIR VALUE

The assets and liabilities valued at fair value on the balance sheet are divided into a hierarchy of three levels:

Level 1: The fair value is determined based on published listings in an active market

Level 2: Valuation methods based on information observable in the market

Level 3: Valuation methods based on information that is not observable in the market, which has a more than significant impact on the fair value of the asset or liability.

The table below shows according to which level the assets and liabilities of the Group are valued at fair value:.

		30 June 2020		31 December 2019		30 June 2019	
	Level	**Book value**	**Fair value**	**Book value**	**Fair value**	**Book value**	**Fair value**
Assets valued at fair value							
Property							
Property in operation (including accrued assets in respect of lease incentives)	3	1,535,853	1,535,853	1,573,182	1,573,182	1,576,358	1,576,358
Assets held for sale	3	-	-	1,575	1,575	6,047	6,047
Liabilities valued at fair value							
Long-term liabilities							
Long term interest-bearing loans	2	601,170	608,325	580,427	584,046	623,345	631,094
Lease liabilities	2	3,702	6,788	3,698	4,891	3,944	4,917
Financial derivatives	2	4,738	4,738	2,678	2,678	3,515	3,515

All assets and liabilities have been valued as at the balance sheet date.

In the first half of 2020 no changes took place in the principles for the determination of the fair value. Nor were any financial assets reclassified to a different level in the first half of 2020.

The value of the Assets held for sale is determined on the basis of expected sales prices, which are based on draft contracts or letters of intent.

The fair value of the 'Long-term interest-bearing loans' and the 'Lease liabilities' is calculated as the present value of the cash flows based on the swap yield curve and credit spreads in effect at 30 June 2020.

The fair value of the derivatives is determined with reference to information from reputable financial institutions, which is also based on directly and indirectly observable market data. For verification purposes, this information is compared to internal calculations made by discounting cash flows based on the market interest rate for comparable financial derivatives on the balance sheet date. When determining the fair value of financial derivatives, the credit risk of the Group or counterparty is taken into account.

The fair value of the 'Debtors and other receivables', 'Cash and cash equivalents', 'Guarantee deposits and other long-term liabilities', 'Payable to banks', 'Redemption of long-term interest-bearing loans', 'Short-term lease liabilities' and 'Other liabilities and accruals' is considered to be equal to the carrying amount because of the short-term nature of these assets and liabilities or the fact that they are subject to a floating interest rate. For this reason, these items are not included in the table.

8 PROPERTY

All the property in operation is appraised at least once per year by independent certified appraisers. As at 30 June 2020, 96.7% of the portfolio has been appraised. These appraisals are based on assumptions including the estimated rental value of the property in operation, net rental income, future capital expenditure and the net market yield of the property. As a result, the value of the property in operation is subject to a degree of uncertainty. The actual outcomes may therefore differ from the assumptions, and this may have a positive or negative effect on the value of the property in operation and, as a consequence, on the result. Due to the strategic choice for the best retail properties in the most popular high streets, the current crisis has had a limited impact on the valuation of our property.

The COVID-19 outbreak has resulted in significant lower levels of transaction activity and liquidity in the retail property market. As at 30 June 2020 the lack of market information for comparative purposes was such that the appraisals as at 30 June 2020 are subject to 'material valuation uncertainties' as described in VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. For this reason, less certainty and a greater degree of prudence should be attached to the valuation than would normally be the case.

Our appraisers, CBRE and Cushman & Wakefield, have the largest database in Europe in the area of retail properties. They are best placed in the present appraisal market to minimise the estimation uncertainty and assign a correct value to Vastned's property portfolio.

The appraisal of the property portfolio resulted in a net yield (including transaction costs) of 4.2% (31 December 2019: 4.0%; 30 June 2019: 3.8%).

A 25 basis point increase in the net yields used in the appraisal values would result in a decrease in the value of the property in operation by € 87.9 million or 5.7% (31 December 2019: € 93.8 million or 6%) and a 271 basis points increase in the loan-to-value ratio (31 December 2019: 263 basis points). At 50 basis points this is € 166.2 million or 10.8% and a 541 basis points increase in the loan-to-value ratio.

A decrease in the market rents used in the appraisal values by € 10 per m^2 would result in a decrease in the value of the property portfolio of € 43.6 million or 2.8% (31 December 2019: € 44.8 million or 2.8%) and a 124 basis points increase in the loan-to-value ratio (31 December 2019: 122 basis points). At € 20 per m^2 this is € 87.3 million or 5.8% and a 257 basis points increase in the loan-to-value ratio.

For further information on the property portfolio please refer to the chapter Value movements in the 2020 half-year report.

9 DEBTORS AND OTHER RECEIVABLES

	30 June 2020	31 December 2019	30 June 2019
Debtors and pre-invoiced amounts	16,311	4,699	4,458
Provision for expected credit losses	(2,460)	(1,062)	(1,215)
Total	**13,851**	**3,637**	**3,243**

The total debtors and pre-invoiced amounts, after deduction of the provision for expected credit losses, can be broken down as follows by the nature of the receivable:

Accounts receivable and other receivables	Gross amounts	Provision for expected credit losses	Net amounts
Accounts receivable unrelated to COVID-19	1,505	(1,228)	277
Accounts receivable related to COVID-19	5,014	(1,174)	3,840
Accounts receivable for which the debtor has been granted a deferred payment due to COVID-19	882	(58)	824
Pre-invoiced rent	8,287	-	8,287
Other receivables	623	-	623
Total	**16,311**	**(2,460)**	**13,851**

Any rent due must be contractually paid by the tenants before or on the first day of the rental period. In connection with the COVID-19 pandemic it has been agreed in a number of cases with tenants that, due to the unusual circumstances, they may pay the rent owed more spreadly (monthly instead of quarterly), or that payment may take place at a later date, or a combination of these two. No interest is charged on the outstanding rent receivables. The Group determines the provision for expected credit losses by applying the simplified approach in accordance with IRFS 9. Expected credit losses on rent receivables are estimated by means of a provisions matrix based on the debtors' past payment behaviour, based on an analysis by country, in conjunction with an analysis of the debtors' current financial position corrected for factors that are specific to the debtors, the status of the negotiations regarding rent payments that are past due, the economic circumstances of the industry in which the debtors are active and an assessment of both the current and the expected circumstances on the balance sheet date. The allocation to the provision for expected credit losses in the first half of 2020 was € 1.4 million.

10 SHARE BUYBACK

The share buyback programme started on 19 October 2018 and was concluded in the first half of 2019. During this period a total of 1,034,824 shares were purchased for a total € 34.7 million. The repurchased shares will be held as treasury shares. In the first half of 2019, 742,616 shares were repurchased; in the first half of 2020 no shares were purchased.

11 PROVISIONS IN RESPECT OF EMPLOYEE BENEFITS

As a result of the movement in the discount rate in the first half of 2020, the defined benefit pension obligation was recalculated, in line with the first half of 2019. This has resulted in a decrease of the defined benefit pension obligation of € 0.3 million (first half 2019: € 0.9 million increase).

12 INTEREST-BEARING DEBTS

	30 June 2020	31 December 2019	30 June 2019
Long-term liabilities			
Unsecured loans	601,170	580,427	623,345
Lease liabilities	3,702	3,698	3,944
	604,872	**584,125**	**627,289**
Short-term liabilities			
Payable to banks	12,143	8,283	14,715
Redemption long-term interest bearing loans	37,489	62,470	25,000
Lease liabilities	139	320	240
	49,771	**71,073**	**39,955**
Total	**654,643**	**655,198**	**667,244**

In the first half of 2020 Vastned has not drawn new financing. A loan of € 25.0 million that matured in January 2020 was redeemed from the credit available within the Syndicated Facility.
Redemptions during the first half of 2020 totalled € 25 million.

Due to the fact that the holders of the convertible bond loan have not made use of their conversion right and the loan has been redeemed, the equity component of € 4.1 million has been transferred from the share premium reserve to the other reserves.

At 30 June 2020, the solvency ratio, calculated by taking equity plus the provision for deferred tax liabilities divided by the balance sheet total, was 54.7% (31 December 2019: 56.6%; 30 June 2019: 55.9%), which is within the solvency ratios of at least 45% as agreed with the lenders.

The interest coverage ratio for the first half of 2020 was 4.1 (2019: 4.2; first half 2019: 4.0) (calculated by taking net rental income and dividing it by net financing costs (excluding value movements in financial derivatives)), which was well above the 2.0 ratio agreed with lenders.

In the event that the limits of the solvency rates and interest coverage rates agreed with the lenders are not met, this constitutes an 'event of default'; in this case the lenders are entitled to terminate the credit agreements.

INTEREST RATE SENSITIVITY

As at 30 June 2020, the impact on the interest expense of a hypothetical 100-basis-point increase in interest rates - all other factors remaining equal - would be € 0.3 million negative (31 December 2019: € 0.3 million negative). Should interest rates increase by 200 basis points as at this date - all other factors remaining equal - the impact on the interest expense would be € 1.9 million negative (31 December 2019: € 1.6 million negative). As several loans contain a clause stipulating that the interest rate may not be negative, a 50-basis-point decrease in interest rates would have a negative impact on the interest expense. The impact referred to has been calculated on an annual basis, taking into account the financial derivatives entered into.

For further information about interest-bearing debts reference is made to the chapter Financing structure in the 2020 half-year report.

13 FINANCIAL DERIVATIVES

As a result of the lower market interest rate the value movements of the interest rate derivatives were € 2.1 million negative (2019: € 3.8 million negative).

For further information about the financial derivatives reference is made to the chapter Financing structure in the 2020 half-year report.

14 RIGHTS AND OBLIGATIONS NOT RECORDED IN THE BALANCE SHEET

In the past companies have been acquired that owned property. These acquisitions were recognised as a takeover of assets. The provisions for deferred tax liabilities not recorded in the balance sheet total € 12.8 million.

In 2016, Vastned Projecten, a subsidiary of Vastned, sold the company Vastned Lusitania Investimentos Imobiliários, S.A. (Lusitania), the owner of the property located in Portugal, to Prowinko Portugal S.A. In addition to the guarantees customary in such transactions, indemnities were also provided to the buyer for some amounts not paid to the owners' associations by Lusitania and for some tax positions. As the parent company, Vastned Retail has stood as guarantor to the parent companies of the buyer for the payment obligations of Vastned Projecten under this purchase agreement. The customary guarantees and the indemnification for the amounts not paid to the owners' associations by Lusitania expired in 2019 without the buyer having invoked them. The tax guarantees and indemnifications will expire upon expiry of the statutory periods for additional assessments for the particular year. The longest running term still outstanding concerns the 2016 calendar year, which will expire on 31 December 2020. Vastned does not expect any effect to be significant.

In 2017, Vastned transferred all shares in the company Vastned Emlak Yatırım ve İnşaat Ticaret A.Ş., owner of the property located in Istanbul, Turkey, to a group of local private investors. The guarantees customary in such transactions were given to the buyer. The customary guarantees expired in 2018 without the buyer having invoked them. The tax indemnifications will expire upon expiry of the statutory periods for additional assessments for the particular year. The longest running term still outstanding concerns the 2017 calendar year, which will expire on 31 December 2022. Vastned does not expect any effect to be significant.

15 EVENTS AFTER BALANCE SHEET DATE

Of the total amount in debtors and other receivables of € 16.3 million as disclosed in note 9, Vastned had received € 7.2 million in payments in the period from 1 July 2020 up to and including 24 July 2020, and granted waivers for another € 0.6 million. The € 7.2 million in payments can be broken down into € 2.4 million relating to HY1 2020 and € 4.8 million relating to HY2 2020. As at 24 July 2020 the rent collection had reached 84%.

16 RELATED PARTY TRANSACTIONS

Apart from the topics described below, no material changes have occurred in the first half of 2020 in the nature, scope or size of the transactions with related parties compared to what is stated in the notes to the 2019 financial statements.
During the first half of 2020, none of the members of the Supervisory Board and Executive Board of Vastned had any personal interest in Vastned's investments. To Vastned's best knowledge, no property transactions were affected during the period under review involving persons or institutions that could be regarded as related parties.

Interests of major investors

At the time of writing of this half-year report the Netherlands Authority for the Financial Markets (AFM) had received the following notifications from shareholders holding an interest in Vastned of three percent or more:

Van Herk Investments B.V.	24.98%
BlackRock, Inc.	4.54%
Tikehau Capital Advisors SAS	3.05%
Société Fédérale de Participations et d'Investissement (SFPI)	3.02%
Welgelegen Beheer BV	3.00%

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REVIEW REPORT

To: the shareholders and supervisory board of Vastned Retail N.V.

Our conclusion
We have reviewed the condensed half-year financial statements included in the accompanying half-year report 2020 of Vastned Retail N.V. based in Amsterdam for the period from 1 January 2020 to 30 June 2020.

Based on our review, nothing has come to our attention that causes us to believe that the condensed half-year financial statements of Vastned Retail NV. for the period from 1 January 2020 to 30 June 2020, are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

The condensed half-year financial statements comprise:

- The consolidated balance sheet as at 30 June 2020
- The following consolidated statements for the period from 1 January 2020 to 30 June 2020: the profit and loss account and the statements of comprehensive income, movements in equity and the cash flow statement
- The notes comprising of a summary of the significant accounting policies and selected explanatory information.

Basis for our conclusion
We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed half-year financial statements section of our report.

We are independent of Vastned Retail N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion..

Emphasis of matter relating to uncertainty about Corona
The developments around the Corona (Covid-19) pandemic have a profound impact on people, our society and on the economy. This impacts operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The impact may continue to evolve, giving rise to complexity and inherent uncertainty. Vastned Retail N.V. is confronted with this uncertainty as well. The condensed half-year financial statements and our review report thereon reflect the conditions at the time of preparation, including the uncertainty and the impact on significant assumptions and estimations, that are disclosed in the selected notes in the condensed half-year financial statements under 'Valuation of Property', 'Debtors and provision for expected credit losses' and in the 'going concern' section. We draw attention to these disclosures.

Our conclusion is not modified in respect of this matter.

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Responsibilities of the board of directors and the supervisory board for the condensed half-year financial statements

The board of directors is responsible for the preparation and presentation of the condensed half-year financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the condensed half-year financial statements that are free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the review of the condensed half-year financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the company and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed half-year financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial information
- Making inquiries of the board of directors and others within the company
- Applying analytical procedures with respect to information included in the condensed half-year financial statements
- Obtaining assurance evidence that the condensed half-year financial statements agree with, or reconcile to, the company's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether the board of directors has identified all events that may require adjustment to or disclosure in the condensed half-year financial statements
- Considering whether the condensed half-year financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Utrecht, 29 July 2020

Ernst & Young Accountants LLP

Signed by W.H. Kerst