

# TRADING UPDATE 9M 2020

*Solid operating results in challenging conditions*

## Highlights

- Solid operating results in 9M 2020 due to high stable occupancy rate
- Occupancy rate of portfolio stable at 97.5% as at 30 September 2020
- 21 new leases signed in Q3 2020, with minor 1.8% rent decrease
- Collection rate raised further from 84% in HY1 2020 to 88% on 30 September 2020 for 9M 2020 due to tailored arrangements with tenants
- Non-strategic assets in the Netherlands sold for € 1.4 million, € 0.2 million above book value
- Forecast for direct result 2020 of € 1.70 - € 1.85 per share confirmed in spite of the government stepping up COVID-19 measures
- Dividend proposal 2020 to be announced at the publication of annual results 2020 in February 2021
- Strategy update in February 2021

**Amsterdam, 27 October 2020 – Vastned, the listed European retail property company focusing on 'venues for premium shopping', announces solid operating results for the first nine months of 2020, with a stable high occupancy rate. In spite of the government stepping up measures to contain COVID-19 in October 2020 and the consequent ongoing uncertainty, Vastned confirms its forecast for the 2020 direct result of € 1.70 - € 1.85 per share.**

Taco de Groot, Vastned CEO: *'Our portfolio showed solid results in the first nine months of 2020 in spite of very challenging market conditions. The unchanged high occupancy rate of 97.5% is evidence of the high quality of the property portfolio. In addition, the collection rate in the first nine months of 2020 was raised further compared to the half-year results, to 88%. In October 2020 the government measures in connection with COVID-19 were stepped up further in the countries where Vastned operates. Vastned's tailored arrangements with tenants since the start of the COVID-19 outbreak remain in place. The number of bankruptcies in the portfolio is small, but in our Q4 2020 outlook we do take into account that this number may start to rise. The company continues to focus on maintaining the high occupancy rate and on cost control. In spite of the increased government measures we confirm our forecast for the direct result of € 1.70 - € 1.85 per share for 2020. In view of the ongoing uncertainty, Vastned will announce the dividend proposal in February 2021 at the publication of the annual results of 2020.*

*On 1 December 2020, I will step down as CEO and at the request of the Supervisory Board our CFO, Reinier Walta, will take over my duties as interim CEO until a successor is appointed. Over the past nine years Vastned has realised the transition to a high street property fund. With a strategy focusing on improving the quality of the property Vastned has succeeded in achieving both stable and predictable long-term results. The COVID-19 outbreak has accelerated the developments in the retail landscape that Vastned has been focusing on since 2011. For this reason, the strategy update has been brought forward. As announced previously, the update will be announced in February 2021 at the publication of the 2020 annual results. This makes it a logical time for me to step down. I would like to thank you for the trust you have placed in me and I am proud of the high quality of the property portfolio that has been achieved through the efforts of my valued colleagues.'*

## NOTES TO THE PROPERTY PORTFOLIO

**Occupancy rate**

In the third quarter of 2020 the occupancy rate remained stable at 97.5% compared to 97.4% as at the end of June. In the Netherlands the occupancy rate rose slightly as the result of a new temporary lease for a pop-up store at Leidsestraat 60-62 in Amsterdam, while the occupancy rate in Belgium fell slightly due to the departure of Celio in Tielt-Winge. In France and Spain the portfolio remained fully let in Q3 2020.

Occupancy rate (%)	30 September 2020	30 June 2020
Netherlands	96.2	96.0
France	99.8	99.8
Belgium	97.4	97.5
Spain	100.0	100.0
<b>Total</b>	<b>97.5</b>	<b>97.4</b>

**Leasing activity**

In Q3 2020, Vastned concluded 21 leases for a total amount of € 3.1 million, or 4.2% of the total theoretical rent. Most leases were concluded after renegotiation of existing leases due to the COVID-19 crisis. The rent decrease of these new leases in Q3 2020 was 1.8%, which was mainly caused by renegotiation of the rent with Giorgio Armani in Antwerp, Naf Naf in Waver and The New Kase in Lille. Long-term leases were agreed with these parties.

Over 2020, Vastned concluded new 59 leases for a total amount of € 8.3 million, or 11.1% of the total theoretical rent. The rent decrease on these new leases in 2020 was 2.7%.

Leasing activity	9M 2020
Number of leases	59
Rental income (€ million)	8.3
% of total theoretical rent	11.1
Rental change (€ million)	-0.2
% rental change	-2.7

**Acquisitions and divestments**

In Q3 2020 Vastned sold two non-strategic assets at Veestraat 1 and Veestraat 39 in Helmond for € 1.4 million in total, € 0.2 million above book value. No acquisitions were made in Q3 2020.

## PRESS RELEASE

**ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES**

As at 30 September 2020, Vastned had a total accounts receivable position of € 14.1 million (30 June 2020: € 16.3 million), of which € 2.3 million was provisioned for (end of HY1 2020: € 2.5 million). An amount of € 8.8 million is related to pre-invoiced rent for Q4 2020. 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:

<b>Accounts receivable and other receivables (€ million)</b>	<b>Outstanding</b>	<b>Provision for expected credit losses</b>	<b>Total</b>
Accounts receivable unrelated to COVID-19	1.5	(1.2)	0.3
Accounts receivable related to COVID-19	2.7	(1.0)	1.7
Accounts receivable for which a deferment has been granted in the context of COVID-19	0.7	(0.1)	0.6
Pre-invoiced rent	8.8	-	8.8
Other receivables	0.4	-	0.4
<b>Total</b>	<b>14.1</b>	<b>(2.3)</b>	<b>11.8</b>

Part of the 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 a bankruptcy has not been fully settled. This concerns accounts receivable not related to COVID-19.

**FINANCING STRUCTURE**

In October 2020, after the end of Q3, Vastned repaid the remaining part of a € 37.5 million private placement to Pricoa Capital Group, which was financed from the unused credit facility.

**COVID-19**

During Q3 2020, the lockdowns were lifted in all the countries where Vastned is active. In these months Vastned saw the number of footfalls increase in the streets where its property is located. The number of tourists visiting these historic city centres had not returned to the usual level, however.

In October 2020, the government measures were stepped up again in the countries where Vastned operates. Vastned's tailored arrangements with tenants since the start of the COVID-19 outbreak and the introduction of government measures remain in place.

The collection rate for 9M 2020 was 88% as at 30 September. In the calculation of this collection rate all amounts received have been set off against all amounts invoiced in the first nine months of 2020; rent waivers and deferred amounts have not been deducted from the invoiced amounts.

In Q3 2020, rent waivers totalled € 1.1 million. This brings the total amount in rent waivers in the first nine months of 2020 to € 3.4 million excluding VAT. This total has been deducted directly and fully from the gross rental income in the first nine months of 2020.

### 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 therefore has 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 takes 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 strategy update will be revealed in February 2021 at the publication of the 2020 annual figures.

### EVENTS AFTER BALANCE SHEET DATE

In October 2020, Vastned concluded a sales agreement for a non-strategic retail park located in Schaarbeek, Belgium. The sales price will be € 8.2 million in total, € 1.5 million above book value.

### OUTLOOK 2020

For our 2020 outlook, we are assuming there will not be any more nationwide lockdowns in Q4, 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 a rise in Q4 2020 is being taken into account.

In spite of the government stepping up its measures in October 2020, Vastned confirms its forecast for the direct result of € 1.70 - € 1.85 per share for 2020. The range for the direct result forecast is greater than usual due to the increased uncertainty in Q4 2020.

In view of the ongoing uncertainty Vastned will not yet announce a dividend proposal for 2020, but will publish this along with the annual results for 2020 in February 2021.

### FINANCIAL CALENDAR

10 February 2021	after trading	Publication annual results 2020
4 March 2021	before trading	Publication Annual Report 2020
15 April 2021		Annual General Meeting of shareholders
4 May 2021	after trading	Q1 trading update 2021
28 July 2021	after trading	Half-year results 2021
26 October 2021	after trading	9M trading update 2021

**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  
remco.vergeer@vastned.com  
Tel: +31 20 2424 368