

TRADING UPDATE 9M 2019

Result 2019 remains solid; occupancy rate of portfolio up sharply from 93.1% to 97.2% as at 30 September 2019

Key points 9M 2019

- Lease concluded with JD Sports for Rue de Rivoli 118-120 in Paris
- Rent decrease on new leases, mainly due to new lease with JD at competitive rent level, but without capex obligations for Vastned
- Occupancy rate of portfolio up sharply from 93.1% to 97.2% as at 30 September 2019
- Clusters in Amsterdam expanded by € 13.2 million; non-strategic properties in the Netherlands and Belgium sold for € 8.3 million
- Estimated 2019 direct result at lower end of guidance range of € 2.00 - € 2.10 per share
- Expected dividend proposal for 2019 € 2.05 per share in total

Amsterdam, 29 October 2019 – Vastned, the listed European retail property company focusing on ‘venues for premium shopping’, today publishes its trading update on the first nine months of 2019.

Taco de Groot, Vastned CEO: ‘Our portfolio showed solid results in the first nine months of 2019 in spite of challenging market conditions. Due to the high quality of our portfolio and the efforts of our employees we have succeeded in attracting successful tenants such as Skechers and JD Sports for our retail properties in Paris, and we have also renewed leases with H&M, Zara and Armani in Belgium. We are clearly seeing the strength of the good locations of our retail properties in lettings and despite lower rent levels for some properties we are positive about the future; we expect to continue to be able to generate stable and predictable results for our shareholders.

In line with our strategy, our focus in the remaining months of this year will be on maintaining the high occupancy rate and on further optimising the portfolio. We maintain our estimate that the 2019 direct result will be at the lower end of the previously announced guidance range of between € 2.00 and € 2.10 per share.’

NOTES TO THE PROPERTY PORTFOLIO

Occupancy rate

In the third quarter of 2019, the occupancy rate rose sharply from 93.1% at the end of June 2019 to 97.2% at the end of September 2019. The biggest new lease was with JD Sports for Rue de Rivoli 118-120 in Paris, which will take effect in January 2020. Compared to year-end 2018 the occupancy rate was 140 basis points lower, mainly due to the bankruptcy of a number of retailers in the Netherlands and Belgium earlier this year. Vastned is in discussions with several interested potential tenants for these vacated retail properties.

Occupancy rate (%)	30 September 2019	30 June 2019	31 March 2019	31 December 2018
Netherlands	95.7	96.2	98.1	98.5
France	99.8	81.9	82.0	99.2
Belgium	97.4	95.7	96.6	98.0
Spain	100.0	100.0	100.0	100.0
Total	97.2	93.1	94.2	98.6

Leasing activity

In the first nine months of 2019, Vastned concluded 58 leases for € 10.1 million in total, or 13.7% of the theoretical total annual gross rental income. The new lease with JD Sports in Paris has been signed, and other new leases were concluded with Skechers in Paris, Jysk in Tielt-Winge, Du Pareil Au Même in Bordeaux, Starbucks and Marie Sixtine in Lille and with Jumbo Supermarkets for an expansion in Tilburg. Furthermore, leases were renewed with H&M in Ghent, Zara in Brussels, Armani in Antwerp, UGG in Paris, Massimo Dutti in Bruges, Mango and Coffeecompany in Utrecht and Repetto in Bordeaux.

The rental change on the leases concluded was € 1.8 million negative (15.0% decrease). The decrease was due mainly to the new lease with JD Sports in Paris and to the renewed leases with H&M, Zara, Armani and Massimo Dutti in Belgium, which were all concluded at competitive conditions. The new lease with JD Sports will take effect in January 2020 and was concluded at competitive conditions, whereby JD Sports will take on the capital investments in the shop. JD Sports will pay a lower rent compared to H&M since the retail property was overrented due to the long lease period of over 20 years and associated indexations.

Leasing activity 9M 2019

	Number of leases	Rental income (€ million)	Rental change (€ million)
Total excl. JD Sports	57	8.1	(0.7)
JD Sports	1	2.0	(1.1)
Total incl. JD Sports	58	10.1	(1.8)

Acquisitions

In the first six months of 2019, Vastned expanded its Amsterdam clusters with the following three acquisitions for a total amount of € 13.2 million: Ferdinand Bolstraat 85/1e Jan Steenstraat 89, Keizersgracht 233 and Nes 67/Sint Barberenstraat 4.



Divestments

In order to further lower the risk profile of the portfolio Vastned has sold the following non-strategic properties for € 8.3 million in total: Wouwsestraat 48 in Bergen op Zoom, Breestraat 65-69 and Nieuwstraat 9-11 in Beverwijk, Steenstraat 110/d'n Entrepot 3 and Hoogkooypassage 14-18 and 22 in Boxmeer, Stationsstraat 18-20 in Boxtel, Lange Bisschopstraat 34 and 50 in Deventer, In de Cramer 140 in Heerlen, Hoofdstraat 25 in Veenendaal and Rue Pont d'Île 35 in Luik.

FINANCING

In HY1 2019, Vastned settled part of its derivatives portfolio for an amount of € 135 million at its market value of € 5.3 million negative; new interest rate derivatives were then concluded for an amount of € 150 million based on the current market interest rate.

On 17 January 2019, Vastned placed a € 50.0 million long-term bond loan with Pricoa Capital Group. The new loan was used to refinance existing loans, including the convertible bond loan that was redeemed in April 2019.

On 30 September 2019, Vastned placed a new € 40.0 million loan with Barings. The new loan has a 5-year duration at a coupon of 1.71%, and will be used to refinance existing loans.

SHARE BUYBACK PROGRAMME

On 19 October 2018, Vastned started a share buyback programme of € 40 million maximum which, after extension, ran through to 17 April 2019. In the course of this programme Vastned repurchased 1.0 million shares in 2018 and 2019 for a total of € 34.7 million. The purchased shares will be held as treasury shares.

EVENTS AFTER BALANCE SHEET DATE

In October 2019, Vastned sold the non-strategic properties Rue des Français 393 in Ans, Lange Kerkstraat 9 in Goes and Arendstraat 9-13 in Oosterhout for € 3.8 million in total.

OUTLOOK 2019

Vastned continues to monitor market developments closely, given ongoing transition in the retail landscape and the limited investment opportunities. Vastned will continue its strategy, and will keep focusing on the best retail properties in the best locations of larger European cities.

Vastned expects a direct result for 2019 at the lower end of the guidance range of € 2.00 - € 2.10 per share. The stable and predictable long-term results of the portfolio in conjunction with potential growth of the direct result give Vastned cause to propose a dividend for 2019 of € 2.05 in total.

FINANCIAL CALENDAR 2020

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

ABOUT VASTNED

Vastned is a listed European retail property company (Euronext Amsterdam: VASTN) focusing on 'venues for premium shopping'. Vastned invests in selected cities in Europe with a clear focus on the best retail property in the most popular high streets in the bigger cities. Vastned's tenants are strong and leading international and national retail brands. The property portfolio had a size of approximately € 1.6 billion as at 30 September 2019.

Further information:

Ronald Beemsterboer, Investor Relations Manager
+31 20 2424 368