Interim statement of the Board of Directors for the period 01.01.2020 to 30.09.2020

- Final agreements were concluded with over 95% of the lessees affected by the lockdown.
- Occupancy rate during the third quarter (97.3%) remained stable compared to 30 June 2020.
- Limited decrease in the fair value of the existing real estate portfolio[1] (-0.7%) compared to the first semester of 2020.
- €20.2 million of unused credit facilities available.
- Further decrease in the debt ratio (-0.7%) compared to the first semester of 2020, which means that the debt ratio is now 30.9%.
- Expected EPRA earnings[2] of € 2.35 - € 2.45 per share for financial year 2020.
- In October 2020, a sales agreement was concluded for the sale of a non-strategic retail park located in Schaarbeek with a capital gain of €1.5 million. This capital gain has not yet been recognized in the results for the first nine months of the financial year.
- Management's focus in 2020 primarily on timely collection of rents and maintaining the high occupancy rate for the portfolio.
- Nomination of Reinier Walta to strategic CEO ad interim, taking over the tasks of the strategic CEO within the executive committee, as of 1 December 2020.

1 With unchanged composition of the real estate portfolio compared with 31 December 2019.
2 In accordance with the guidelines issued by the European Securities and Market Authority (ESMA), which have been applicable since 3 July 2016, the Alternative Performance Measures (APM) used by Vastned Retail Belgium are now included. The definitions and use of the APMs, as well as the reconciliation tables, are set out in the chapter "Alternative Performance Measures" of the Annual Report 2019 and a separate Lexicon regarding these APMs is available on the website www.vastned.be.

1. Operational activities in the third quarter of 2020

COVID-19 Update

As already indicated in the interim management report of 2020, Belgium is being hit by the COVID-19 pandemic. Combating this pandemic requires far-reaching measures that are taken by the government. One of the measures concerned the closure of non-essential shops as from 13 March 2020, which was lifted on Monday 11 May 2020.

Throughout the summer, multiple-person shopping was once again permitted, which had a positive impact on the number of visitors that retailers had in shopping cities.

Since the reopening of the shops, Vastned Retail Belgium has entered into dialogue with all its affected lessees and has reached with 95% of these affected lessees a final agreement regarding the rent owed during the lockdown period. It was agreed with most lessees that one month's rent would be waived.

For Vastned Retail Belgium, this waiver of unpaid rent amounted €1.2 million.

In addition, a repayment plan was concluded with a limited number of tenants. These tenants accurately follow the proposed repayment plan.

Vastned Retail Belgium is confident that reaching agreements with the lessees about waivers of unpaid rent contributed to a restart of retail activities after the lockdown period. This is reflected in the rental income for the third quarter, which is again in line with the rental income before 13 March 2020. Management's focus on timely collection of rent resulted in a collection rate[3] (excluding waivers of unpaid rent that have been granted) of 97.3% for the first 9 months of 2020. Finally, the occupancy rate (97.3%) remains in line with the occupancy rate as at 30 June 2020.

Graanmarkt - Antwerp

3 Calculation on 20 October 2020.

Rental activities

Rental activity was limited in the third quarter of 2020.

Vastned Retail Belgium realised three rental transactions in the third quarter, representing approximately 0.2% of the total rental income.

This concerns three rental transactions concluded with new tenants, of which one was the lease of an empty commercial unit and two rental transaction were the lease of residential units.

Composition and evolution of the real estate portfolio on and after 30 September 2020

As at 30 September 2020, the majority of the real estate portfolio consisted of high-quality inner-city real estate located in the cities of Antwerp, Brussels, Ghent and Bruges and state-of-the-art retail parks.

During the first semester of 2020, Vastned Retail Belgium signed a commitment to purchase/sell one retail property under the suspensive condition of granting the required permit. This commitment concerns a stand-alone retail warehouse in Leopoldsburg. The suspensive condition has not yet been met at the end of the third quarter.

On 12 October 2020, Vastned Retail Belgium concluded a sales agreement for the sale of a non-strategic retail park located in Schaarbeek. This sale is made for an amount of €8.2 million. Vastned Retail Belgium achieves a capital gain of €1.5 million on this transaction. As at 30 September 2020, this result was not yet incorporated in the changes in the fair value of investment properties.

Investment properties

REAL ESTATE PORTFOLIO	30.09.2020	31.12.2019
Fair value of investment properties (€ 000)	344,191	360,752
Total leasable space (m²)	**85,915**	**85,915**

As at 30 September 2020, the fair value of the investment properties amounted to €344.2 million, which is a decrease of the fair value by €16.5 million compared to 31 December 2019 (€360.7 million as at 31 December 2019). Of this decrease, €14.1 million was already recognised in the first semester of 2020, limiting the effect of the third quarter to €2.6 million (excluding €0.2 million investments). The capital gain of €1.5 million on the sale of a non-strategic retail park has not yet been recognised in the third quarter.

This decrease, mainly incorporated in the first semester of 2020, is the result of a decrease of the estimated rental values for all future periods on the one hand and a yield adjustment on the other hand. The yield adjustment is due to the reduced activity in the retail property market as a result of the COVID-19 pandemic and the negative reports on retailers that have hit hard times.

Occupancy rate[4]

OCCUPANCY RATE (EXCLUDING BUILDINGS UNDERGOING RENOVATION)	30.09.2020	31.12.2019
Occupancy rate of the real estate portfolio	**97.3%**	**98.8%**

The occupancy rate of the real estate portfolio amounted to 97.3% as at 30 September 2020 and remains stable compared to 30 June 2020.

2. Financial results for the first three quarters of 2020

Consolidated income statement

IN THOUSANDS €	30.09.2020	30.09.2019
Rental income	12,787	14,517
Rental-related expenses	-141	-5
Property management costs and income	64	41
PROPERTY RESULT	**12,710**	**14,553**
Property charges	-1,446	-1,221
General costs and other operating income and costs	-939	-920
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**10,325**	**12,412**
Result on disposal of investment properties	0	-154
Changes in fair value of investment properties	-16,792	-8,823
Other result on portfolio	-515	35
OPERATING RESULT	**-6,982**	**3,470**
Financial result (excl. changes in fair value of financial instruments)	-1,257	-1,336
Changes in fair value of financial instruments	222	-588
Taxes	3	-30
NET RESULT	**-8,014**	**1,516**
Note:		
EPRA earnings	9,085	11,045
Result on portfolio	-17,307	-8,942
Changes in fair value of financial instruments and other non-distributable elements	208	-587

4 The occupancy rate is calculated as the ratio between the rental income and the sum of this income and the estimated rental income of unoccupied rental premises.

Analysis of the results[5]

The **rental income** of Vastned Retail Belgium amounted to €12.8 million (€14.5 million) in the first nine months of 2020 and has therefore decreased compared to the same period last year. This decrease is, on the one hand, due to the rent arrears that have already been waived as a result of the COVID-19 pandemic and, on the other hand, due to the disposal of one non-strategic retail park at the end of October 2019.

Rental-related expenses amounted to €0.1 million and are fully attributable to the provision for estimated credit losses on outstanding lease receivables as at 30 September 2020. This provision concerns an estimate of potential waivers still to be granted or possible bankruptcies.

The **property charges** amount to €1.4 million (€1.2 million) and have increased by €0.2 million. This change is the combined effect of an increase in technical costs (€0.3 million) and a decrease in commercial costs (€-0.1 million). Note that all budgeted maintenance works for 2020 were largely carried out in the first nine months of this financial year.

The **general costs and other operating income and costs** amount to €0.9 million (€0.9 million) and are in line with the same period last year.

The fair value of the real estate portfolio decreased in the first nine months of 2020. The **changes in the fair value of investment properties** are negative and amount to €-16.8 million (€-8.8 million). This decrease is entirely attributable to the decrease in the fair value of the existing real estate portfolio, as a result of a decrease in estimated rental values and an increase in the capitalisation rate. The further decrease compared to the first semester of 2020 remains limited to €-2.6 million. Taking into account the capital gain of €1.5 million on the property in Schaarbeek, the decrease would have been limited to €-1.1 million in the third quarter.

The **financial result** (excluding changes in the fair value of financial instruments) for the first nine months of 2020 amounted to €-1.3 million (€-1.3 million) and is thus fully in line with the same period last year. The average interest rate for financing amounts to 1.6%, including bank margins for the first nine months of 2020 (1.7%).

The **changes in the fair value of financial instruments** for the first nine months of 2020 include a further decrease in the negative market value of the interest rate swaps that cannot be classified as cash flow hedging instruments, in accordance with IFRS 9 '*Financial Instruments*'. This decrease amounts to €0.2 million (€-0.6 million).

The **net result** of Vastned Retail Belgium for the first nine months of 2020 amounts to €-8.0 million (€1.5 million) and may be divided into:

- the EPRA earnings of €9.1 million (€11.0 million) or a decrease of €1.9 million, mainly due to:
  - a decrease of €1.2 million in net rental income that can be explained by rent waivers as a result of COVID-19;
  - a decrease of €0.2 million in net rental income due to the sale of non-strategic retail properties;
  - a provision for doubtful debts under IFRS 9 of €0.1 million; and
  - an increase of €0.2 million in property charges.
- results on the portfolio of €-17.3 million (€-8.9 million);
- changes in the fair value of financial instruments and other non-distributable elements for the amount of €0.2 million (€-0.6 million).

The EPRA earnings per share amount to €1.79 for the first nine months of 2020 compared to €2.17 for the same period last year. As at 30 June 2020, the EPRA earnings per share amounted to €1.09.

The significant increase in the EPRA earnings per share in the third quarter (compared to 30 June 2020) is the result of a stable occupancy rate, a good collection rate of rental income and no additional COVID-19 rent waivers.

5 Figures between brackets are comparable figures as at 30 September 2019.

Key figures per share

KEY FIGURES PER SHARE	30.09.2020	31.12.2019	30.09.2019
Number of shares entitled to dividend	5,078,525	5,078,525	5,078,525
Net result (9 months/1year/9 months) (€)	-1.58	0.85	0.30
EPRA earnings (9 months/1year/9 months) (€)	1.79	2.90	2.17
Net value (fair value) (€)	46.38	50.86	50.31
Net value (investment value) (€)	48.22	52.78	52.23
Share price on closing date (€)	20.50	44.70	44.80
Premium (+) / Discount (-) with regard to fair net value (%)	-55.8%	-12.1%	-11.0%

As at 30 September 2020, the net value (fair value) of a share was €46.38 (€50.86 as at 31 December 2019). Given that the share price of Vastned Retail Belgium (VASTB) on 30 September 2020 amounted to €20.50, the share was on that date quoted at a discount of 55.8% compared to the net value (fair value).

The debt ratio of Vastned Retail Belgium amounted to 30.9% as at 30 September 2020 and has thus increased by 3.0% in the first nine months of 2019 (27.9% as at 31 December 2019). The increase in debt ratio is the result of a decrease in the fair value of the real estate portfolio.

Compared to 30 June 2020, the net value (fair value) of the share increased by €0.18 and the debt ratio decreased by -0.7% due to the stable occupancy rate, timely collection of rental income and no additional COVID-19 rent waivers.

Vastned Retail Belgium had a stable financial structure as at 30 September 2020, allowing it to continue to carry out its activities in 2020. There are no credit lines maturing within the year, which means that the company does not need to refinance its credit lines.

The financial structure can be summarised as follows:

- Amount of withdrawn financial debts: €104.8 million (excluding the market value of financial derivatives);
- 92% of the credit lines are long-term financing with an average remaining term of 3.7 years.
- 20.2 million of unused credit facilities available.

3. Corporate Governance

The Board of Directors of Vastned Retail Belgium nominates Reinier Walta as strategic CEO ad interim, as of 1 December 2020.

In addition, Reinier Walta will, ad interim, take over the tasks of the strategic CEO within the executive committee, as of 1 December 2020 and subject to approval of the Financial Services and Market Authority (FSMA).

4. Outlook for 2020

The most important event this year is undoubtedly the outbreak of the COVID-19 pandemic, which led to a closure of shops for a period of two months. The COVID-19 pandemic stimulated several retailers to accelerate the further digitisation of their sales in the short term. Retailers are not only opting for delivery by post, but also opt for a model in which customers place an order online that can picked up at the shop of their choice within a specified period of time. This model allows clear integration of online shopping with the physical shopping experience. In most cases, customers also buy items they see in shops.

Conversely, some online retailers open physical shops in prime locations. Recently, Coolblue opened a physical shop in the central shopping district in Brussels. This once again confirms the synergy between physical shops and online shopping.

Following the loosening of measures announced by the Belgian National Security Council, and more specifically allowing multiple-person shopping again, the number of visitors in the high streets has started to rise. However the shadow of COVID-19 still hangs over our economy and more specifically over the retail sector, partly because tourism is falling short.

Except for unexpected changes, such as large-scale bankruptcies of tenants, unforeseen increases in interest rates or new measures to combat the COVID-19 pandemic, Vastned Retail Belgium expects an EPRA earnings per share between € 2.35 and € 2.45 for financial year 2020. Due to the uncertain economic climate and the recent rise of the COVID-19 virus, Vastned Retail Belgium will communicate the dividend to be paid during the presentation of the annual results for 2020.

Despite the COVID-19 pandemic, Vastned Retail Belgium intends to pursue its strategy further in 2020 by focusing explicitly on the very best retail property in the most popular shopping streets in the major cities in Belgium. The focus of management remains on the timely collection of the rents and maintaining a good occupancy rate.

Veldstraat - Ghent

About Vastned Retail Belgium. Vastned Retail Belgium is a public regulated real estate company (RREC), the shares of which are listed on Euronext Brussels (VASTB). Vastned Retail Belgium invests exclusively in Belgian commercial real estate, more specifically in prime retail properties located on the best shopping streets in the major cities of Antwerp, Brussels, Ghent and Bruges. Furthermore, the real estate portfolio consists of inner-city shops outside of the premium cities, high-end retail parks and retail warehouses.

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Disclaimer
This press release contains prospective information, forecasts, convictions and estimates prepared by Vastned Retail Belgium on the expected future performance of Vastned Retail Belgium and the markets in which it operates. Readers are held to observe that such prospects are subject to risks and uncertainties which can cause the actual results to differ considerably from those expressed in such prospective statements. Prospective statements such as these can be impacted by significant factors such as changes in the economic situation, tax, competitive along with environmental factors

Financial statements

1. Consolidated income statement (9 months)

IN THOUSANDS €	30.09.2020	30.09.2019
Rental income	12,787	14,517
Rental-related expenses	-141	-5
NET RENTAL INCOME	**12,646**	**14,512**
Other rental-related income and expenses	64	41
PROPERTY RESULT	**12,710**	**14,553**
Technical costs	-503	-203
Commercial costs	-103	-226
Charges and taxes on unlet properties	-112	-97
Property management costs	-689	-691
Other property charges	-39	-4
Property charges	**-1,446**	**-1,221**
OPERATING PROPERTY RESULT	**11,264**	**13,332**
General expenses	-945	-924
Other operating income and expenses	6	4
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**10,325**	**12,412**
Result on disposal of investment properties	0	-154
Changes in fair value of investment properties	-16,792	-8,823
Other result on portfolio	-515	35
OPERATING RESULT	**-6,982**	**3,470**
Financial income	17	4
Net interest charges	-1,272	-1,339
Other financial charges	-2	-1
Changes in fair value of financial instruments	222	-588
Financial result	**-1,035**	**-1,924**
RESULT BEFORE TAXES	**-8,017**	**1,516**
Taxes	**3**	**-30**
NET RESULT	**-8,014**	**1,516**

IN THOUSANDS €	30.09.2020	30.09.2019
Note:		
EPRA earnings	9,085	11,045
Result on portfolio	-17,307	-8,942
Changes in fair value of financial instruments and other non-distributable elements	208	-587
Attributable to:		
Shareholders of the parent company	-8,014	1,516
Non-controlling interests	0	0

2. Result per share

INFORMATION PER SHARE	30.09.2020	30.09.2019
Number of shares entitled to dividend	5,078,525	5,078,525
NET RESULT (€)	**-1.58**	**0.30**
Diluted net result (€)	-1.58	0.30
EPRA earnings (€)	1.79	2.17

3. Consolidated statement of comprehensive income (9 months)

IN THOUSANDS €	30.09.2020	30.09.2019
NET RESULT	**-8,014**	**1,516**
Other components of comprehensive income (recyclable through income statement)		
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	**-8,014**	**1,516**
Attributable to:		
Shareholders of the parent company	**-8,014**	**1,516**
Non-controlling interests	0	0

4. Consolidated balance sheet

ASSETS IN THOUSANDS €	30.09.2020	31.12.2019
Non-current assets	**344,995**	**361,630**
Intangible assets	196	209
Investment properties	344,191	360,752
Other tangible assets	605	666
Trade receivables and other non-current assets	3	3
Current assets	**5,037**	**1,685**
Asset held for sale	0	0
Trade receivables[6]	3,279	651
Tax receivables and other current assets	0	0
Cash and cash equivalents	694	554
Deferred charges and accrued income	1,064	480
TOTAL ASSETS	**350,032**	**363,315**

SHAREHOLDERS' EQUITY AND LIABILITIES IN THOUSANDS €	30.09.2020	31.12.2019
Shareholders' equity	**235,543**	**258,285**
Shareholders' equity attributable to the shareholders of the parent company	**235,543**	**258,285**
Share capital	97,213	97,213
Share premium	4,183	4,183
Reserves	142,161	152,572
Net result of the financial year	-8,014	4,317
Non-controlling interests	**0**	**0**
Liabilities	**114,489**	**105,030**
Non-current liabilities	**102,757**	**96,362**
Non-current financial debts	100,094	93,405
Credit institutions	*99,134*	*92,454*
Financial Leasing	*960*	*951*
Other non-current financial liabilities	2,157	2,379
Other non-current liabilities	159	151
Deferred tax - liabilities	347	427
Current liabilities	**11,732**	**8,668**
Provisions	269	269
Current financial debts	5,738	6,104
Credit institutions	*5,700*	*5,950*
Financial Leasing	*38*	*154*
Trade debts and other current debts	1,819	953
Other current liabilities	551	603
Deferred income and accrued charges[6]	3,355	739
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**350,032**	**363,315**

6 The increase in trade receivables and deferred income and accrued charges (liabilities) is caused. by the implementation of a new accounting system and the accompanying change in the process by which rental invoices are recognized at the date of creation of the rent invoices, in other words, prior to the period to which the invoice relates.

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