

HALF-YEARLY RESULTS



Half-yearly financial report of the board of directors for the period 01.01.2019 to 30.06.2019

- Increase in EPRA earnings¹ in the first semester of 2019, €1.45 per share (€1.38 for the first semester of 2018).
- Continued execution of the strategy with a clear focus on high-quality retail properties.
- As at 30 June 2019, the real estate portfolio consists of high-quality inner city properties and retail parks.
- In view of the current quality of the portfolio, a distinction is no longer made between core city assets and mixed retail locations.
- Realisation of 13 rental transactions representing approximately 9% of the total annual rental income.
- Occupancy rate as at 30 June 2019: 96% (98% as at 31 December 2018, because reletting of unoccupied units takes up more time).
- Management focus in 2019 mainly on maintaining the high occupancy rate.
- Decrease in the fair value of the existing real estate portfolio by €8.6 million² in the first semester of 2019, mainly the result of a continued decrease in the estimated rental values.
- Limited debt ratio of 30% as at 30 June 2019.
- Expected gross dividend for 2019 between €2.75 and €2.85 per share.

¹ 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 2018 and a separate Lexicon regarding these APMs is available on the website www.vastned.be. A consequence of these guidelines is that the term used prior to this, "operating distributable result", was no longer usable and has been changed to "EPRA earnings". However, with regard to content there is no difference with "operating distributable result", the term used previously.

² With unchanged composition of the real estate portfolio compared with 31 December 2018.

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1. Interim management report for the first semester of 2019

In the first semester of 2019, Vastned Retail Belgium remained true to its investment strategy of focusing on premium quality as regard to retail locations. These are, on the one hand, the prime retail properties located on the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges. On the other hand, the real estate portfolio consists of city centre shops outside the premium cities, retail parks and retail warehouses.

1.1. Operational result

In the first 6 months of 2019, rental income remained stable compared to the first semester of 2018, with a relatively unchanged composition of the real estate portfolio.

The EPRA earnings of Vastned Retail Belgium increased in the first semester of 2019 and amounted to €7.3 million compared to €7.0 million in the first semester of 2018. This increase of €0.3 million is primarily due to the decrease in the property charges and the general costs of the company.

This represents EPRA earnings of €1.45 per share compared to €1.38 in the first semester of the previous financial year.



Gouden Kruispunt - Tielt-Winge

1.2. Rental activities

In the first semester of 2019, Vastned Retail Belgium completed 13 rental transactions, which represent approximately 9% of the total annual rental income.

In the first 6 months of 2019, 6 rental transactions were concluded with new tenants for a total rental volume of €0.4 million on an annual basis. This concerns four leases following the departure of the previous tenant and two leases of an unoccupied unit. These six lease agreements represent approximately 2% of the company's total rental income. The new rent for these lease agreements is on average 4% higher than the rent for the previous rental agreements.

Vastned Retail Belgium renewed seven lease agreements with existing tenants in the first semester of 2019 for a total annual rental volume of €1.3 million. These seven lease agreements represent approximately 7% of the company's total rental income. On average, the new rental price for these lease agreements is 4% lower than the rent of the previous rental agreements. Five lease agreements out of a total of seven renewals were concluded under the same conditions as the previous agreements.

Occupancy rate³

OCCUPANCY RATE (EXCLUDING BUILDINGS UNDERGOING RENOVATION)	30.06.2019	31.12.2018	30.06.2018
Occupancy rate of the real estate portfolio	96%	98%	97%

The occupancy rate³ of the real estate portfolio as at 30 June 2019 was 96%, compared to 98% as at 31 December 2018. In the current circumstances in the retail market, contract negotiations are taking up more time. As a result, the company

has not succeeded in concluding new contracts following the departure of tenants, as a result of which the portfolio is faced with somewhat longer vacancy periods.

1.3. Composition and evolution of the real estate portfolio as at 30 June 2019

As at 30 June 2019, the majority of the portfolio consisted of high-quality inner city properties located in the cities of Antwerp, Brussels, Ghent and Bruges and state-of-the-art retail parks. Vastned Retail Belgium sold one retail property in the first semester of 2019, and a sales agreement without suspensive conditions was signed for one retail park on 25 June 2019. This concerns a non-strategic retail property located in Liège that was sold for an amount of €0.7 million and a non-strategic retail park located in Ans that will be sold for an amount of €2.5 million. On 30 June 2019, the retail park was thus presented as an asset for sale, and the result of this sale (€1.0 million) will only be shown at the time the deed is executed. As at 30 June 2019, this result was incorporated in the changes in fair value of investment properties.

As at 30 June 2019, the fair value of the investment properties amounted to €362 million, a €10 million decrease compared to the close of 2018 (€372 million as at 31 December 2018). This decrease is mainly the result of a further decrease in the estimated rental values on the one hand and of the divestment of two non-strategic retail locations on the other. The decrease in estimated rental values is the result of the changes taking place in the retail landscape, which include the constant search for the right balance between online and offline sales by retailers and the changed spending patterns of consumers.

REAL ESTATE PORTFOLIO	30.06.2019	31.12.2018	30.06.2018
Fair value of investment properties (in thousands €)	362.155	372.278	378.555
Investment value of investment properties (in thousands €)	371.187	381.585	388.019
Total leasable space (m ²)	85.915	89.577	89.868

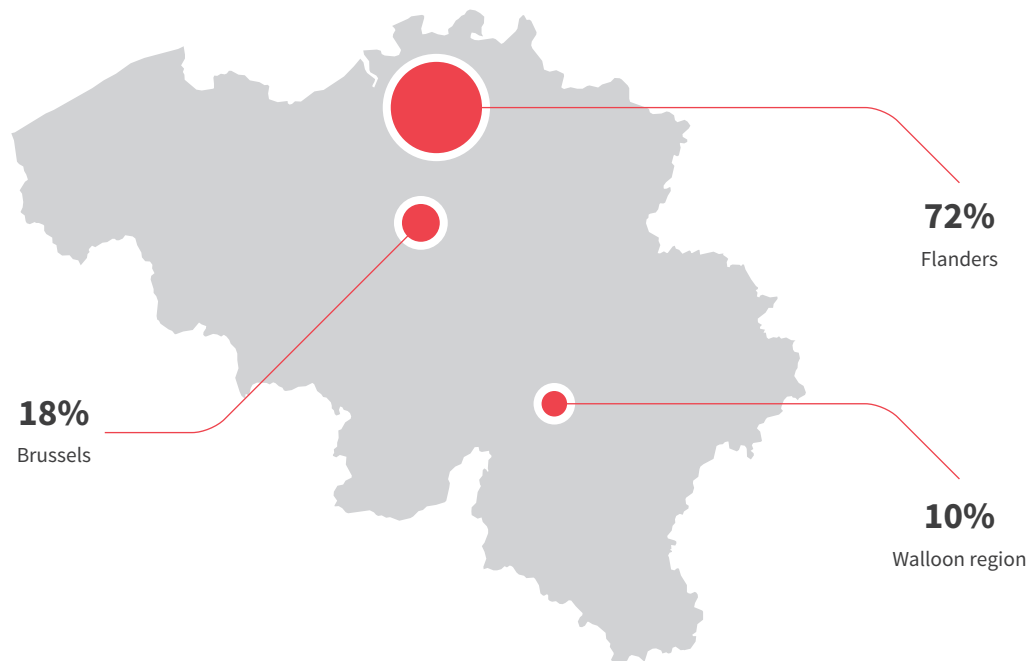
The average yield in the real estate company's portfolio is 5.6% in the first semester of 2019 and has increased slightly compared to 31 December 2018 (5.4% as at 31 December 2018).

Vastned Retail Belgium's strategy is focused on the best retail property in the best locations while respecting the criteria for spreading risk in the real estate portfolio, both in terms of geographical location and in terms of the nature of the tenants.

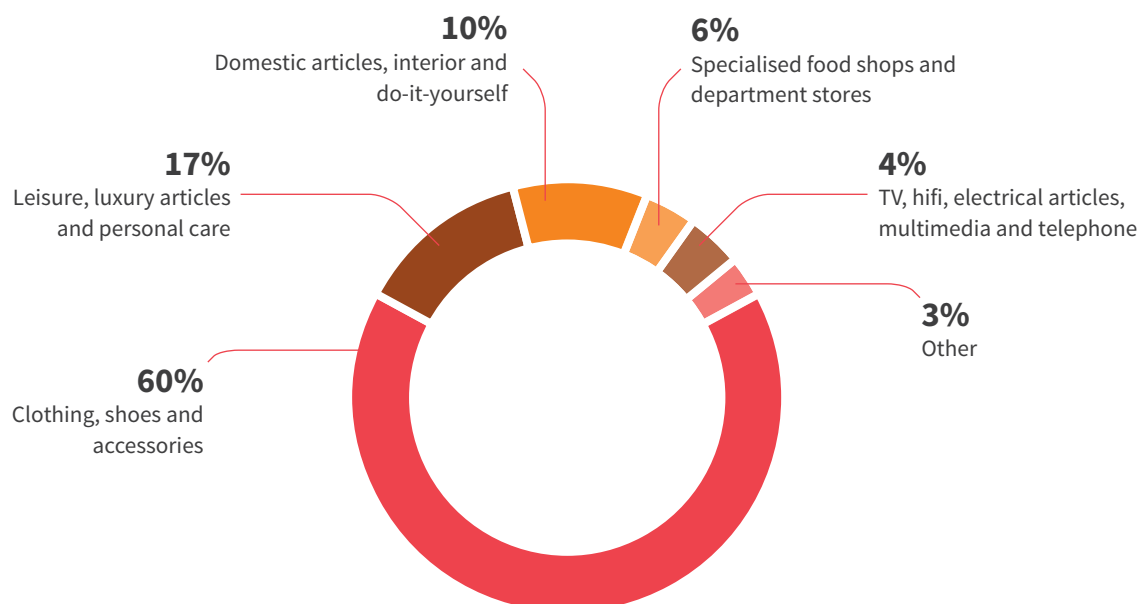
³ The occupancy rate is calculated as the ratio between the rental income and the sum of this income and the estimated rental income of unoccupied rental premises.

As at 30 June 2019 this risk spread was as follows:

Geographic spread



Distribution per tenant by nature



Valuation of the portfolio by independent property experts as at 30 June 2019

Property expert	Fair value of investment properties (in thousands €)
Cushman & Wakefield	193.064
CB Richard Ellis	169.091
Total	362.155

1.4. Market situation of Belgian retail real estate in 2019⁴

Rental market

Rental activity during the first semester amounted to approximately 166,000 m². High-streets account for 45,600 m² and out-of-town retail and shopping centres account for 91,400 m² and 29,200 m² respectively.

Rents are under pressure in all segments (high-street shops, shopping centres and out-of-town retail). Retailers' margins are under pressure and they are trying to renegotiate current rents or to link them to realised turnover. However, the prime

rent for shops of 150 m² in Brussels and Antwerp remains stable. Rents for large shops are falling, even in top cities such as Antwerp and Brussels.

In the short and medium term, we expect this trend to continue and that estimated rental values in commercial real estate will experience stagnation to slight decline.

Investment market

The investment volume remained limited during the first half of the year, primarily due to a lack of good retail units. During the first semester of 2019, the investment volume amounted to €535 million.

Investment returns are no longer decreasing and are expected to increase slightly in the future, due to the retail market being under pressure, amongst others, because of e-commerce and a changing spending pattern of the consumer.



Zonnestraat - Ghent



Zonnestraat - Ghent

⁴ Sources: Retail Focus 2019, Retail Detail newsletters, Retail Market Activity (CBRE) and Retail Market Snapshot (Cushman & Wakefield)

1.5. Analysis of the results⁵

The **rental income** of Vastned Retail Belgium amounted to €9.7 million (€9.7 million) in the first semester of 2019 and thus remained stable compared to the same period last year.

The **real estate costs** amounted to €0.8 million (€0.9 million) and decreased by €0.1 million, primarily due to a drop in technical costs and internal management costs as a result of a temporary decrease in the workforce.

The **general costs and other operating income and costs** amounted to €0.7 million (€0.8 million) and decreased by €0.1 million compared to the first semester of 2018. The decrease in general costs is mainly explained by the one-off costs in 2018 relating to the takeover bid that was made by the majority shareholder Vastned Retail N.V..

The **result on disposal of investment properties** amounts to €-0.2 million and comprises the capital loss realised on the sale of one non-strategic retail warehouse at a secondary location in 2019. The net sales price of €0.7 million is approximately 18% below the carrying amount as at 31 December 2018 (fair value as determined by the company's independent property expert).

The fair value of the real estate portfolio decreased in the first semester of 2019. The **changes in fair value of the investment properties** are negative and amounted to €-8.3 million (€-0.7 million). This decrease is entirely attributable to the decrease in the fair value of the existing real estate portfolio, as a result of the continued decrease in the estimated rental values.

The **financial result** (excluding changes in the fair value of financial instruments) for the first half of 2019 amounted to €-0.9 million (€-0.9 million) and is thus fully in line with the same period last year. The average interest rate for financing amounted to 1.7%, including bank margins, for the first semester of 2019 (1.7%).

Changes in the fair value of financial instruments in the first semester of 2019 included the increase in the negative market value of the interest rate swaps which, in line with IAS 39, cannot be classified as cash flow hedging instruments, in the amount of €-0.5 million (€-0.1 million).

The net result of Vastned Retail Belgium for the first semester of 2019 amounted to €-1.6 million (€6.3 million) and may be divided into:

- EPRA earnings of €7.3 million (€7.0 million) or an increase of €0.3 million, primarily due to the decrease in the property charges and the general costs of the company;
- results on the portfolio of €-8.4 million (€-0.6 million);
- changes in the fair value of financial instruments and other non-distributable elements in the amount of €-0.5 million.

For the first semester of 2019, this means EPRA earnings of €1.45 (€1.38) per share, an increase of approximately 4%.

KEY FIGURES PER SHARE	30.06.2019	31.12.2018	30.06.2018
Number of shares entitled to dividend	5.078.525	5.078.525	5.078.525
Net result (6 months/1 year/6 months) (€)	-0,31	1,43	1,25
EPRA earnings (6 months/1 year/6 months) (€)	1,45	2,85	1,38
Net value (fair value) (€)	49,70	52,86	52,68
Net value (investment value) (€)	51,62	54,78	54,57
Share price on closing date (€)	48,40	40,90	49,50
Premium (+) / discount (-) to net value (fair value) (%)	-3%	-23%	-6%

⁵ The figures between brackets are the comparative figures for the first semester of 2018.

As at 30 June 2019, the net value (fair value) of the share was €49.70 (€52.86 as at 31 December 2018). Given that the share price as at 30 June 2019 was €48.40, the share of Vastned Retail Belgium (VASTB) is quoted at a discount of 3% with respect to this net value (fair value). The debt ratio of the

RREC amounted to 30% as at 30 June 2019 (27.5% as at 31 December 2018). The increase stems on the one hand from the dividend payment for financial year 2018 in May 2019 for an amount of €14.5 million and the decrease in the fair value of the real estate portfolio on the other.

EPRA - KEY FIGURES*	30.06.2019	31.12.2018	30.06.2018
EPRA Earnings per share (€)	1,45	2,85	1,38
EPRA NAV per share (€)	50,25	53,31	53,17
EPRA NNNAV per share (€)	49,70	52,86	52,68
EPRA Net Initial Yield (NIY) (%)	4,8%	4,7%	4,6%
EPRA Topped-up NIY (%)	4,8%	4,8%	4,7%
EPRA Vacancy rate (%)	4,9%	2,2%	3,1%
EPRA Cost Ratio (including direct vacancy costs)	15,4%	15,8%	18,0%
EPRA Cost Ratio (excluding direct vacancy costs)	14,8%	15,6%	17,7%

1.6. Financial structure as at 30 June 2019

Vastned Retail Belgium has a conservative financial structure as at 30 June 2019 allowing it to continue to develop its activities in 2019.

The most important characteristics of the financial structure as at 30 June 2019 are as follows:

- Amount of withdrawn financial debts: €107 million (excluding the market value of financial derivatives).
- 92% of credit lines are long-term financing with an average remaining term of 4.4 years. Some 8% of the credit lines are short-term, open-ended financing.

Proportion of long-term and short-term credit facilities

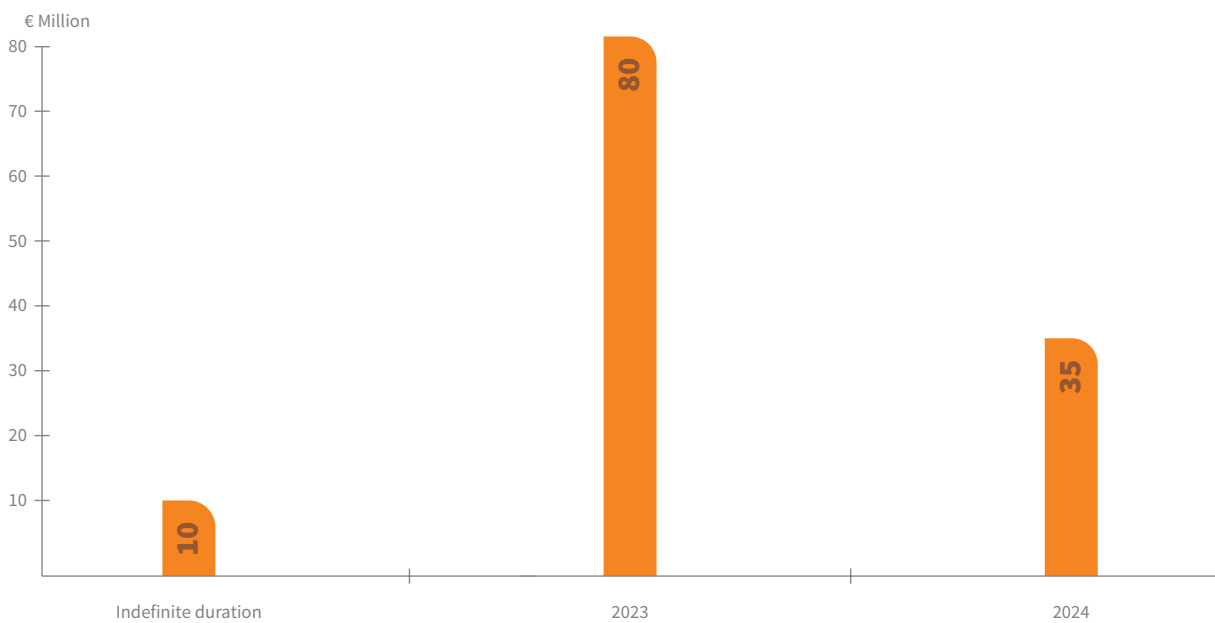
92%
Long-term credit facilities

8%
Short-term credit facilities,
of which 100% with limited maturity

* The statutory auditor has verified whether the “EPRA earnings”, “EPRA NAV” and “EPRA NNNAV” ratios were calculated according to the EPRA BPR definitions of December 2014, and whether the data used for the calculation of these ratios correspond with the accounting data of the consolidated financial statements..

- Expiry dates of the credits between 2023 and 2024.
- Spread of credit facilities over 4 European financial institutions.
- €18.1 million of available non-withdrawn credit lines to cover the fluctuations of cash needs and for financing future investments.
- 64% of the credit facilities have a fixed rate or are fixed by means of interest rate swaps, 36% have a variable rate. With regard to the withdrawn credit facilities as at 30 June 2019, these figures are 75% and 25%, respectively.
- Fixed interest rates are set for a remaining period of 4 years on average.
- Average interest rate for the first semester of 2019: 1.7% including bank margins (1.7% for the first semester 2018).
- Market value of financial derivatives: €2.6 million negative.
- Limited debt ratio of 30% (27.5% as at 31 December 2018) (legal maximum: 65%).
- In the first semester of 2019 there were no changes made to the existing agreements contracted, and the RREC fulfilled these agreements as at 30 June 2019.

Due dates calendar of credit lines



Steenhouwersvest - Antwerp

1.7. Risks for the remaining months of 2019

Vastned Retail Belgium estimates the main risk factors and uncertainties for the remaining months of the 2019 financial year as follows:

Rental risks

Given the nature of the buildings, which are mainly let to national and international retailers, the real estate portfolio is sensitive to the economic situation. However, in the short term no direct risks are recognised that could fundamentally influence the results of the 2019 financial year. Furthermore, there are clear and efficient internal control procedures within the company to limit this risk of default.

Despite the challenging retail landscape, the focus of management in 2019 is primarily on maintaining the high occupancy rate of the portfolio, and in particular on attracting a long-term tenant for Veldstraat 81 in Ghent and Schuttershofstraat 55 in Antwerp.

Evolution of the value of the portfolio

The value of the investment properties of Vastned Retail Belgium is sensitive to the economic situation. In the current economic situation, there is an increased risk of vacancy outside the absolute prime locations. This increased risk could lead to a decrease in the value of the real estate portfolio in the second half of 2019.

Evolution of interest rates

Due to financing with borrowed capital, the return generated by the company depends on changes in interest rates. To limit this risk an appropriate ratio between borrowed capital with a variable interest rate and borrowed capital with a fixed interest rate is pursued during the composition of the credit facilities portfolio. As at 30 June 2019, 75% of the utilised credit facilities portfolio has a fixed interest rate, or the rate is fixed by means of interest rate swaps. 25% of the credit facilities portfolio has a variable interest rate which is subject to (un)foreseen rises of the currently low interest rates.

1.8. Outlook for 2019

Vastned Retail Belgium intends to pursue its strategy further in 2019 by focusing more explicitly on premium-quality retail locations and retail parks. The company will continue to work towards a clear predominance of the very best retail property in the most popular shopping streets in the major cities.

E-commerce is continuing to develop and the spending pattern of consumers is changing towards a higher spending budget for experiences and leisure and lower spending on fashion, shoes and accessories. All this means that the pressure on retail chains is increasing, which has led to various bankruptcies from national as well as international chains during the first 6 months of 2019. As a result of a number of properties falling vacant and becoming available, rental prices are coming under pressure and are currently either stagnating or declining. Even as a result of the declining margins among retailers, the rental prices are under pressure.

Because of these declining margins, caused, on the one hand, by a changing spending pattern on the part of the consumer and, on the other hand, by the high investment costs in their e-commerce platforms, retailers are attempting to negotiate rent reductions, temporary rent discounts or turnover-related rents with their landlords.

However, physical stores that offer added value to their customers in the form of service, relevant information and a pleasant shopping experience will always retain their core role in retail trade. Top cities such as Antwerp, Brussels and Ghent however, must ensure their accessibility for interested shoppers.

The hospitality sector continues to develop with nice formats that provide the necessary “look & feel” in our shopping streets.

Investments

The supply of suitable investment objects in line with market conditions is limited. By maintaining close contacts with all players on the retail property market, the asset management department of Vastned Retail Belgium has a good insight into available investment objects.

Redevelopments

Further growth in the premium segment can also be achieved by renovating and upgrading properties in the existing portfolio.

Divestments

With the current high-quality portfolio of the real estate company, divestments are not a priority within the strategy. Nevertheless, opportunistic divestments of non-strategic retail locations, i.e. city centre shops outside the premium cities, retail parks and retail warehouses, are being considered.



Louizalaan - Brussels

Gross dividend financial year 2019

Based on the half-yearly results and the forecasts as at 30 June 2019, Vastned Retail Belgium expects to be able to propose to its shareholders a gross dividend per share of between €2.75 and €2.85 for the 2019 financial year (compared to €2.85 for the 2018 financial year). Based on the closing price on 30 June 2019 (€48.40), this equates to a gross dividend yield of between 5.7% and 5.9%.

1.9. Change in the composition of the Board of Directors and the Executive Committee

On 25 April 2019, the term of office of Mr Jean-Pierre Blumberg as independent director of the company and Chairman of the Board of Directors came to an end. The company and the Board of Directors are highly grateful to Mr Jean-Pierre Blumberg for his valuable contribution as Director and Chairman of the Board of Directors since he took office in April 2010. Lieven Cuvelier, who is already an independent director of the company since July 2017, will perform the duties of Chairman of the Board of Directors from now on, and Ludo Ruysen has been appointed independent director of the company. The Directors were selected according to the necessary requirements of complementarity relating to competence, experience and knowledge. This renewed board of directors was formally appointed by the general meeting of shareholders on 25 April 2019.

Since 1 April 2019, the Executive Committee has been extended to include Elke Krols as operational Chief Financial Officer. As operational CFO, Ms Krols is responsible for the financial management and internal reporting within the company, as well as for personnel policy and IT. Mr Reinier Walta will continue to be the company's strategic CFO and is responsible for outlining the company's general financial policy.

2. Consolidated condensed half-yearly figures

2.1. Condensed consolidated income statement

IN THOUSANDS €	30.06.2019	30.06.2018
Rental income	9.700	9.672
Rental-related expenses	-12	-70
NET RENTAL INCOME	9.688	9.602
Recovery of rental charges and taxes normally payable by tenants on let properties	1.166	1.110
Rental charges and taxes normally payable by tenants on let properties	-1.166	-1.110
Other rental-related income and expenses	23	45
PROPERTY RESULT	9.711	9.647
Technical costs	-213	-260
Commercial costs	-63	-69
Charges and taxes on unlet properties	-64	-35
Property management costs	-446	-528
Other property charges	-6	-2
Property charges	-792	-894
OPERATING PROPERTY RESULT	8.919	8.753
General costs	-687	-820
Other operating income and costs	5	6
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	8.237	7.939
Result on disposals of investment properties	-154	0
Changes in fair value of investment properties	-8.305	-742
Other result on portfolio	31	107
OPERATING RESULT	-191	7.304
Financial income	4	10
Net interest costs	-870	-867
Other financial charges	-2	-2
Changes in fair value of financial instruments	-484	-68
Financial result	-1.352	-927
RESULT BEFORE TAXES	-1.543	6.377
Taxes	-20	-30
NET RESULT	-1.563	6.347

IN THOUSANDS €	30.06.2019	30.06.2018
NET RESULT	-1.563	6.347
Note:		
EPRa earnings	7.350	7.021
Result on portfolio	-8.429	-635
Changes in fair value of financial instruments and other non-distributable elements	-484	-39
Attributable to:		
Shareholders of the parent company	-1.563	6.347
Minority interests	0	0

BALANCE SHEET INFORMATION PER SHARE	30.06.2019	30.06.2018
Number of shares entitled to dividend	5.078.525	5.078.525
Net result (€)	-0,31	1,25
Diluted net result (€)	-0,31	1,25
EPRa earnings (€)	1,45	1,38

2.2. Condensed consolidated statement of comprehensive income

IN THOUSANDS €	30.06.2019	30.06.2018
NET RESULT	-1.563	6.347
Other components of comprehensive income (recyclable through income statement)	0	0
Changes in the effective part of fair value of authorised hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	-1.563	6.347
Attributable to:		
Shareholders of the parent company	-1.563	6.347
Minority interests	0	0

2.3. Condensed consolidated balance sheet

ASSETS IN THOUSANDS €	30.06.2019	31.12.2018
Non-current assets	362.924	372.782
Intangible non-current assets	11	13
Investment properties	362.155	372.278
Other tangible non-current assets	755	488
Trade receivables and other non-current assets	3	3
Current assets	4.947	1.658
Assets held for sale	2.500	0
Trade receivables	336	330
Tax receivables and other current assets	8	12
Cash and cash equivalents	325	512
Deferred charges and accrued income	1.778	804
TOTAL ASSETS	367.871	374.440
SHAREHOLDERS' EQUITY AND LIABILITIES IN THOUSANDS €	30.06.2019	31.12.2018
Shareholders' equity	252.406	268.442
Shareholders' equity attributable to shareholders of the parent company	252.406	268.442
Share capital	97.213	97.213
Share premiums	4.183	4.183
Reserves	152.573	159.806
Net result of the financial year	-1.563	7.240
Minority interests	0	0
Liabilities	115.465	105.998
Non-current liabilities	101.712	97.584
Non-current financial debts	98.809	95.161
<i>Credit institutions</i>	97.710	95.161
<i>Financial leasing</i>	1.099	0
Other non-current financial liabilities	2.574	2.090
Other non-current liabilities	112	116
Deferred tax - liabilities	217	217
Current liabilities	13.753	8.414
Provisions	269	269
Current financial debts	9.225	4.850
<i>Credit institutions</i>	9.150	4.850
<i>Financial leasing</i>	75	0
Other current financial debts	0	0
Trade debts and other current debts	1.941	2.084
Other current liabilities	565	603
Deferred charges and accrued income	1.753	608
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	367.871	374.440

2.4. Condensed consolidated cash flow statement

IN THOUSANDS €	30.06.2019	30.06.2018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	513	367
1. Cash flow from operating activities	7.437	7.635
Operational result	-191	7.304
Interest paid	-822	-873
Other non-operating elements	-502	-90
Adjustment of result for non-cash flow transactions	9.012	879
• Depreciations on intangible and other tangible fixed assets	62	46
• Income from disposal of investment properties	154	0
• Spread of rental discounts and benefits granted to tenants	31	131
• Changes in fair value of investment properties	8.305	742
• Other result on portfolio	-30	-107
• Changes in fair value of financial instruments	484	68
• Other non-cashflow transactions	6	0
Change in working capital	-60	415
• Movements of assets	79	231
• Movements of liabilities	-139	184
2. Cash flow from investment activities	87	-1.131
Acquisitions of intangible and other tangible fixed assets	0	-6
Acquisitions of investment properties	0	0
Investments in existing investment properties	-622	-1.116
Income from disposal of investment properties	709	0
Prepaid investment invoices	0	-9
3. Cash flow from financing activities	-7.712	-6.254
Repayment of loans	0	0
Drawdown of loans	6.850	7.100
Resolution of IRS	0	0
Repayment of financial lease liabilities	-84	0
Receipts from non-current liabilities as guarantee	-4	2
Dividend paid	-14.474	-13.356
CASH AND CASH EQUIVALENTS AT THE END OF THE SEMESTER	325	617

2.5. Condensed statement of changes in the consolidated shareholders' equity

IN THOUSANDS €	Share capital	Share premium	Reserves	Net result of the financial year	Minority interests	Total shareholders' equity
Balance sheet as at 31 December 2017	97.213	4.183	138.443	34.669	0	274.508
Comprehensive income 2018				7.240		7.240
Transfer because of profit appropriation 2017:						
Transfer from result on portfolio to reserves			20.413	-20.413		0
Transfer of changes in fair value of financial assets and liabilities			886	-886		0
Other changes			64	-64		0
Dividends financial year 2017				-13.306		-13.306
Balance sheet as at 31 December 2018	97.213	4.183	159.806	7.240	0	268.442
Comprehensive income of first semester 2019				-1.563		-1.563
Transfer because of profit appropriation 2018:						
Transfer from result on portfolio to reserves			-7.129	7.129		0
Transfer of changes in fair value of financial assets and liabilities			-210	210		0
Other changes			105	-105		0
Dividends financial year 2018				-14.474		-14.474
Balance sheet as at 30 June 2019	97.213	4.183	152.572	-1.563	0	252.405

2.6. Notes to the consolidated condensed half-yearly figures

Condensed consolidated income statement by segment

Business Segment	Flanders		Walloon Region		Brussels		Corporate		TOTAL	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018	30.06.2019	30.06.2018
IN THOUSANDS €										
Rental income	6.620	6.654	1.351	1.320	1.729	1.698			9.700	9.672
Rental-related expenses	5	-31	-17	-39	0	0			-12	-70
Property management costs and income	23	45	0	0	0	0			23	45
PROPERTY RESULT	6.649	6.668	1.334	1.281	1.729	1.698			9.711	9.647
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	6.103	5.993	1.139	1.130	1.610	1.548	-614	-732	8.237	7.939
Result on disposals of investment properties	0	0	-154	0	0	0			-154	0
Changes in fair value of investment properties	-8.494	-733	116	-196	72	187			-8.305	-742
Other result on portfolio	19	72	0	20	11	16			30	107
OPERATING RESULT OF THE SEGMENT	-2.372	5.331	1.101	954	1.693	1.751	-614	-732	-191	7.304
Financial result	-2	1	-2	0	0	0	-1.347	-929	-1.351	-927
Taxes	0	0	0	0	0	0	-20	-30	-20	-30
NET RESULT	-2.374	5.333	1.099	954	1.693	1.751	-1.982	-1.691	-1.563	6.347

Principles for preparation of the half-yearly figures

The condensed consolidated half-yearly figures are prepared on the basis of the principles of financial reporting in accordance with IAS 34 "Interim financial reporting". In these

condensed half-yearly figures the same principles of financial information and calculation methods are used as those used for the consolidated annual accounts as at 31 December 2018.

New or amended standards and interpretations effective for the financial year starting on 1 January 2019

Published standards and interpretations effective in 2019

The following amended standards by the IASB and published standards and interpretations by the IFRIC are effective for the current period, but do not materially affect the presentation, the disclosure notes or financial results of the company: Amendments to IFRS 9 Financial Instruments; Amendments to IAS 19 Employee Benefits; Amendments to IAS 28 Investments in Associates and Joint Ventures; IFRIC 23 Uncertainty over Income Tax Treatments; Annual Improvements Cycle - 2015-2017.

IFRS 16 is applicable as from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. At the com-

mencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees are required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees are also required to remeasure the lease liability upon the occurrence of certain events. The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

This standard has had an impact on the balance sheet of Vastned Retail Belgium on 1 January 2019 for an amount of €1.2 million, of which €0.9 million relates to investment property.

Published standards and interpretations not yet effective in 2019

The following amendments, which are applicable as of next year or later are not expected to have a material impact on the presentation, the disclosure notes or financial results of the RREC: IFRS 3 Business Combinations; IFRS 17 Insurance

Contracts, Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Evolution of investment properties

	30.06.2019	30.06.2018
IN THOUSANDS €	TOTAL	TOTAL
Balance sheet as at 1 January	372.278	378.195
Investments in existing investment properties	622	1.103
Acquisition of shares of real estate companies	0	0
Acquisitions of investment properties	0	0
Disposals of investment properties	-3.363	0
Initial recognition 'Right of use asset' according to IFRS 16	873	0
Changes in fair value of investment properties	-8.254	-742
Balance sheet as at 30 June	362.156	378.555
OTHER INFORMATION		
Investment value of real estate properties	371.187	388.019

Investment properties are recorded at fair value. The fair value is determined based on one of the following levels of the fair value hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable.

IFRS 13 classifies investment properties as level 3.

Overview of future minimum rental income

The cash value of the future minimum rental income until the first expiry date of the lease contracts has at 30 June 2019 the following collection terms:

IN THOUSANDS €	30.06.2019	30.06.2018
Receivables with a remaining duration of:		
• Less than one year	17.497	18.165
• Between one and five years	22.781	15.542
Total of the future minimum rental income	40.278	33.707

Non-current and current liabilities

An update of the financial structure of Vastned Retail Belgium as at 30 June 2019 is given in paragraph 1.6. (supra) of the interim report.



Graanmarkt - Antwerp

Financial instruments

The major financial instruments of Vastned Retail Belgium consist of financial and commercial receivables and debts, cash and cash equivalents as well as financial instruments of the interest rate swap type (IRS).

Summary of financial instruments			30.06.2019		31.12.2018	
IN THOUSANDS €	Catego- ries	Level	Book value	Fair value	Book value	Fair value
FINANCIAL INSTRUMENTS (ASSETS)						
Non-current assets						
Non-current financial assets	C	2	0	0	0	0
Trade receivables and other non-current assets	A	2	3	3	3	3
Current assets						
Trade receivables	A	2	336	336	330	330
Tax receivables and other current assets	A	2	8	8	12	12
Cash and cash equivalents	B	1	325	325	513	513
FINANCIAL INSTRUMENTS - LIABILITIES						
Non-current liabilities						
Non-current financial debts (interest-bearing)	A	2	97.710	97.710	95.161	95.161
Non-current financial debts (leasing)	A	2	1.099	1.099	0	0
Other non-current financial liabilities	C	2	2.574	2.574	2.090	2.090
Other non-current liabilities	A	2	112	112	116	116
Current liabilities						
Current financial debts (interest-bearing)	A	2	9.150	9.150	4.850	4.850
Current financial debts (leasing)	A	2	75	75	0	0
Other current financial debts	C	2	0	0	0	0
Trade debts and other current debts	A	2	1.941	1.941	2.084	2.084
Other current liabilities	A	2	565	565	603	603

The categories correspond to the following financial instruments:

- A. Financial assets or liabilities (including receivables and loans) held to maturity and measured at amortised cost
- B. Investments held to maturity and measured at amortised cost
- C. Assets and liabilities held at fair value through the income statement, with the exception of financial instruments defined as hedging instruments.

Financial instruments are recognised at fair value. The fair value is determined based on one of the following levels in the fair value hierarchy:

- Level 1: measurement is based on quoted market prices in active markets
- Level 2: measurement is based on (externally) observable information, either directly or indirectly
- Level 3: measurement is based either fully or partially on information that is not (externally) observable.

The financial instruments of Vastned Retail Belgium correspond to Level 2 of the fair value hierarchy. The valuation techniques relating to the fair value of level 2 financial instruments are mentioned in the 2018 annual report in Note 19 Financial instruments.

The non-current and current financial debts regarding lease liabilities correspond to Level 2 of the fair value hierarchy. The fair value of these lease liabilities is determined by means of observable data, namely the interest on Belgian Linear Bonds (OLO) between 7 and 12 years.

As at 30 June 2019, the company was in possession of the following financial derivatives:

IN THOUSANDS €		Start date	End date	Interest rate	Contractual notional amount	Hedge accounting	Fair value		
							Yes/No	30.06.19	31.12.18
1	IRS	31/07/17	31/07/22	0,9100%	€ 15.000	No		-413	-390
2	IRS	31/07/17	31/07/22	1,0100%	€ 10.000	No		-307	-297
3	IRS	28/07/17	29/07/22	0,8850%	€ 5.000	No		-134	-128
4	IRS	31/07/17	31/07/23	0,9520%	€ 15.000	No		-549	-448
5	IRS	31/07/17	31/07/24	0,9550%	€ 10.000	No		-422	-278
6	IRS	31/07/17	31/07/24	1,0940%	€ 15.000	No		-749	-549
Other non-current financial liabilities								-2.574	-2.090
Other current financial debts								0	0
Total fair value of financial derivatives								-2.574	-2.090

As at 30 June 2019, these interest rate swaps had a negative market value of € -2.6 million (contractual notional amount of € 70 million), which is determined by the issuing financial institution on a quarterly basis.

Vastned Retail Belgium did not classify any interest rate swaps as a cash flow hedge as at 30 June 2019. The value fluctuations of all existing interest rate swaps are directly included in the income statement.

Related parties

No modifications have occurred during the first semester of 2019 regarding the type of transactions with related parties as described in Note 21 of the Financial report of the 2018 annual report.

Off-balance sheet obligations

In the first semester of 2019, there have been no changes in the off-balance sheet obligations as described in Note 25 of the Financial report of the Annual report 2018.

Events after the balance sheet date

On 5 July 2019, a lease agreement was signed with Pampling Group for the property located at Leysstraat 17 in Antwerp. This lease agreement commenced on 15 July 2019 and the objective for the business activity is to open the shop in the short term. This lease will contribute to an increase in the occupancy rate of the company of 0.83%.

Furthermore, there are no significant events to be mentioned that occurred after the closing of the accounts as at 30 June 2019.



Zonnestraat - Ghent

2.7. Statutory auditor's report

Report of the statutory auditor to the shareholders of Vastned Retail Belgium nv on the review of the Condensed Consolidated Half-yearly Figures as of 30 June 2019 and for the six-month period then ended.

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Vastned Retail Belgium nv (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2019 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement and condensed statement of changes in consolidated shareholders' equity for the six-month period then ended, and explanatory notes, collectively, the "Condensed Consolidated Half-yearly Figures". These statements show a consolidated balance sheet total of € 367.871 thousand and a consolidated loss for the six-month period of € 1.563 thousand. The board of directors is responsible for the preparation and presentation of these Condensed Consolidated Half-yearly Figures in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on these Condensed Consolidated Half-yearly Figures based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Half-yearly Figures are not prepared, in all material aspects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Brussels, 25 July 2019

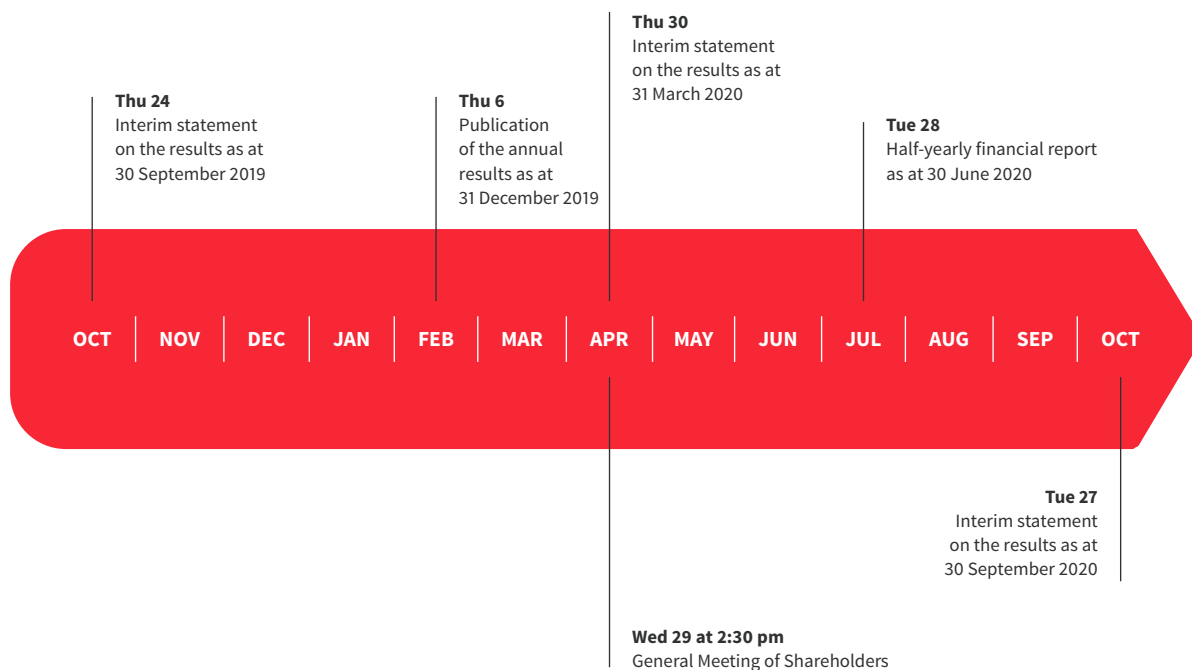
Ernst & Young Bedrijfsrevisoren BCVBA/Ernst & Young Réviseurs d'Entreprises SCCRL

Statutory Auditor
represented by

Joeri Klaykens*
Partner

* Acting on behalf of a BVBA/SPRL

2.8. Financial calendar



3. Statement regarding the half-yearly financial report

In accordance with Article 13 § 2 of the Royal Decree of 14 November 2007, the Board of Directors, composed of Lieven Cuvelier (chairman), Taco de Groot, Reinier Walta, Peggy Deraedt, Anka Reijnen and Ludo Ruysen, declares that according to its knowledge:

- the condensed half-yearly figures, prepared in accordance with the principles of financial information in accordance with IFRS and in accordance with IAS 34 "Interim Financial Information" as accepted by the European Union, give a true and fair view of the equity, the financial position and the results of Vastned Retail Belgium and the companies included in the consolidation
- the interim management report gives a true statement of the main events which occurred during the first six

months of the current financial year, their influence on the condensed half-yearly figures, the main risk factors and uncertainties regarding the remaining months of the financial year, as well as the main transactions between related parties and their possible effect on the condensed half-yearly figures if these transactions should have a significant importance and were not concluded at normal market conditions.

- the information in the interim management report coincides with reality and no information has been omitted the statement of which could modify the tenor of the interim management report.

These condensed half-yearly figures were approved for publication by the board of directors on 25 July 2019.

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. The RREC intends to achieve a 75% investment ratio in prime retail properties in due course.

For more information, please contact:

VASTNED RETAIL BELGIUM NV, a public regulated real estate company under Belgian law,
Rudi Taelemans - CEO or Elke Krols - CFO, tel. + 32 3 361 05 90, www.vastned.be

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. Vastned Retail Belgium cannot guarantee that the assumptions underlying the prospective information are free of misstatements.



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