

ANNUAL RESULTS



Summary for 2018

- Continued execution of the strategy with a clear focus on high-quality retail properties.
- As at 31 December 2018, 59% of the real estate portfolio consists of core city assets and 41% of mixed retail locations (inner-city shops outside of the premium cities, retail parks and retail warehouses).
- Realisation of 28 rental transactions representing approximately 12% of the total annual rental income.
- Occupancy rate as at 31 December 2018: 98% (99% as at 31 December 2017).
- Decrease by approximately 1.5%¹ in the fair value of the existing real estate portfolio in financial year 2018, mainly the result of a decrease in the estimated rental values.
- Gross dividend amounts to €2.85 per share for financial year 2018 (€2.62 for financial year 2017). Gross dividend yield of 7.0% based on the closing share price on 31 December 2018, i.e. €40.90.
- Increase of the EPRA² earnings in financial year 2018 to €2.85 per share (€2.62 for financial year 2017) mainly the result of an increase in rental income combined with a significant decrease in interest charges as a result of the refinancing of the loan portfolio in 2017.
- Extension of the duration of the revolving credit facilities by 1 year to 2023 under the same conditions.
- Limited debt ratio of 27.5% as at 31 December 2018.

¹ With unchanged composition of the real estate portfolio compared with 31 December 2017.

² In accordance with the issued guidelines of the European Securities and Markets Authority (ESMA), which are applicable as of 3 July 2016, the Alternative Performance Measures (APM) used by Vastned Retail Belgium are included. The definitions, the use and the related reconciliation tables are included in the chapter "Alternative Performance Measures" of the Annual Report 2018 and also on the website www.vastned.be there is a separate Lexicon available with regard to these APM's. A consequence of these guidelines is that the term used prior to this, "operating distributable result", is no longer usable and has been changed to "EPRA earnings". However, with regard to content there is no difference from "operating distributable result", the term used previously.

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1. Operating activities in 2018

1.1. General and strategic developments

Vastned Retail Belgium continued with its current **investment strategy** in 2018. Specifically, this involves a clear focus on premium quality as regards locations and properties.

Vastned Retail Belgium believes that popular high streets in the city centres of major cities guarantee the most authentic and unique shopping experience while at the same time offering the greatest security as a long-term investment. Based on currently identifiable trends in the retail market, Vastned Retail Belgium intends to continue to concentrate on high-quality retail properties in cities such as Antwerp, Brussels, Bruges and Ghent. These cities are attractive shopping cities that have positive demographic growth, strong purchasing power, a historic city centre, are highly attractive to tourists and are home to national and international institutions and universities. Vastned Retail Belgium will focus exclusively on the prime high streets in the historic centres of these cities. On 31 December 2018, 59% of the real estate portfolio has already been invested in these types of locations.

The aim is to achieve the strategic goal of investing 75% of the portfolio in these markets in the segment of core city assets through acquisitions and divestments. For the remaining 25%, Vastned Retail Belgium will continue to retain high-quality retail warehouse locations, retail parks and inner-city locations in other cities in its portfolio.

In 2018, the company mainly invested in the **redevelopment** of a number of properties in its portfolio. For example, the second phase of the redevelopment and new construction of a state-of-the-art retail property with two stylish apartments in the centre of Ghent has been completed.

The strategic focus on core city assets is manifesting itself in the letting of the properties to solid international tenants. The success of this strategy is resulting in a well-leased real estate portfolio showing a 98% **occupancy rate**.

In the area of **leases**, 2018 was an active year for Vastned Retail Belgium. A total of 28 rental transactions were concluded that were valued at €2.5 million in annual rental income which represents approximately 12% of the company's total annual rental income.

EPRA earnings amounted to €14.5 million for financial year 2018, compared with €13.3 million for financial year 2017, showing an increase of €1.2 million or about 9%. This increase is mainly attributable to an increase in rental income combined with a significant decrease in financing costs.

With 5.078.525 shares, this represents a **gross dividend** of €2.85 per share for financial year 2018, compared to €2.62 per share in 2017. This implies that the gross dividend share yield is 7.0% based on the share price as at 31 December 2018.



Brussels - Avenue Louise - Ici Paris XL

1.2. Development of real estate portfolio³

As at 31 December 2018, 59% of the real estate portfolio of Vastned Retail Belgium consisted of core city assets, i.e. prime retail properties located in the best shopping streets of the major cities of Antwerp, Brussels, Ghent and Bruges (59% as

at 31 December 2017). 41% of the portfolio consists of mixed retail locations, i.e. inner-city shops outside the premium cities, retail parks and retail warehouses (41% as at 31 December 2017).

| REAL ESTATE PORTFOLIO | 31.12.2018 | 31.12.2017 |
|---|------------|------------|
| Fair value of investment properties (€ 000) | 372.278 | 378.195 |
| Total leasable space (m ²) | 89.730 | 89.877 |

As at 31 December 2018, the fair value of the **investment properties** of Vastned Retail Belgium was €372 million (€378 million). This decrease by €6 million in 2018 compared to 31 December 2017 is primarily the combined effect of:

- the investments in the existing real estate portfolio with a total value of €1.5 million;
- a €7.5 million decrease in the fair value of the existing real estate portfolio, primarily as a result of a decline in the estimated rental values as well in the segment of the core city assets as in the segment of the mixed retail locations



Antwerp - Meir - Massimo Dutti

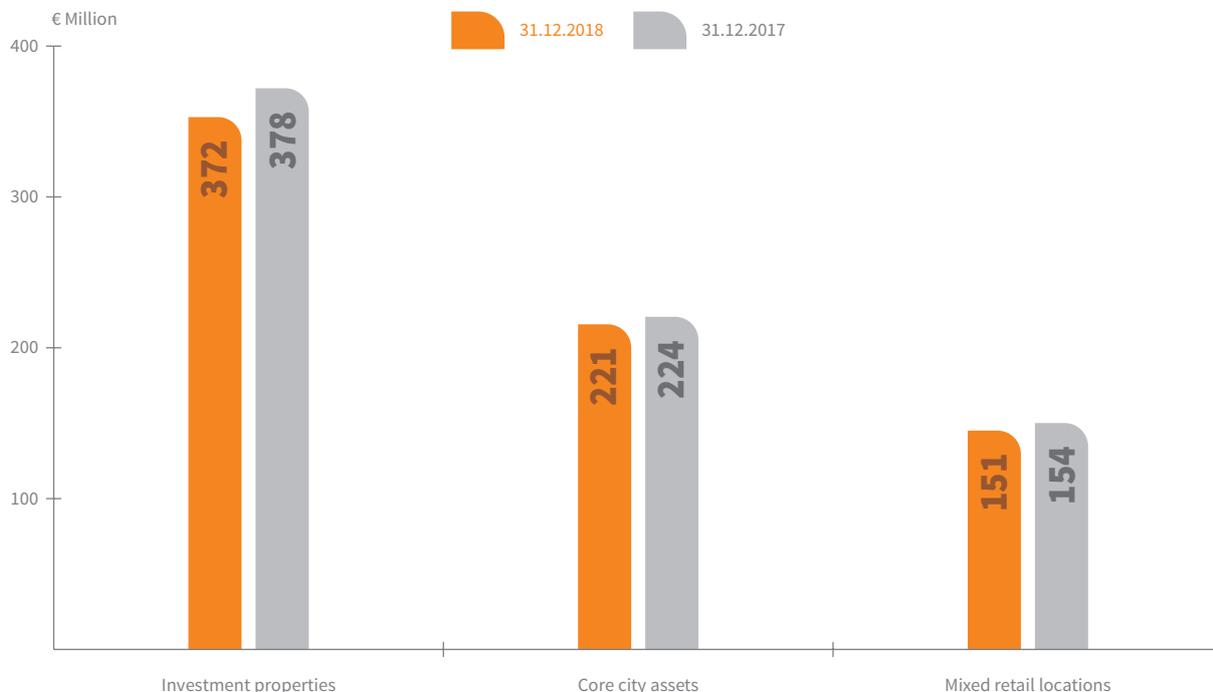
The total fair value of investment properties as of 31 December 2018 is €372 million.



Antwerp - Huidevettersstraat - G-Star

³ The charts are based on the annual rental income for 2018 and the fair value of the real estate portfolio as at 31 December 2018.

Evolution of the fair value of the existing real estate portfolio (million €)



The **fair value of the existing real estate portfolio** of Vastned Retail Belgium decreased by €6 million or by approximately 1.5% in 2018 (based on an unchanged composition of the real estate portfolio compared to 31 December 2017). The fair value of the core city assets dropped by approximately 1.4% and the fair value of the mixed retail locations dropped by approximately 1.8%.

Market rents fell in 2018 as a result of pressure on rents in the retail sector, and yields⁴ remained largely stable compared to 2017, as well as for the core city assets as in the segment of the mixed retail locations. The average yield in the real estate company's portfolio increased slightly by 20 base points.

As at 31 December 2018, the average yield in the Vastned Retail Belgium portfolio was 4.73% for the core city assets (4.47% as at 31 December 2017) and 6.62% for the mixed retail locations (6.45% as at 31 December 2017).



Antwerp - Armeuveilstraat - Les Hommes

⁴ Yield is calculated as the ratio between current rents (increased by the estimated rental value of unoccupied rental premises) and the fair value of investment properties.

Vastned Retail Belgium's investment policy is geared toward retail properties and includes criteria for spreading risk in the real estate portfolio. These criteria are based on the type of property, the geographic location and the type of tenants.

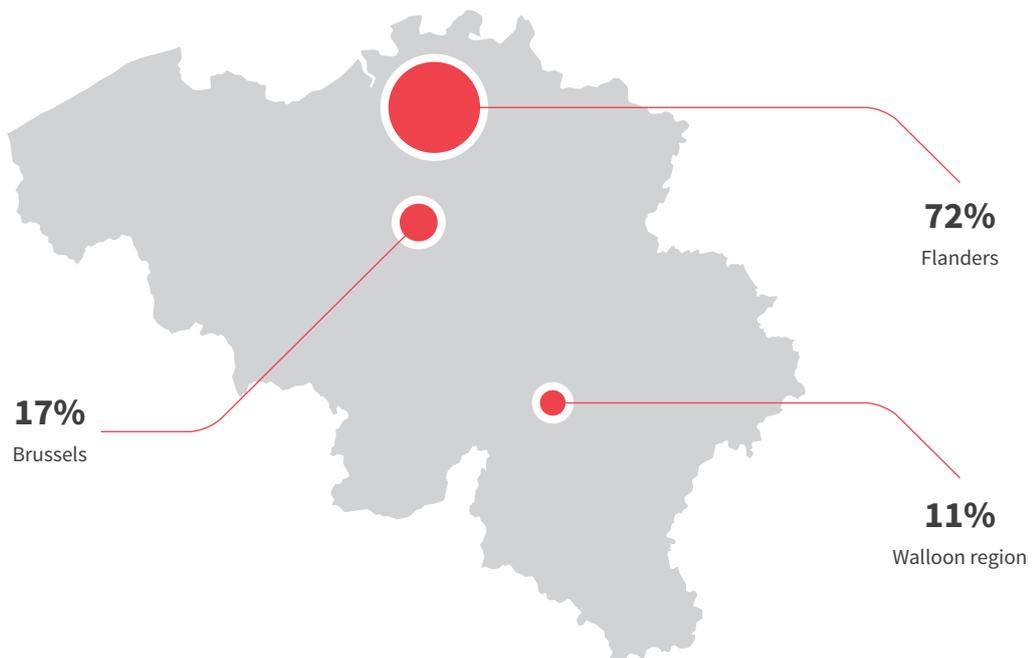
As at 31 December 2018 this risk spread was as follows:

Type of retail property



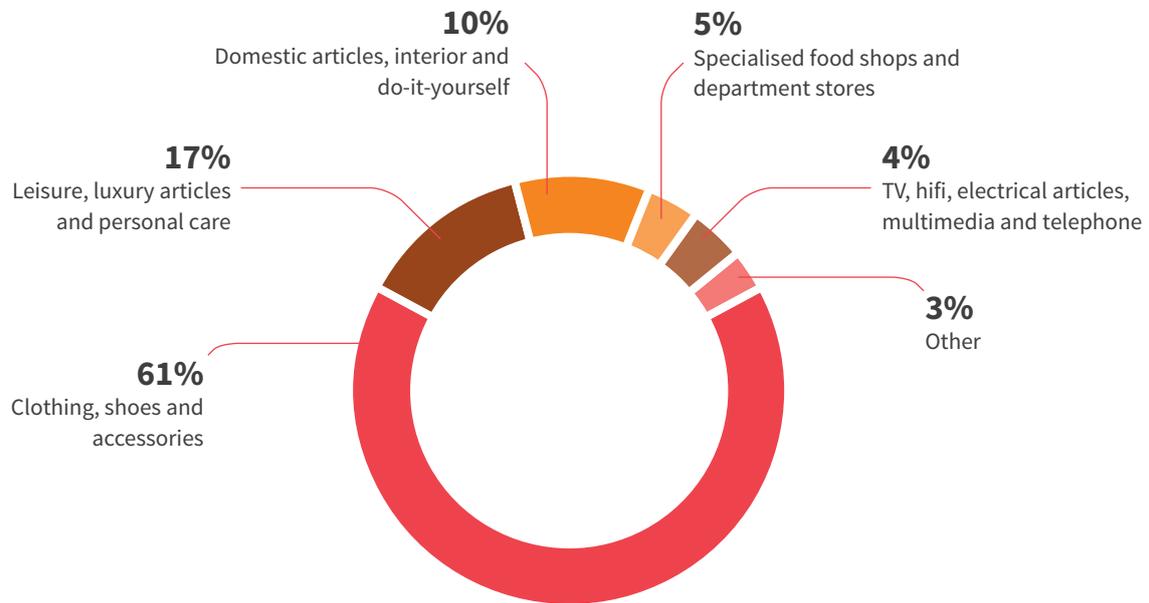
As at 31 December 2018, 59% of the real estate portfolio consists of core city assets and 41% of mixed retail locations (inner-city shops outside the premium cities, retail parks and retail warehouses).

Geographic spread



The portfolio contains as per 31 December 2018 151 leasable units, distributed across 61 different locations.

Sector of tenants



Spread per tenant by size

As at 31 December 2018, the share of the buildings let to H&M (Hennes & Mauritz) amounted to 18.9% of the consolidated assets of Vastned Retail Belgium.

With regard to the total rental income of Vastned Retail Belgium, 17.4% of revenues are related to buildings let to H&M as at 31 December 2018.



Mechelen - Bruul - H&M

1.3. Investments

Regarding new investments, the focus of Vastned Retail Belgium is on high-quality retail property in prime locations in the centre of major cities in Belgium such as Antwerp, Brussels, Ghent and Bruges.

It must be said, however, that investing in new property in the premium segment is not easy. The supply of suitable investment objects in line with market conditions is limited.

The Vastned Retail Belgium asset management team is in close contact with brokers and local owners so that interesting investment projects can be handled directly.



Antwerp - Steenhouwersvest - Damoy



Antwerp - Steenhouwersvest - Le Pain Quotidien



Antwerp - Schuttershofstraat - Terre Bleue - Falke

1.4. Redevelopments

Ghent - Zonnestraat 10

The prominent redevelopment and thorough restoration of a core city asset in the historic city centre of Ghent, which started at the end of March 2017, has been completed in the meantime. The existing retail property at Zonnestraat 10 in Ghent was demolished and rebuilt as an up-to-date retail premises with two stylish apartments.

The commercial premises have been taken up by the women's clothing brand YAYA and opened on 9 March 2018. The residential units were provisionally delivered at the end of September 2018. The commencement date of the lease agreements for these apartments was 1 November 2018.

Ghent - Veldstraat 81

The property, located at Veldstraat 81 in the historic centre of Ghent, was thoroughly renovated after the last tenant left. This in-depth renovation involved among other things removing differences in level in the retail space and replacing the existing shopfront with a state-of-the-art shopfront offering a nice height. These works have significantly improved the property's appearance and visibility.

This redevelopment involved an investment amount of approximately € 0.3 million. Delivery took place in the second quarter of 2018. There are currently contacts with interested parties, but these have not yet resulted in a signed lease agreement.

1.5. Divestments

It is the strategy of Vastned Retail Belgium to reduce in the long term the share of mixed retail locations in the company's real estate portfolio and to move towards a 75% share of core city assets in the portfolio.

Mechelen - Borzestraat 5

In the building located at Bruul 40-42 in Mechelen, a retail unit has been created along Borzestraat by breaking out the existing interior walls and creating a new shopfront with a nice free height.

Delivery of this new retail unit took place in the second quarter of 2018. This redevelopment involved an investment amount of approximately € 0.1 million. A lease agreement was signed with Magma - a renewed restaurant formula - and that lease has started on 1 November 2018. With its rental to a tenant from the Food & Beverage segment, Vastned Retail Belgium is confirming the trend of such tenants moving into core shopping area and the surrounding streets.

Antwerp - Leysstraat 28-30 and Leysstraat 17

The renovation of five apartments located at Leysstraat 28-30 and Leysstraat 17 in the centre of Antwerp began in the first quarter of 2018. This redevelopment involved an investment amount of approximately € 0.4 million. All apartments have been delivered and rented in the meantime. The lease agreement of four apartments commenced in 2018, the lease agreement of the fifth apartment has commenced on 15 January 2019.



Ghent - Zonnestraat - YAYA

1.6. Leases

In the area of leases, 2018 was an active year for Vastned Retail Belgium. A total of 28 rental transactions were concluded that were valued at €2.5 million in annual rental income. This represents roughly 12% of the company's total annual

rental income. In 2018, 18 lease agreements went into force. The other lease agreements will commence in the course of 2019 and 2020.

New leases

In 2018, 14 rental transactions were concluded with **new tenants** for a total annual rental volume of €0.5 million.

This concerns one rental of an unoccupied shop, 6 rentals immediately following the departure of the previous tenant and 7 rentals of residential units. These lease agreements represent approximately 2.3% of the company's total rental income. The new rent for these lease agreements is on average 3.0% lower than the rent for the previous lease agree-

ments. This decrease in rental price represents only € 15.000, or not even 0.1% of the total annual rental income.

These transactions lead to a drop in vacancy rates in the real estate portfolio, which in turn results in an increasing cash flow.

Lease extensions and renegotiations with existing tenants

Vastned Retail Belgium renewed 14 **lease agreements** in 2018 for a total annual rental volume of approximately €2.0 million. These 14 lease agreements represent approximately 3.1% of the company's total rental income. On average, the new rent for these lease agreements is 2.3% lower than the rent being charged in the current lease agreements. An average rent increase of 1.4% has been realised in the segment of the core

city assets, on the other hand in the segment of the mixed retail locations, rent levels decreased with an average of 7.3%.

Due to the current market situation, it is more difficult to realise a rent increase when renewing leases for mixed retail locations and it is often necessary to lower the rent at secondary locations.



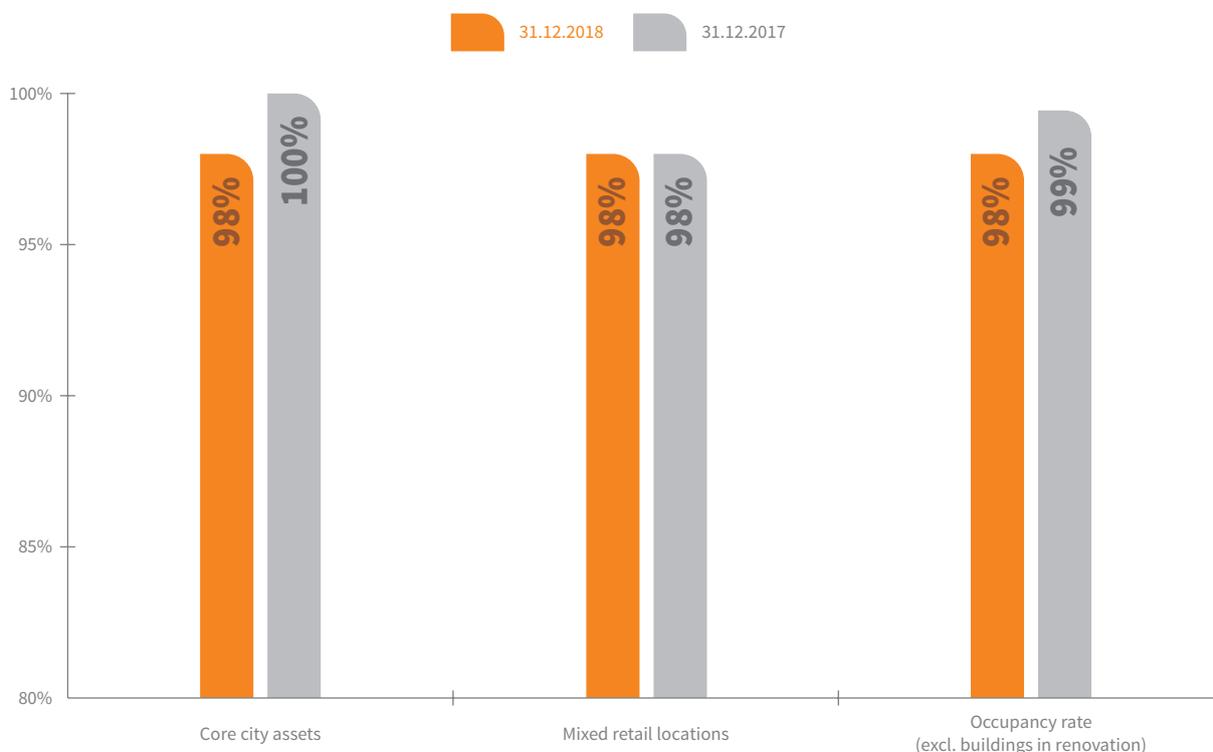
Antwerp - Steenhouwersvest - Damoy

Occupancy rate

The **occupancy rate** of the portfolio amounted to 98% as at 31 December 2018, which is a decrease of 1% compared to 31 December 2017. The occupancy rate of the real estate portfolio with regard to the segment of the core city assets has decreased from 100% at the end of 2017 to 98% as at 31

December 2018. This decrease can be explained by the vacant unit in Veldstraat in Ghent. Interested parties are currently being contacted with respect to this unit. The occupancy rate of the mixed retail locations remained stable compared to the previous accounting year and amounts to 98%.

As at 31 December 2018, the occupancy rate of the real estate portfolio was 98%.



1.7 Takeover bid by Vastned Retail N.V.

On 12 April 2018, Vastned Retail N.V., which directly and indirectly holds 65.49% of the shares in Vastned Retail Belgium, issued a voluntary and conditional takeover bid on all shares in Vastned Retail Belgium that are not yet in its possession. One of the conditions of the offer was that shareholders had to offer at least 90% of the free float during the only accep-

tance period which ran from 2 May through 1 June 2018. During this period, 1.2 million shares were contributed to the takeover bid, or 70% of the free float. This means that the minimum acceptance percentage of 90% has not been achieved and the takeover bid will not proceed any further.

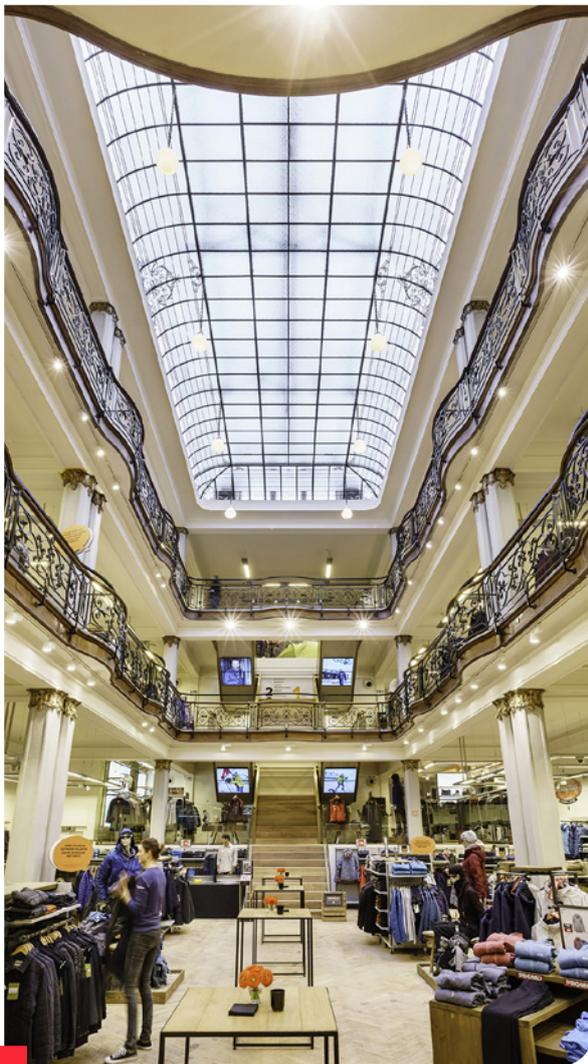
1.8 Ghent Monument Prize

On 14 December 2018, the Ghent Monument Prize was awarded for the second time. This prize is awarded every three years by the Ghent Society for City, Archeology, Landscape and Monument vzw (GVSALM) to a historic building, site or domain that has undergone a successful restoration. In the category of private property, the awards from both the jury of experts and the public jury were awarded to the property located at Zonnestraat 6-8.

The jury was very enthusiastic about the way in which the building was faithfully restored to its former original condition. Inside, the beautiful glass skylight was dismantled,

cleaned and then refitted after restoration. A previously-built mezzanine was removed, and this once again revealed the monumentality and spatiality of the mansion. The graceful balustrade was preserved, as was the parquet floor. This restoration is a testament to how traders and entrepreneurs can deal with heritage from the point of view of their respective activities.

The prize that Vastned Retail Belgium received for this recognition has been donated to the Autimismus charity in Ghent. This organisation supports people with autism spectrum disorder who live independently.



Ghent - Zonnestraat - AS Adventure



Ghent - Zonnestraat - AS Adventure

2. Financial results 2018

2.1. Consolidated income statement ⁵

| IN THOUSANDS € | 2018 | 2017 |
|---|---------------|---------------|
| Rental income | 19.352 | 19.018 |
| Rental-related expenses | -155 | -131 |
| Property management costs and income | 71 | 58 |
| Property result | 19.268 | 18.945 |
| Property charges | -1.835 | -1.749 |
| General costs and other operating costs and income | -1.143 | -980 |
| Operating result before result on portfolio | 16.290 | 16.216 |
| Result on disposals of investment properties | 0 | -21 |
| Changes in fair value of investment properties | -7.466 | 20.935 |
| Other result on portfolio | 399 | -501 |
| Operating result | 9.223 | 36.629 |
| Financial result (excl. changes in fair value of financial instruments) | -1.753 | -2.595 |
| Changes in fair value of financial instruments | -210 | 886 |
| Taxes | -20 | -251 |
| Net result | 7.240 | 34.669 |
| Note: | | |
| EPRA Earnings | 14.470 | 13.306 |
| Result on portfolio | -7.068 | 20.413 |
| Changes in fair value of financial instruments and other non-distributable elements | -162 | 950 |

| RESULT PER SHARE | 2018 | 2017 |
|---------------------------------------|-----------|-----------|
| Number of shares entitled to dividend | 5.078.525 | 5.078.525 |
| Weighted average number of shares | 5.078.525 | 5.078.525 |
| Net result (€) | 1,43 | 6,83 |
| Gross dividend (€) | 2,85 | 2,62 |
| Net dividend (€) | 1,9945 | 1,8340 |

In 2018, the **rental income** of Vastned Retail Belgium amounted to €19.4 million (€19.4 million). The increase of €0.4 million, or 2% compared to 2017, is mainly attributable to the acquisition of three core city assets in the city centre of Antwerp in the course of 2017 on the one hand, and to new leases entered into in the course of the 2017 and 2018 financial years on the other. Furthermore, one-off indemnity payments were received from tenants who left their premises before the contractual break.

The **real estate costs** amounted to €1.8 million (€1.7 million) and increased by €0.1 million, primarily due to an increase in the technical charges. In 2018, two complex roof renovations were carried out on listed properties.

General costs and other operating income and costs amounted to €1.1 million (€1.0 million) and increased by €0.1 million compared to previous financial year as a result of some one-off consultancy costs in the context of the takeover bid that was issued by the majority shareholder as well as by an increase in the interim personnel costs to maintain continuity during the temporary absence of 2 full-time employees.

The increase in rental income was partially offset by the increase in operational costs (both real estate costs and general costs), which ultimately resulted in a slight increase in the **operating result before the result on the portfolio** during 2018. This result increased by €0.1 million to €16.3 million (€16.2 million).

The operational margin of Vastned Retail Belgium is 85% for financial year 2018 (86% in 2017).



Brussels - Elsenesteenweg - Mango

In 2018, the fair value of the existing real estate portfolio of Vastned Retail Belgium decreased by 1.5% compared to 2017 year-end. The **changes in fair value of investment properties** are also negative in 2018 and amount to €-7.5 million compared to €20.9 million in 2017. This decrease is primarily due to a decrease in the estimated rental values in both segments.

The **financial result (excl. changes in the fair value of financial instruments)** amounted to €-1.8 million for the 2018 financial year (€-2.6 million), which constitutes a €0.8 million increase compared to 2017, completely attributable to the refinancing of the entire loan portfolio in accounting year 2017 under better conditions.

The average interest rate of the credit facilities of the company for financial year 2018 decreased to 1.7% including bank margins (2.6% in 2017).

In 2018 the **changes in fair value of financial instruments** 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 €-0.2 million (€0.9 million).



Antwerp - Steenhouwersvest - Diane Von Furstenberg

The **net result** of Vastned Retail Belgium for financial year 2018 amounts to €7.2 million (€34.7 million) and may be divided into:

- the **EPRA earnings** of €14.5 million (€13.3 million) or an increase of €1.2 million or approximately 9%, which is primarily due to an increase of €0.4 million in rental income combined with a significant decrease of €0.8 million in financing costs;
- the **result on portfolio** of €-7.1 million (€20.4 million), which is primarily due to the decrease in the fair value of the investment properties;
- **changes in the fair value of financial instruments and other non-distributable elements** in the amount of €-0.2 million (€1.0 million).

The **EPRA earnings** of Vastned Retail Belgium therefore increased in financial year 2018 to €14.5 million (€13.3 million). With 5.078.525 shares, this represents a **gross dividend** of €2.85 per share (distribution of 100%) for financial year 2018, compared to €2.62 in 2017. This implies that the gross dividend share yield is 7.0% based on the share price as at 31 December 2018.

2.2. Consolidated balance sheet⁶

| IN THOUSANDS € | 31.12.2018 | 31.12.2017 |
|---|----------------|----------------|
| ASSETS | | |
| Non-current assets | 372.782 | 378.759 |
| Current assets | 1.658 | 1.907 |
| Total assets | 374.440 | 380.666 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| Shareholders' equity | 268.442 | 274.508 |
| Share capital | 97.213 | 97.213 |
| Share premium | 4.183 | 4.183 |
| Reserves | 159.806 | 138.443 |
| Net result of the financial year | 7.240 | 34.669 |
| Non-controlling interest | 0 | 0 |
| Liabilities | 105.998 | 106.158 |
| Non-current liabilities | 97.584 | 98.146 |
| Current liabilities | 8.414 | 8.012 |
| Total shareholders' equity and liabilities | 374.440 | 380.666 |

⁶ Comparative figures from financial year 2017 are between brackets.

Assets

On 31 December 2018, the fair value of the **investment properties** of Vastned Retail Belgium was €372 million (€378 million). This decrease by €6 million in 2018 compared to 31 December 2017 is primarily the combined effect of:

- the investments in the existing real estate portfolio with a total value of €1,5 million;
- a €7.5 million decrease in the fair value of the existing real estate portfolio, primarily as a result of a decline in the estimated rental values as well in the segment of the core city assets as in the segment of the mixed retail locations.

On 31 December 2018, the real estate properties are valued at €382 million (investment value) by the independent property experts. The fair value is the investment value minus the hypothetical transaction rights and costs that must be paid in the event of any future potential disposal.

Current assets amount to €2 million (€2 million) and consist mainly of cash and cash equivalents and deferred charges..

Thanks to a strict credit control the number of days of outstanding customers' credit is only 2 days.

Liabilities

The company's **shareholders' equity** amounts to €268 million (€275 million). The share **capital** (€97 million) and the **share premium** (€4 million) remained unchanged in comparison to last year. The total number of shares entitled to dividend amounted to 5.078.525 units as at 31 December 2018. The company's **reserves** amount to €160 million (€138 million) as at 31 December 2018.

In comparison to 2017, the **non-current liabilities** remained stable at €98 million (€98 million) and consist mainly of long-term financing in the amount of €95 million and additionally the negative market value of the long-term hedging instruments in the amount of €2 million.

Current liabilities amounted to €8 million (€8 million), and consisted of €5 million (€4 million) in current financial debts (all of which comprise short-term financing on a rolling basis), €2 million (€2 million) in trade debts and other current debts and €1 million (€1 million) in accrued charges and deferred income and other liabilities.

The **debt ratio** of the company amounted to 27.5% as at 31 December 2018 and remained quasi-stable compared to 31 December 2017.

As at 31 December 2018, the company had a solid balance sheet with a low debt ratio of 27.5% (27% as at 31 December 2017).

| DATA PER SHARE | 31.12.2018 | 31.12.2017 |
|--|------------|------------|
| Number of shares entitled to dividend | 5.078.525 | 5.078.525 |
| Net value (fair value) (€) | 52,86 | 54,05 |
| Net value (investment value) (€) | 54,78 | 55,83 |
| Net asset value EPRA ⁷ (€) | 53,31 | 54,52 |
| Share price on closing date (€) | 40,90 | 45,00 |
| Premium (+) / Discount (-) to net value (fair value) (%) | -23% | -17% |
| Debt ratio (max 65 %) | 28% | 27% |

As at 31 December 2018, the **net value** (fair value) of the share was €52.86 (€54.05). As the share price as at 31 December 2018 was €40.90, the Vastned Retail Belgium share is listed at a discount of approximately 22.5% compared to this net value (fair value).

As the share price of Vastned Retail Belgium as at 31 December 2018 was €40.90, the company is offering a gross dividend yield of 7.0%.



Brussels - Elsenesteenweg - Zara

⁷ Financial performance indicator calculated according to EPRA's Best Practices Recommendations (European Public Real Estate Association). These data are not required by regulation regarding regulated real estate companies and are not subject to a control by government authorities. These calculations have not been verified by the statutory auditor with exception of EPRA earnings, EPRA NAV and EPRA NNAV. See also www.epra.com

2.3. Financial structure

Vastned Retail Belgium has a conservative financial structure as at 31 December 2018 allowing it to continue to carry out its activities in 2019 accordingly.

The most important characteristics of the financial structure as at 31 December 2018 are:

- Amount of financial debts: €100.0 million
- 92% of available credit lines are long-term financing schemes with financial institutions with a weighted average remaining duration of 4.9 years
- well-spread expiry dates of credit facilities between 2023 and 2024
- spread of credit facilities over 4 European financial institutions
- €25.0 million of available non-withdrawn credit lines at financial institutions
- 64% of the available credit facilities have an interest rate fixed by interest rate swaps, 36% have a variable interest rate; with regard to the withdrawn credit facilities these figures are 80% and 20%, respectively
- fixed interest rates are fixed for a remaining period of 4.5 years on average
- average interest rate for 2017: 1.7% including bank margins
- market value of financial derivatives: €2.1 million negative
- limited debt ratio of 27.5% (statutory maximum: 65%).

As at 31 December 2018, 92% of the available credit lines at financial institutions comprise long-term financing. 8% of the credit lines are short-term financing, of which 100% credit facilities with an indefinite duration (€ 10 million). Vastned Retail Belgium does not need to carry out any more refinancing of its credit facilities in the coming financial year 2019.

Balance between long-term and short-term financing

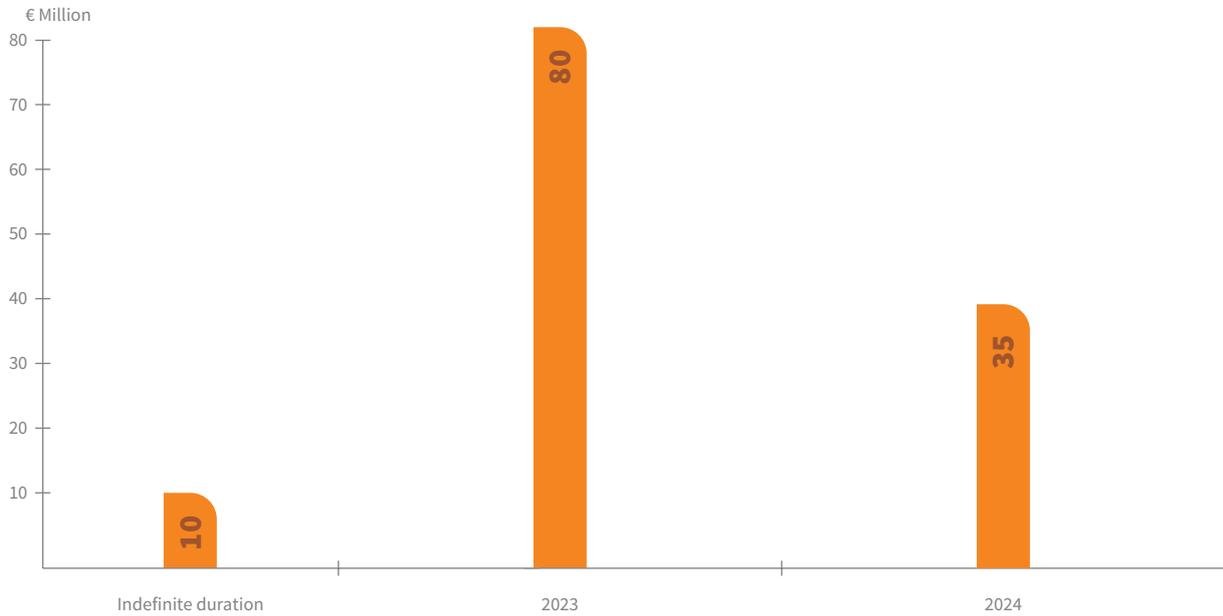
92%
Long-term credit facilities

8%
Short-term credit facilities,
of which 100% credit facilities with
an indefinite duration



Brussels - Elsenesteenweg - Medi-Market

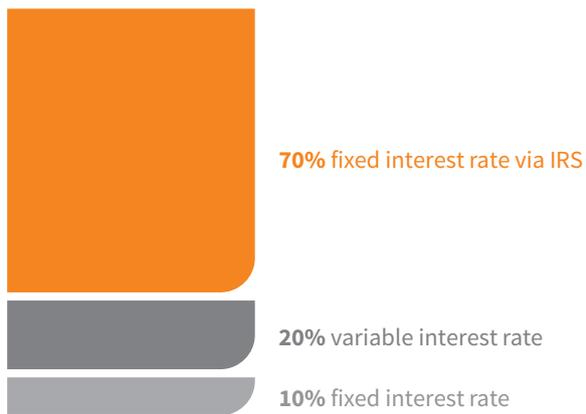
Expiry dates credit facilities



To safeguard its operating results from future interest rate fluctuations, Vastned Retail Belgium is partially hedging these interest rate fluctuations with interest rate swaps.

As at 31 December 2018, Vastned Retail Belgium had a notional amount of €70 million in active interest rate swaps, with an average remaining term of 4.5 years.

Balance credit lines with variable and fixed interest rate



The company has a limited debt ratio of 27.5%.



Antwerp - Leysstraat - Armani

3. Outlook for 2019⁸

The Belgian economy is expected to grow by 1.5% in 2019. Real disposable income of private individuals will increase by 1.9% in 2019, due to additional reductions in personal income tax and stronger growth in gross wages. Consumption is expected to grow by 1.6% in 2019, aligning with the increase in purchasing power. It is also expected that employment will rise by 1.1% and inflation is set to reach 1.9%.

E-commerce is continuing to develop and, with the establishment of a European logistics centre in Liège, Chinese operator Alibaba is showing a serious commitment to the European market. Amazon has also indicated that they will focus on the Dutch-language area. This will increase pressure on a number of chain stores, possibly leading to bankruptcies. The arrival of Jumbo and the significant expansion plans of Ahold-Delhaize for the Belgian food retail market are undoubtedly going to force competitors into action and trigger a price war. 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.

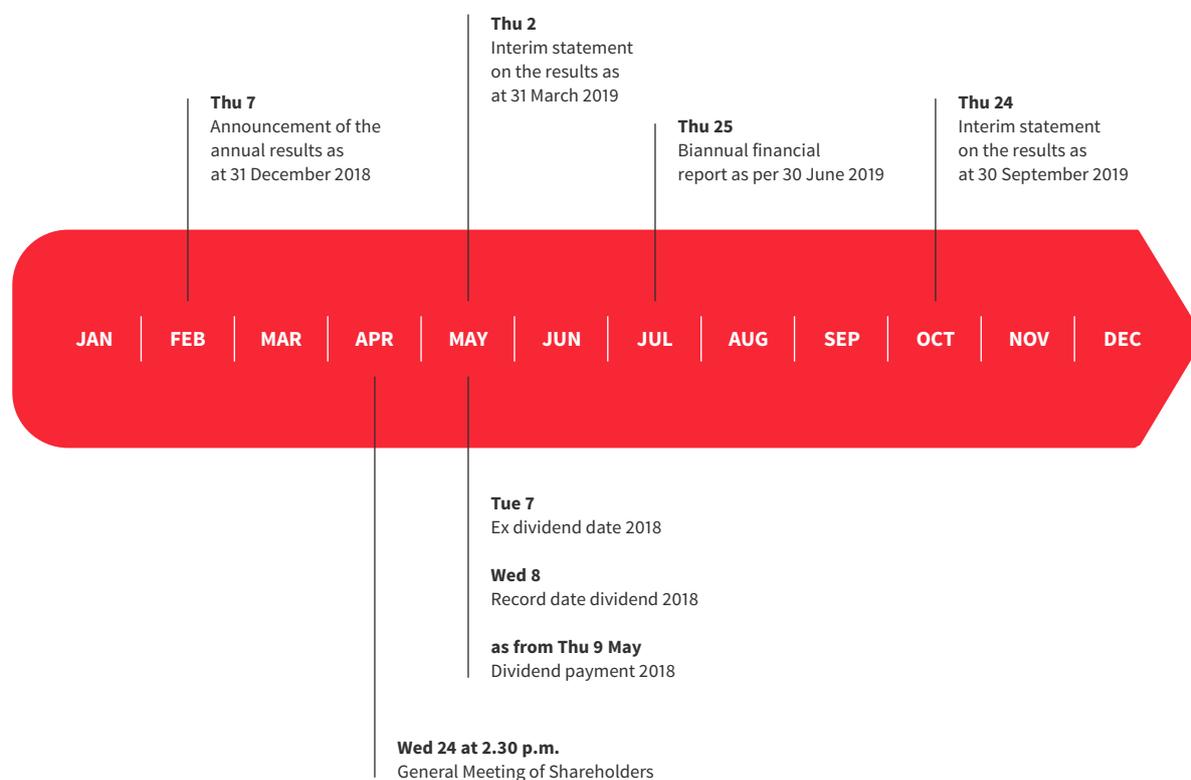
Vastned Retail Belgium intends to pursue its strategy further in 2019 by focusing more explicitly on premium-quality retail locations and retail parks. The company will continue to work towards a clear predominance of the very best retail property in the most popular shopping streets in the major cities.

The primary focus is on the acquisition of retail property in the Antwerp city centre, and additionally in other major cities. By focusing on a limited number of city centres, the market knowledge of the asset team of the company grows, thereby allowing for a good assessment of opportunities. New investments will, to a considerable extent depend on further developments on the retail property market. The long-term goal is to ensure that 75% of all investments are in high-quality retail real estate. At the end of 2018, the company owned 59% of core city assets.

In past years, Vastned Retail Belgium has greatly increased the **quality** of its real estate portfolio by investing in high-quality core city assets and divesting from various non-strategic mixed retail locations. The success of this strategic focus is resulting in a well-leased real estate portfolio showing a 98% occupancy rate.

The quality and diversification of the real estate portfolio form a solid basis for the future results of the real estate company. Vastned Retail Belgium is expecting stable EPRA earnings for the 2019 financial year.

4. Financial calendar 2019



The annual report concerning financial year 2018 will be published on the company's website www.vastned.be as from 22 March 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 core city assets (prime retail properties located on the best shopping streets in the major cities of Antwerp, Brussels, Ghent and Bruges), and mixed retail locations (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 core city assets in due course.

For more information, please contact:

VASTNED RETAIL BELGIUM NV, a public regulated real estate company under Belgian law,
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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.

Financial statements⁹

1. Consolidated income statement

| IN THOUSANDS € | 2018 | 2017 |
|--|---------------|---------------|
| Rental income | 19.352 | 19.018 |
| Rental-related expenses | -155 | -131 |
| NET RENTAL INCOME | 19.197 | 18.887 |
| Recovery of rental charges and taxes normally payable by tenants on let properties | 1.193 | 1.016 |
| Rental charges and taxes normally payable by tenants on let properties | -1.193 | -1.016 |
| Other rental-related income and expenses | 71 | 58 |
| PROPERTY RESULT | 19.268 | 18.945 |
| Technical costs | -532 | -397 |
| Commercial costs | -189 | -284 |
| Charges and taxes on unlet properties | -40 | -5 |
| Property management costs | -1.033 | -1.018 |
| Other property charges | -41 | -45 |
| PROPERTY CHARGES | -1.835 | -1.749 |
| OPERATING PROPERTY RESULT | 17.433 | 17.196 |
| General costs | -1.175 | -1.005 |
| Other operating income and costs | 32 | 25 |
| OPERATING RESULT BEFORE RESULT ON PORTFOLIO | 16.290 | 16.216 |
| Result on disposals of investment properties | 0 | -21 |
| Changes in fair value of investment properties | -7.466 | 20.935 |
| Other result on portfolio | 399 | -501 |
| OPERATING RESULT | 9.223 | 36.629 |
| Financial income | 2 | 4 |
| Net interest charges | -1.752 | -2.594 |
| Other financial charges | -3 | -5 |
| Changes in fair value of financial instruments | -210 | 886 |
| FINANCIAL RESULT | -1.963 | -1.709 |
| RESULT BEFORE TAXES | 7.260 | 34.920 |
| Corporate tax | -20 | -251 |
| Taxes | -20 | -251 |
| NET RESULT | 7.240 | 34.669 |

⁹ The statutory auditor has confirmed that his full audit, which has been substantially completed, has not revealed material adjustments which would have to be made to the accounting information disclosed in this press release and that an unqualified auditor's report will be issued.

| IN THOUSANDS € | 2018 | 2017 |
|---|--------------|---------------|
| NET RESULT | 7.240 | 34.669 |
| Note: | | |
| EPRA Earnings | 14.470 | 13.306 |
| Result on portfolio | -7.068 | 20.413 |
| Changes in fair value of financial instruments and other non-distributable elements | -162 | 950 |
| Attributable to: | | |
| Equity holders of the parent company | 7.240 | 34.669 |
| Non-controlling interest | 0 | 0 |

| RESULT PER SHARE | 2018 | 2017 |
|---------------------------------------|-----------|-----------|
| Number of shares entitled to dividend | 5.078.525 | 5.078.525 |
| Weighted average number of shares | 5.078.525 | 5.078.525 |
| Net result (€) | 1,43 | 6,83 |
| Diluted net result (€) | 1,43 | 6,83 |
| Operating distributable result (€) | 2,85 | 2,62 |

2. Consolidated statement of comprehensive income

| IN THOUSANDS € | 2018 | 2017 |
|---|--------------|---------------|
| NET RESULT | 7.240 | 34.669 |
| Other components of comprehensive income (recyclable in the income statement) | | |
| Changes in the effective part of fair value of allowed hedging instruments that are subject to hedge accounting | 0 | 0 |
| COMPREHENSIVE INCOME | 7.240 | 34.669 |
| Attributable to: | | |
| Equity holders of the parent company | 7.240 | 34.669 |
| Minority interests | 0 | 0 |

3. Consolidated balance sheet

| ASSETS IN THOUSANDS € | 31.12.2018 | 31.12.2017 |
|--|----------------|----------------|
| Non-current assets | 372.782 | 378.759 |
| Intangible assets | 13 | 15 |
| Investment properties | 372.278 | 378.195 |
| Other tangible assets | 488 | 546 |
| Trade receivables and other non-current assets | 3 | 3 |
| Current assets | 1.658 | 1.907 |
| Trade receivables | 330 | 373 |
| Tax receivables and other current assets | 12 | 151 |
| Cash and cash equivalents | 512 | 367 |
| Deferred charges and accrued income | 804 | 1.016 |
| TOTAL ASSETS | 374.440 | 380.666 |

| SHAREHOLDERS' EQUITY AND LIABILITIES IN THOUSANDS € | 31.12.2018 | 31.12.2017 |
|--|----------------|----------------|
| Shareholders' equity | 268.442 | 274.508 |
| Shareholders' equity attributable to the shareholders of the parent company | 268.442 | 274.508 |
| Share capital | 97.213 | 97.213 |
| Share premium | 4.183 | 4.183 |
| Reserves | 159.806 | 138.443 |
| Net result of the financial year | 7.240 | 34.669 |
| Non-controlling interest | 0 | 0 |
| Liabilities | 105.998 | 106.158 |
| Non-current liabilities | 97.584 | 98.146 |
| Non-current financial debts | 95.161 | 95.625 |
| <i>Credit institutions</i> | 95.161 | 95.625 |
| Other non-current financial liabilities | 2.090 | 1.880 |
| Other non-current liabilities | 116 | 145 |
| Deferred taxes - liabilities | 217 | 496 |
| Current liabilities | 8.414 | 8.012 |
| Provisions | 269 | 269 |
| Current financial debts | 4.850 | 4.400 |
| <i>Credit institutions</i> | 4.850 | 4.400 |
| Other current financial liabilities | 0 | 0 |
| Trade debts and other current debts | 2.084 | 2.107 |
| Other current liabilities | 603 | 625 |
| Accrued charges and deferred income | 608 | 611 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 374.440 | 380.666 |

4. Statement of consolidated changes in equity

| IN THOUSANDS € | Share capital | Share premium | Reserves | Net result of financial year | Total shareholders' equity |
|---|---------------|---------------|----------------|------------------------------|----------------------------|
| Balance at 31 December 2016 | 97.213 | 4.183 | 130.352 | 20.533 | 252.281 |
| Comprehensive income of 2017 | | | | 34.669 | 34.669 |
| Transfer through result allocation 2016 | | | | | |
| Transfer from result on portfolio to reserves | | | 7.136 | -7.136 | 0 |
| Transfer from changes in fair value of financial assets and liabilities | | | 889 | -889 | 0 |
| Other movements | | | 66 | -66 | 0 |
| Dividends financial year 2016 | | | | -12.442 | -12.442 |
| Balance at 31 December 2017 | 97.213 | 4.183 | 138.443 | 34.669 | 274.508 |
| Comprehensive income of 2018 | | | | 7.240 | 7.240 |
| Transfer through result allocation 2017 | | | | | |
| Transfer from result on portfolio to reserves | | | 20.413 | -20.413 | 0 |
| Transfer from changes in fair value of financial assets and liabilities | | | 886 | -886 | 0 |
| Other movements | | | 64 | -64 | 0 |
| Dividends financial year 2017 | | | | -13.306 | -13.306 |
| Balance at 31 December 2018 | 97.213 | 4.183 | 159.806 | 7.240 | 268.442 |

ANNUAL RESULTS

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