vastned Retail Belgium

Press Release
Annual Results

2020

Antwerp Meir • Massimo Dutti

Regulated information – under embargo until 8 February 2021, 6 p.m.
Antwerp, 8 February 2021

Strong operating results and a high occupancy rate

- Final agreements were concluded with over 98% of the lessees affected by the first lockdown. For the second lockdown, final agreements were concluded with more than 97% of the lessees.[1]
- Limited debt ratio of 28.5% as at 31 December 2020 (27.9% previous financial year).
- € 32.9 million of unused credit facilities available.
- EPRA earnings of € 2.44 per share for financial year 2020.
- Gross dividend proposal of € 2.05 per share for the financial year 2020. This corresponds to a gross dividend yield of 8.5% based on the closing price on 31 December 2020, being € 24.00.
- Divestment of a non-strategic retail park in Schaarbeek and a solitary retail unit in Balen with a capital gain of € 1.5 million.
- Limited decrease in the fair value of the existing real estate portfolio (-2,4%) compared to the first semester of 2020.
- The focus of management in 2021 remains on the timely collection of rents and maintaining a stable occupancy rate for the portfolio.

1) Situation on 5 February 2021.

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1. Operating activities in 2020

1.1. COVID-19 update

2020 is the year in which our country was plagued by the COVID-19 pandemic. The outbreak of this pandemic is having an enormously serious impact on society and the economic activities of this country. As a company, Vastned Retail Belgium has not escaped its consequences either.

The government has taken far-reaching measures to combat the COVID-19 pandemic. One of the measures taken concerned the closure of non-essential shops as from 13 March 2020, which was lifted on Monday 11 May 2020. After this mandatory closure, everyone had to shop alone, and as of the summer, when the number of COVID-19 infections stabilised, the measures where somewhat relaxed. From that time on, multiple-person shopping was once again permitted, which had a positive impact on the number of visitors that retailers had.

Since the reopening of the shops on 11 May 2020, Vastned Retail Belgium has entered into dialogue with all its affected lessees and has reached a final agreement with 98% of the lessees regarding the rent owed during this first lockdown period. For Vastned Retail Belgium, this waiver of unpaid rent amounted to € 1.4 million.

In addition to the waiver of rent, a repayment plan was concluded with a limited number of lessees. These lessees are following the proposed plan strictly.

In the second half of 2020, the number of COVID-19 infections increased again, making the fear for a second wave of infections a reality. At that time, the government reinstated a mandatory closure of non-essential shops as from 2 November 2020 till 1 December 2020.

The closure of non-essential shops during this second lockdown (one month) was shorter than the first lockdown (two months). In addition, the government amended the list of non-essential shops, allowing a greater number of shops to remain open during this second lockdown. For Vastned Retail Belgium, this meant that 13% of the lessees that were closed during the first lockdown were allowed to open during the second lockdown. In addition, retailers were also given the opportunity to set up collection points where consumers could collect the goods ordered.

Similar to the first lockdown, Vastned Retail Belgium entered into dialogue with the affected lessees and has reached a final agreement with 97% of the affected lessees. The estimated impact of this second lockdown amounts to € 0.6 million.

Since 1 December 2020, all shops have reopened, but shopping alone is still mandatory. Just as after the first lockdown, this results in lower numbers of visitors for retailers.

Finally, management concludes that the rental income after this second lockdown is again in line with the rental income before the second lockdown. The focus on on timely collection of rent during 2020 resulted in a collection rate [1] (excluding waivers of unpaid rent that have been granted) of 99,3% for the financial year 2020.

Bruges Steenstraat • H&M

1) Calculation on 2 February 2021

1.2. General and strategic developments

Vastned Retail Belgium continues to believe that popular shopping streets in the city centres of major cities guarantee the most authentic, unique shopping experience and offer the greatest security as a long-term investment. In the light of the current observable trends in the retail market, Vastned Retail Belgium continues to focus further on retail properties located in Antwerp, Brussel, Ghent and Bruges. These cities are attractive 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.

The aim is to maintain the high quality of the real estate portfolio through acquisitions and divestments. It is the intention of Vastned Retail Belgium to reduce the share of fashion in the portfolio by prioritising other retail activities such as personal care, multimedia, inner-city supermarkets and residential developments and redevelopments within the existing portfolio. The movement to reduce the share of fashion in the real estate portfolio was already deployed in 2020 by letting to Takeaway, Sleepworld, Beter Bed and Keukens De Abdij.

Furthermore, the company will try to create **added value** within the existing portfolio. Where possible, this will include the conversion of vacant floors above retail units into residential units.

The strategic focus on retail properties in popular shopping streets manifests itself in the letting of properties to solid international and national tenants. This results in a well-leased real estate portfolio showing a 96.2% **occupancy rate**.

During 2020, a total of 24 rental transactions were concluded that were valued at € 2,2 million in annual rental income. This represents roughly 12.0% of the company's total annual rental income.

The **EPRA earnings** for financial year 2020 amounted to € 12.4 million compared to € 14.7 million in financial year 2019. The decrease by € 2.3 million (-15.6%) is largely explained by the impact of the COVID-19 pandemic.

Gross dividend proposal of € 2.05 per share for the financial year 2020. This corresponds to a gross dividend yield of 8.5% based on the closing price on 31 December 2020, being € 24.00. Vastned Retail Belgium proposes for the financial year 2020, out of prudency, a gross dividend of € 2.05 per share. This takes into account the minimum required payment under the RREC regulation. In addition, the payout ratio is in line with that of other RRECs. Based on the closing price of € 24.00 on 31 December 2020, the dividend proposed corresponds to a gross dividend yield of 8.5%.

Brussels Elsensesteenweg • Medi-Market

1.3. Development of real estate portfolio[3]

As at 31 December 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 qualitative retail parks.

In the fourth quarter of financial year 2020, Vastned Retail Belgium achieved two divestments. The first divestment concerns a non-strategic retail park located in Schaarbeek. This divestment took place for an amount of € 8.2 million, on which Vastned Retail Belgium realised a capital gain of € 1.5 million.

In addition, a solitary retail unit in Balen was divested for an amount of € 1.6 million. The selling price was in line with the estimated value of this property.

As indicated in the half-yearly results, Vastned Retail Belgium signed during the first semester of 2020 a commitment to purchase/sell one retail property under a suspensive condition to obtain the required permits. This concerns a retail unit located on a small retail park in Leopoldsburg. The suspensive condition had not yet been met at the end of 2020.

Real Estate Portfolio	31.12.2020	31.12.2019
Fair value of investment properties (€ 000)	330,427	360,752
Total leasable space (m²)	81,166	85,915

Antwerp Meir • Armani

As at 31 December 2020, the fair value of the **investment properties** amounted to € 330.4 million, which is a decrease of the fair value by € 30.3 million compared to 31 December 2019 (€ 360.7 million as at 31 December 2019).

The decrease (€ -30.3 million) in the fair value of the investment properties compared to 31 December 2019 is the combined effect of:

- Investments (€ 0.3 million) in the existing property portfolio.
- Divestments (€ -8.3 million) of two non-strategic retail locations.
- Decrease in the fair value of the existing real estate portfolio (€ -22.2 million). Of this write-down, € 16.5 million was already recognised in the first three quarters of 2020, which makes the effect of the fourth quarter € 5.7 million.
- Write-down (€ -0.1 million) of the IFRS 16 right-of-use assets.

3) The charts are based on the annual rental income for 2020 and the fair value of the real estate as at 31 December 2020.

The **fair value of the existing real estate portfolio** of Vastned Retail Belgium decreased by € 22.2 million or 6.3% in 2020 (based on an unchanged composition of the portfolio compared to 31 December 2019, excluding investments and divestments). This decrease is the result of a decrease of the estimated rental values for all future periods on the one hand and an yield adjustment on the other hand. The yield adjustment is due to the reduced activity in the retail property investment market as a result of the COVID-19 pandemic and the negative reports about retailers that have hit hard times.

The average yield in the real estate company's portfolio as at 31 December 2020 amounted to 5.64% (5.50% as at 31 December 2019).

Sensitivity analysis

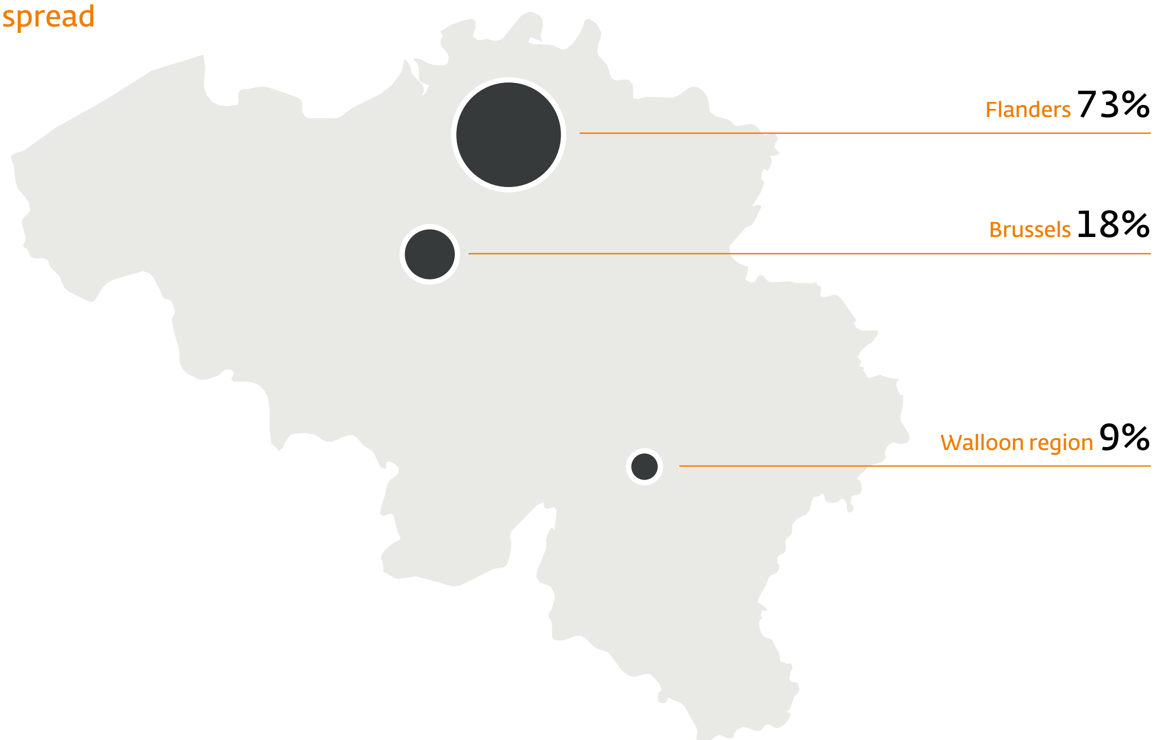
In the case of a hypothetical negative adjustment of the yield as used by property experts for the valuation of the real estate portfolio of the company (yield or capitalisation rate) with 1.0% (from 5.64% to 6.64% in average) , the fair value of the real estate portfolio would decrease by € 49.6 million or 15.1%. This would increase the debt ratio of the company by 5.0% to 33.5%.

If this is reversed, and a hypothetical positive adjustment of the yield with 1.0% (from 5.64% to 4.64% on average), the fair value of the real estate would increase by € 71.0 million or 21.5%. This would decrease the debt ratio of the company by 5.0% to 23.5%.

The investment policy of Vastned Retail Belgium is focussed on the best retail property, whereby the following criteria are important for spreading the risk in the real estate portfolio: the geographical location, the nature of the tenants and the size of the tenants.

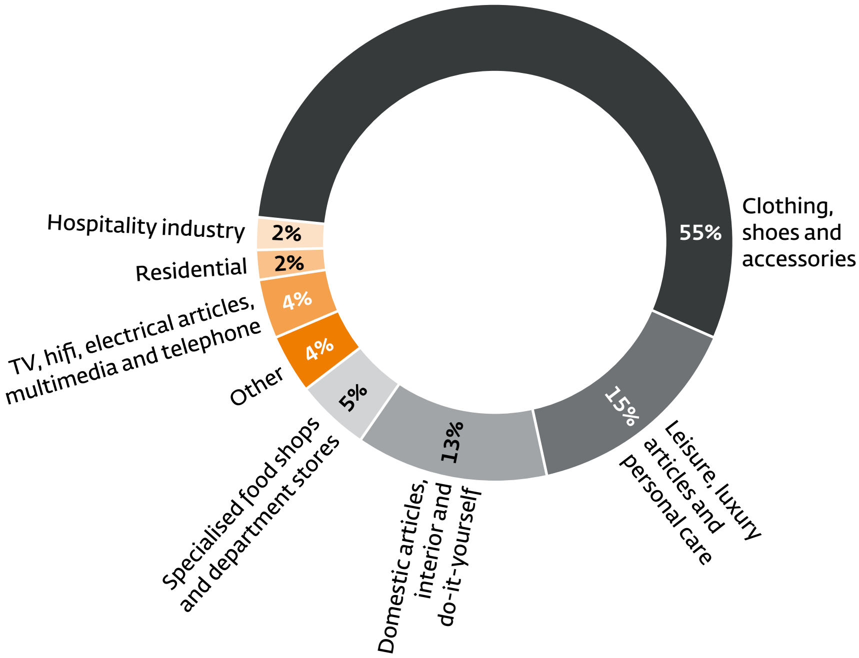
The risk spread as at 31 December 2020 is summarised as follows:

Geographic spread

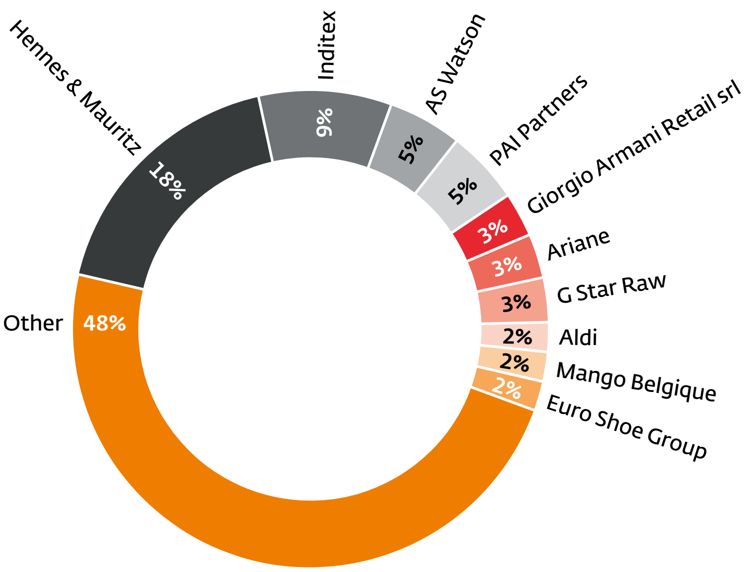


The portfolio contains 157 leasable units as at 31 December 2020, distributed across 57 different locations.

Sector of tenants



Spread per tenant by size



As at 31 December 2020, 18.1% of the consolidated assets of Vastned Retail Belgium were leased to H&M (Hennes & Mauritz). These assets also represent 18.1% of the total rental income of Vastned Retail Belgium (18.6% as at 31 December 2019).

1.4. Investments

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

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

In the course of 2020, Vastned Retail Belgium invested € 0.3 million in the development of residential units over existing retail properties.

1.5. Divestments

Vastned Retail Belgium achieved two divestments in the fourth quarter of financial year 2020. The first divestment concerns a non-strategic retail park located in Schaarbeek. This divestment took place for an amount of € 8.2 million, on which Vastned Retail Belgium realised a capital gain of € 1.5 million. The retail park has a total surface area of 2,911 m² and consists of four leasable units, one of which was vacant (ex-Brantano unit).

In addition, a solitary retail unit in Balen was divested for an amount of € 1.6 million, which was in line with the estimated value. The property has a total surface area of 1,838 m² and consists of two leasable units, one of which has been vacant for some time.

These divestments are entirely in line with the strategy of the real estate company to focus on the top cities in Belgium.

Ghent Zonnestraat • AS Adventure

1.6. Rental activities

The COVID-19 pandemic and the two lockdowns have resulted in the fact that the profit margins and liquidity positions of retailers are being put under even more pressure than it was previously the case. This has caused a slowdown in rental activities on the high streets.

In 2020, Vastned Retail Belgium concluded 24 rental transactions. These lease agreements represent an annual rental volume of € 2.2 million. This represents approximately 12.0% of Vastned Retail Belgium's total rental income.

Of these 24 rental transactions, Vastned Retail Belgium concluded 16 rental transactions with new lessees for a total annual rental income of € 0.7 million. The main new lease contracts were concluded with Takeaway, Sleepworld, Beter Bed and Keukens De Abdij. These new tenants allow Vastned Retail Belgium to decrease the share of fashion in real estate portfolio.

In addition, 8 rental transactions were concluded with existing tenants for a total annual rental income of € 1.5 million.

The rental prices negotiated by Vastned are in line with the market rental prices determined by the valuation experts.

1.7. Occupancy rate

The **occupancy rate** of the real estate portfolio was 96.2% as at 31 December 2020 (98.8% as at 31 December 2019).

In the existing economic environment characterised by the COVID-19 pandemic this high occupancy rate is the result of the good work of a driven asset management department.

As at 31 December 2020, the occupancy rate of the real estate portfolio was 96.2%.

Brussels Elsensesteenweg • Kruidvat + Mango

2. Financial results 2020

2.1. Consolidated income statement[4]

(€ thousands)

	2020	2019
Rental income	16,713	19,219
Rental-related expenses	-455	-2
Property management costs and income	193	46
PROPERTY RESULT	**16,451**	**19,263**
Property charges	-1,864	-1,563
General costs and other operating income and costs	-510	-1,166
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**14,077**	**16,534**
Result on disposal of investment properties	1,508	858
Changes in fair value of investment properties	-22,357	-10,742
Other result on portfolio	-390	-240
OPERATING RESULT	**-7,162**	**6,410**
Financial result (excl. changes in fair value of financial instruments)	-1,703	-1,764
Changes in fair value of financial instruments	348	-289
Taxes	-7	-40
NET RESULT	**-8,524**	**4,317**
Note:		
EPRA earnings	12,388	14,729
Result on portfolio	-21,239	-10,124
Changes in fair value of financial instruments and other non-distributable elements[5]	327	-288

Result per share

	2020	2019
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 (€)	-1.68	0.85
Gross dividend (€)	2.05	2.90
Net dividend (€)	1.44	2.03

4) Comparative figures from financial year 2019 are between brackets.
5) Includes the non-distributable result of the subsidiaries.

The **rental income** of Vastned Retail Belgium for 2020 amounted to € 16.7 million (€ 19.2 million) and has therefore decreased compared to 2019. On the one hand, this decrease is due to the rent arrears for an amount of € -1.7 million that have been waived as a result of the COVID-19 pandemic and, on the other hand, for an amount of € -0.2 million due to the divestment of one non-strategic retail park at the end of October 2019. The remaining decrease of € -0.6 million is largely the result of new leases and lease extensions of existing units concluded during the course of the 2019 financial year at conditions that were lower than the previous agreements.

Rental-related expenses amounted to € 0.5 million and are fully attributable to the provision for potential losses on outstanding lease receivables as at 31 December 2020. This provision concerns an estimate of the rent waivers still to be granted for the second lockdown and possible bankruptcies.

During financial year 2020, Vastned Retail Belgium recognised a one-off income of € 0.2 million under the line "**Property management costs and income**". This income relates to cash that Vastned Retail Belgium received for bankruptcies that were finalized. The bankruptcies themselves relate to periods before financial year 2020.

Property charges amount to € 1.9 million (€ 1.6 million) and have increased by € 0.3 million compared to prior year. The increase is the combined effect of an increase of € 0.3 million in technical costs, a decrease of € -0.1 million in commercial costs and an increase in costs and taxes payable by the lessor due to increased vacancy.

General costs and other operating income and costs amounted to € 0.5 million (€ 1.2 million) and decreased by € 0.7 million compared to the previous financial year. This decrease is the result of a refund claim for the stock exchange tax paid (ICB-Tax) in previous years. Due to this one-off revenue recognized in the course of the fourth quarter, the effects of the second lockdown on the EPRA earnings were neutralized.
Other general costs remained stable compared to previous financial year.

The **result on the disposal of investment properties** amounts to € 1.5 million and relates to the capital gain realised on the divestment of a non-strategic retail park in Schaarbeek and a solitary retail unit in Balen.

The fair value of the existing real estate portfolio of Vastned Retail Belgium decreased on an annual basis by 6.3% compared to 31 December 2019. The **changes in the fair value of investment properties** are negative and amount to € -22.2 million whereas the decrease in 2019 amounted to € -10.7 million. This decrease is entirely attributed 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 decrease compared to the third quarter amounts to € 5.7 million.

The **financial result** (excl. variations in the fair value of financial instruments) for the 2020 financial year amounted to €-1.7 million (€-1.8 million) and decreased slightly compared to previous financial year. The average interest rate for financing amounts to 1.6%, including bank margins for 2020 (1.7%).

The average interest rate of 1.6%, including bank margins, of the outstanding loans of the company decreased slightly in financial year 2020 compared to the previous financial year (1.7%).

The **changes in the fair value of financial instruments** 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 € 0.3 million, whereas an increase in the negative (€ -0.3 million) market value was recognised in 2019.

The **net result** of Vastned Retail Belgium for financial year 2020 amounts to € -8.5 million (€ 4.3 million) and is divided into:

- the **EPRA earnings** of € 12.4 million (€ 14.7 million) or a decrease of € 2.3 million, mainly due to:
  - A decrease of € 1.7 million in net rental income that can be explained by rent waivers as a result of COVID-19;
  - A provision of € 0.4 million for potential rent waivers still to be granted;
  - A decrease of € 0.2 million in net rental income due to the sale of non-strategic retail unit in 2019;
  - A decrease of € -0.6 million in net rental income due to the conclusion of new contracts at lower conditions;
  - An increase of € 0.3 million in property charges; and
  - A decrease in general costs of € -0.7 million.
- **results on the portfolio** of € -21.2 million (€ -10.1 million); changes in the fair value of financial instruments and
- **Changes in the fair value of financial instruments and other non-distributable elements** for an amount of € 0.3 million (€ -0.3 million)

The **EPRA earnings** per share amount to € 2.44 for 2020, compared to € 2.90 at the end of the previous financial year. As at 30 June 2020, the EPRA earnings per share amounted to € 1.09.

2.2. Consolidated balance sheet[6]

(€ thousands)

Assets	31.12.2020	31.12.2019
Non-current assets	331,182	361,630
Current assets	2,312	1,685
Total assets	**333,494**	**363,315**

Shareholders' equity and liabilities	31.12.2020	31.12.2019
Shareholders' equity	**235,033**	**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	-8,524	4,317
Non-controlling interest	0	0
Liabilities	**98,461**	**105,030**
Non-current liabilities	94,811	96,362
Current liabilities	3,650	8,668
Total shareholders' equity and liabilities	**333,494**	**363,315**

6) Comparative figures from financial year 2019 are between brackets.

Assets

On 31 December 2020, the fair value of the **investment properties** of Vastned Retail Belgium was € 330.4 million (€ 360.7 million). The decrease of the fair value by € 30.3 million compared to 31 December 2019 is the combined effect of:

- Investments (€ 0.3 million) in the existing real estate portfolio.
- Divestments (€ -8.3 million) of two non-strategic retail locations.
- Decrease in the fair value of the existing real estate portfolio (€ -22.2 million). Of this decrease, € 16.5 million was already recognised in the first three quarters of 2020, which makes the effect of the fourth quarter € 5.7 million. The 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. 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 about retailers that have hit hard times.
- Decrease (€ -0.1 million) of the IFRS 16 right-of-use asset.

As at 31 December 2020, the investment properties were valued by the independent valuation experts at € 337.9 million (investment value). The fair value of the investment properties corresponds to the investment value minus the hypothetical transaction rights and costs that have to be paid in the event of any future divestment.

Current assets amount to € 2.3 million (€ 1.7 million) and consist mainly of trade receivables, cash and cash equivalents and deferred charges.

Liabilities

The company's **shareholders' equity** amounts to € 235.0 million (€ 258.3 million). The share **capital** (€ 97.2 million) and the **share premium** (€ 4.2 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 2020. The company's **reserves** amount to € 142.2 million (€ 152.6 million) as at 31 December 2020.

The **long-term liabilities** amount to € 94.8 million and decreased by € 1.6 million compared to 2019. These long-term liabilities consist of non-current financial liabilities of € 92.4 million, the negative market value of non-current hedging instruments of € 2.0 million and other long-term liabilities of € 0.4 million.

The **current liabilities** amount to € 3.7 million and decreased by € 5.0 million compared to the previous financial year. Of this decrease, € 5.4 million is attributable to the decrease in current financial debts which is partly compensated by an increase of € 0.2 million in trade debts and by an increase of € 0.2 million in deferred charges and accrued income. Other current liabilities (€ 0.6 million) are in line with the previous financial year.

The **debt ratio** amounted to 28.5% as at 31 December 2020 and thus remained almost stable compared to 31 December 2019 (27.9%).

On 31 December 2020, the company had a solid balance sheet with a low debt ratio of 28.5% (27.9% as at 31 December 2019).

Key figures per share

Key figures per share	31.12.2020	31.12.2019
Number of shares entitled to dividend	5,078,525	5,078,525
Net value (fair value) (€)	46.28	50.86
Net value (investment value) (€)	48.12	52.78
Share price on closing date (€)	24.00	44.70
Premium (+) / Discount (-) with regard to net (fair) value (%)	-48.1%	-12.1%
Debt ratio (max. 65%) (%)	28.5%	27.9%

As at 31 December 2020, the **net value** (fair value) of a share was € 46.28 (€ 50.86). Given that the share price of Vastned Retail Belgium (VASTB) on 31 December 2020 amounted to € 24.00, the share was on that date quoted at a discount of 48.1% compared to the net value (fair value).

The net value (fair value) of the share thus remained in line with the net value (fair value) of 30 September 2020.

As the share price of Vastned Retail Belgium as at 31 December 2020 was € 24.00, the company is offering a gross dividend yield of 8,5%.

Mechelen Bruul • Hennes & Mauritz

2.3. Financial structure

Vastned Retail Belgium had a stable financial structure as at 31 December 2020, allowing it to continue to carry out its activities in 2021 as well. 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:

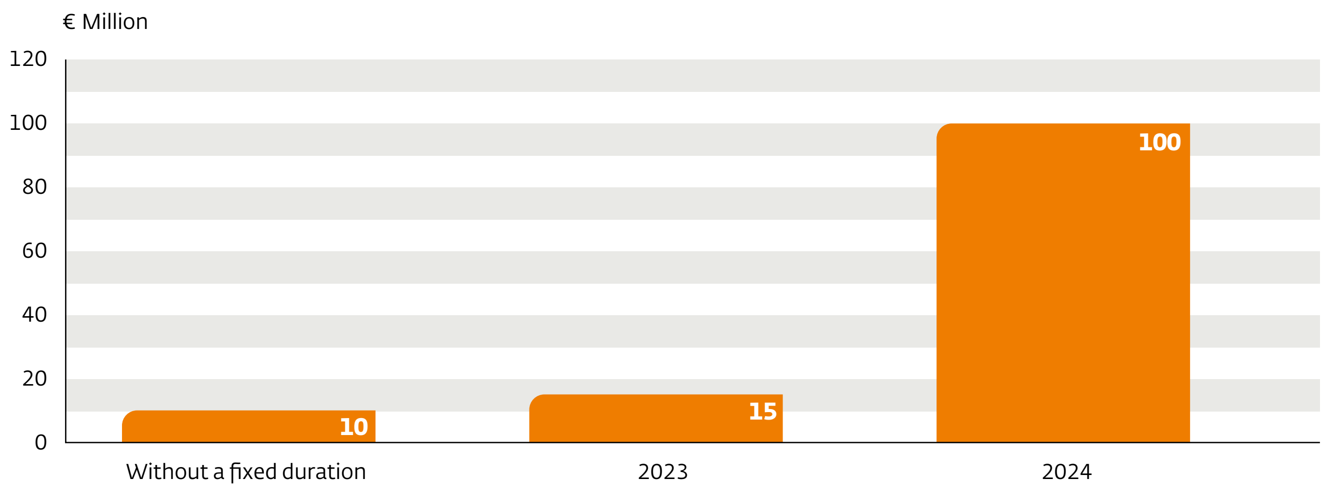
- Amount of withdrawn financial debts: € 92.1 million;
- 92% of available credit lines are long-term financing with an average remaining term of 3.5 years;
- € 32.9 million of unused credit facilities available;
- 64% of the available credit facilities have an interest rate fixed by interest rate swaps, 36% have a variable interest rate; with regard to the withdrawn credit facilities, these figures are respectively 87% and 13%;
- fixed interest rates are set for a remaining period of 3.4 years on average;
- average interest rate for 2020: 1.6% including bank margins;
- market value of financial derivatives: € 2.0 million negative;
- limited debt ratio of 28.5% (statutory maximum: 65%).

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

As at 31 December 2020, Vastned Retail Belgium had a notional amount of € 70 million in active interest rate swaps, with an average remaining term of 3.4 years.

The company has a limited debt ratio of 28.5%.

Expiry dates credit facilities



3. Corporate Governance

In the interim statement of the Board of Directors for the third quarter, it was already mentioned that Reinier Walta would be appointed by the Board of Directors as strategic CEO ad interim, as of 1 December 2020. Reinier Walta also takes over ad interim the tasks of the strategic CEO within the executive committee.

On the occasion of the ordinary general meeting, Vastned Retail Belgium will also organize an extraordinary general meeting, with a view to the change of the governance model, according to the framework of the new Companies and Associations Code (BCAC). According to the new Companies and Associations Code, Vastned Retail Belgium must decide between a one-tier or a two-tier board system. The Board of Directors has concluded that the one-tier board system is best suited for Vastned Retail Belgium. This amendment will be presented to the shareholders at an extraordinary general meeting on Wednesday April 28 2021, immediately after the ordinary general meeting.

4. Outlook for 2021

The most significant event of 2020 is undoubtedly the outbreak of the COVID-19 pandemic, which led to a first closure of non-essential shops in the spring and even to a second closure of non-essential shops in the autumn, the obligation to work from home and the limitation of social contacts to an absolute minimum.

In 2021 we still have to take into account the impact of the COVID-19 pandemic on our society and daily life, despite the positive news about the vaccination of the population in the first semester of 2021. For example, everyone still has to go shopping on their own until the number of COVID-19 infections will drop enough to allow further loosening of the government measures to combat the COVID-19 pandemic.

During the first lockdown, the COVID-19 pandemic stimulated retailers to accelerate the further digitisation of their sales in the short term. Retailers are not only opting for delivery by post, but also for a model in which customers place an order online that they can pick up at the shop of their choice within a specified period of time. This model allows a clear integration of online shopping with the physical shopping experience. During the second closure, this model was even promoted by the government, as retailers were able to open collection points.

In 2021, rental prices will continue to be under pressure due to the evolution of e-commerce and the reports of retailers that have hit hard times.

Vastned Retail Belgium is starting 2021 on a solid basis due to the stable debt ratio and the availability of unused credit facilities. In 2021, efforts will be made to divest retail properties of a lower quality and to carry out redevelopment of existing properties. Due to the COVID-19 pandemic and unexpected evolutions such as bankruptcies of important tenants and unforeseen rental increases, we are currently unable to provide any expectations regarding the EPRA earnings for 2021.

5. 2021 Financial calendar

Wed 28 April - 14h30
General Meeting of Shareholders

Wed 28 April
Extraordinary General Meeting (change of governance model)

Mon 8 Feb
Announcement of the annual results as at 31 December 2020

Mon 3 May
Interim statement on the results as at 31 March 2021

Tue 27 July
Biannual financial report as per 30 June 2021

Mon 25 October
Interim statement on the results as at 30 September 2021

January	February	March	April	May	June	July	August	September	October	November	December

Dividend payable

Tue 11 May
Ex dividend date 20200

Wed 12 May
Record date dividend 2020

as from Thu 13 May
Dividend payment 2020

The annual report concerning financial year 2020 will be published on the company's website as from 26 March 2021:

www.vastned.be

About Vastned Retail Belgium

Vastned Retail Belgium is a public regulated real estate company (RREC), of which the shares are listed on Euronext Brussels (VASTB). Vastned Retail Belgium invests exclusively in Belgian commercial real estate, more specifically in retail properties located on the popular 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, qualitative retail parks and retail warehouses. Furthermore, a limited part of the real estate portfolio consists of catering and residential units.

For more information, please contact:

Vastned Retail Belgium NV, a public regulated real estate company under Belgian law,
Rudi Taelemans (CEO) or Sven Bosman (Financial Director), tel. +32 3 361 05 90 // www.vastned.be

Financial statements[7]

1. Consolidated income statement

(€ thousands)

	2020	2019
Rental income	16,713	19,219
Rental-related expenses	-455	-2
NET RENTAL INCOME	**16,258**	**19,217**
Recovery of rental charges and taxes normally payable by tenants on let properties	1,208	1,185
Rental charges and taxes normally payable by tenants on let properties	-1,208	-1,185
Other rental-related income and expenses	193	46
PROPERTY RESULT	**16,451**	**19,263**
Technical costs	-559	-251
Commercial costs	-169	-271
Charges and taxes on unlet properties	-116	-88
Property management costs	-944	-924
Other property charges	-76	-29
Property charges	**-1,864**	**-1,563**
OPERATING PROPERTY RESULT	**14,587**	**17,700**
General expenses	-518	-1,171
Other operating income and expenses	8	5
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**14,077**	**16,534**
Result on disposal of investment properties	1,508	858
Changes in fair value of investment properties	-22,357	-10,742
Other result on portfolio	-390	-240
OPERATING RESULT	**-7,162**	**6,410**
Financial income	0	4
Net interest charges	-1,701	-1,766
Other financial charges	-2	-2
Changes in fair value of financial instruments	348	-289
Financial result	**-1,355**	**-2,053**
RESULT BEFORE TAXES	**-8,517**	**4,357**
Taxes	**-7**	**-40**
NET RESULT	**-8,524**	**4,317**

7) The statutory auditor has confirmed that his full audit, which has been fully 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.

	2020	2019
NET RESULT	**-8,524**	**4,317**
Note:		
EPRA earnings	12,388	14,729
Result on portfolio	-21.239	-10,124
Changes in fair value of financial instruments and other non-distributable elements	327	-288
Attributable to:		
Shareholders of the parent company	-8,524	4,317
Non-controlling interests	0	0

	2020	2019
RESULT PER SHARE		
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 (€)	-1.68	0.85
Diluted net result (€)	-1.68	0.85
Operating distributable result (€)	2.44	2.90

2. Consolidated statement of comprehensive income

(€ thousands)

	2020	2019
NET RESULT	**-8,524**	**4,317**
Other components of comprehensive income (recyclable in the income statement)	**0**	**0**
Changes in the effective part of fair value of allowed hedging instruments that are subject to hedge accounting	0	0
COMPREHENSIVE INCOME	**-8,524**	**4,317**
Attributable to:		
Equity holders of the parent company	-8,524	4,317
Minority interests	0	0

3. Consolidated balance sheet

Assets (€ thousands)	31.12.2020	31.12.2019
Non-current assets	**331,182**	**361,630**
Intangible assets	183	209
Investment properties	330,427	360,752
Other tangible assets	569	666
Trade receivables and other non-current assets	3	3
Current assets	**2,312**	**1,685**
Trade receivables	566	651
Tax receivables and other current assets	785	0
Cash and cash equivalents	428	554
Deferred charges and accrued income	533	480
TOTAL ASSETS	**333,494**	**363,315**

Shareholders' equity and liabilities (€ thousands)	31.12.2020	31.12.2019
SHAREHOLDERS' EQUITY	**235,033**	**258,285**
Shareholders' equity attributable to the shareholders of the parent company	**235,033**	**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	-8,524	4,317
Non-controlling interests	**0**	**0**
LIABILITIES	**98,461**	**105,030**
Non-current liabilities	**94,811**	**96,362**
Non-current financial debts	92,405	93,405
– Credit institutions	91,601	92,454
– Financial Leasing	804	951
Other non-current financial liabilities	2,031	2,379
Other non-current liabilities	175	151
Deferred tax - liabilities	200	427
Current liabilities	**3,650**	**8,668**
Provisions	269	269
Current financial debts	656	6,104
– Credit institutions	500	5,950
– Financial Leasing	156	154
Trade debts and other current debts	1,205	953
Other current liabilities	570	603
Deferred income and accrued charges	950	739
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**333,494**	**363,315**

4. Statement of consolidated changes in equity

(€ thousands)	Share capital	Share premium	Reserves	Net result of financial year	Total shareholders' equity
Balance at 31 December 2018	**97,213**	**4,183**	**159,806**	**7,240**	**268,442**
Comprehensive income of 2019				4,317	4,317
Transfer through result allocation 2018:					
– Transfer from result on portfolio to reserves			-7,129	7,129	0
– Transfer from changes in fair value of financial assets and liabilities			-210	210	0
– Other movements			105	-105	0
Dividends financial year 2018				-14,474	-14,474
Balance at 31 December 2019	**97,213**	**4,183**	**152,572**	**4,317**	**258,285**
Comprehensive income of 2020				-8,524	-8,524
Transfer through result allocation 2019:					
– Transfer from result on portfolio to reserves			-11,847	11,847	0
– Transfer from changes in fair value of financial assets and liabilities			-289	289	0
– Other movements			1,725	-1,725	0
Dividends financial year 2019				-14,728	-14,728
Balance at 31 December 2020	**97,213**	**4,183**	**142,161**	**-8,524**	**235,033**