

Triodos Vastgoedfond

Quarterly Report Q2 2019

Profile

Triodos Vastgoedfond is an active impact investor making real estate more sustainable. It aims to lead the Dutch office market forward by enhancing environmental performance and to contribute positively to social aspects of real estate, while generating a balanced return for its shareholders. Triodos Vastgoedfond has a consistent track record in delivering a solid dividend.

Key figures as of 30-06-2019

Net assets

EUR 53.1 million

Total assets (excluding leases)

EUR 114.0 million

Number of shares outstanding

16,515,754

Trading price

EUR 2.86

NAV per share (including costs to sell)

EUR 3.21

Dividend per 11-06-2019

EUR 0.20

Dividend yield 2018

7.5%

Ongoing charges (as per 30-06-2019)

5.18% (incl. 1.0% management fee)

Fund facts

Fund manager Guus Berkhout

Inception date 08-04-2004

Management company

Triodos Investment Management BV

Currency EUR

Domicile The Netherlands

Fund structure

Investment company with variable capital

Legal form

Closed-end, limited liability company

ISIN code NL0000079333

Bloomberg code TRIOVGF:NA

Custodian

BNP Paribas Securities Services S.C.A.

Auditor

PwC Accountants NV

Headlines

- Process to end the fund's activities following the decision by the EGM on 17 December 2018 is in progress
- 38% increase of gross rental income compared to first half of 2018
- Net result increased to EUR 2.7 million (first half 2018: EUR 2.3 million)
- Direct result decreased to EUR 0.9 million (first half 2018: EUR 1.5 million) due to recognition of costs related to the sale of the portfolio
- Uptrend in valuations of the portfolio assets
- EUR 0.20 per share over 2018 was paid out on 11 June 2019

Comments of the fund manager

During the Extraordinary General Meeting (EGM) on 17 December 2018, the shareholders of Triodos Vastgoedfond have voted in favor of the proposal to end the fund's activities. As part of the process to end the fund's activities, the portfolio of Triodos Vastgoedfond has been made available to the market as per 9 April 2019. Following a successful marketing phase, Triodos Vastgoedfond signed non-disclosure agreements with 69 interested parties, after which these parties were provided access to information based on which they could make a non-binding offer. This has resulted in 25 non-binding offers for the portfolio of Triodos Vastgoedfond, or parts of it. Currently, selling agent BNP Paribas Real Estate is in discussion with a selection of potential buyers. The selection was made based on the height of the bids and a number of qualitative criteria, such as experience in the Dutch real estate market and available resources for investment.

Including the estimated costs to sell, the net result of Triodos Vastgoedfond over the first half of 2019 increased to EUR 2.7 million (first half 2018: EUR 2.3 million). Gross rental income rose 38% compared to the first half of 2018, as a result of last year's acquisitions. Including the costs to sell, the direct result per share was EUR 0.05 compared to EUR 0.09 in the first half of 2018. The indirect result rose to EUR 0.11 per share compared to EUR 0.05 in the first half of 2018.



Guus
Berkhout

Fund Manager

Outlook

The process to end the fund's activities is moving forward in line with expectations of the board of Triodos Vastgoedfond. As part of the sales process, selling agent BNP Paribas Real Estate has shared information about the portfolio with interested parties. Based on provided information by interested parties and shown interest, a selection of potential investors is participating in the sales process moving forward. Concrete developments will be shared with investors in the fund and the market in due time.

The expected time needed for ending the fund's activities is still in line with the time span mentioned during the EGM held on 17 December 2018, being six to twelve months.

Review Q2 2019¹

Result

EUR x 1,000	YTD 2019	YTD 2018
Gross rental income	3,850	2,781
Other income from investments	4	1
Net service charges	-89	-146
Property expenses	-512	-402
Net rental income	3,253	2,234
Management costs	-864	-453
EBIT	2,389	1,781
Funding charges	-1,514	-307
Direct result	875	1,474
Indirect result	1,818	812
Net result	2,693	2,286

Per share ²	YTD 2019	YTD 2018
Direct result	0.05	0.09
Indirect result	0.11	0.05
Net result	0.16	0.14

Balance sheet

EUR x 1,000	30-06-2019	30-06-2018
Real estate assets	111,432	77,070
Net debt including break costs	59,122	21,440
Equity	53,091	53,872

Portfolio

	30-06-2019	30-06-2018
Number of properties	16	16
Value of investments (EUR x1,000)	111,432	77,070
Annual contracted rent (EUR x1,000)	8,152	5,696
Lettable area (sqm)	54,963	45,344
WAULT (in years)	5.7	5.4
Average rent/sqm (EUR/p.a.) ³	148	126

¹ Unless stated otherwise, all figures in this quarterly report are including estimated costs to sell.

² The weighted average number of shares outstanding (x 1,000) is 16,516.

³ As average rent is calculated including the vacancy in the portfolio, average rent decreased as vacancy rose. When calculated excluding the vacancy, average rent per square meter was EUR 162/sqm (30-06-2018: EUR 146/sqm).

Financial results

Rental income

The gross rental income rose from EUR 2.8 million (first half 2018) to EUR 3.9 million (first half 2019). This increase was due to the investments and divestments of the portfolio.

Acquisitions	Date	Annualized rent	Divestments	Date	Annualized rent
De Rode Haan, Delft	Jan 18	€949,000	Platinaweg, Emmeloord	Sept 18	€97,000
Anna van Saksenlaan, The Hague	July 18	€440,000	Nieuwe Kanaal, Wageningen	Jan 19	€0
Naritaweg, Amsterdam	Sept 18	€965,000	Kastanjehof, Velp	Feb 19	€207,000
Prof. Dorgelolaan, Eindhoven	March 2019	€940,000			

Property expenses increased from EUR 402,000 (first half 2018) to EUR 512,000 (first half 2019). Taking other income and net service charges into consideration, the resulting net rental income increased 46% from EUR 2.2 million to EUR 3.3 million.

Management costs

The management costs increased to EUR 864,000 (first half 2018: EUR 453,000). This increase was due to the growth of the portfolio from EUR 77.1 million (30 June 2018) to EUR 111.4 million.

Interest costs

The interest costs increased significantly from EUR 0.3 million (first half 2018) to EUR 1.5 million (first half 2019).

This is partly due to the break costs of 0.8 million in the first half of 2019 and partly due to the increase of the loans from EUR 21.4 million at 30 June 2018 to EUR 56.0 million at 30 June 2019 (excluding break costs).

Revaluation

The fair value of the investment portfolio, including the estimated costs to sell, amounted to EUR 111.4 million as at 30 June 2019 (31 December 2018: EUR 98.9 million), an increase of EUR 12.5 million. Of this increase, EUR 15.1 million was due to investments including acquisition costs, EUR -5.3 million was related to divestments and EUR 2.7 million was a result of revaluations of the portfolio.

Portfolio developments

Leases and occupancy rate

The occupancy rate of the portfolio was 94.6 % at 30 June 2019 (31 December 2018: 95.4%). The average unexpired term of the leases in the portfolio was 5.7 years (31 December 2018: 5.4 years).

Portfolio as per 30-06-2019

Breakdown by Building

Building	Square meters NEN2580	Parking spaces	Energy label	Listed building*	Owned since
Amersfoort, Utrechtseweg	3,224	26	A	no	2010
Amsterdam, Herengracht	2,531	6**	G	yes	2008
Amsterdam, Naritaweg	6,201	53	A	no	2018
Apeldoorn, Laan van Westenenk	2,846	76	A	no	2008
Arnhem, Willemsplein	2,449	0	G/C	yes	2011
Baarn, Kennedylaan	1,888	55	C/G	yes	2004
Boxtel, Bosscheweg	3,578	71	B	no	2006
Delft, Westlandseweg	6,769	113	A	no	2018
Den Haag, Anna van Saksenlaan	2,939	36	A	no	2018
Den Haag, Prins Hendrikstraat	1,371	0	A	yes	2011
Eindhoven, Prof. Dorgelolaan	4,994	45	A+++	no	2019
Groningen, Stationsweg	5,080	36	A+	no	2011
Groningen, Rostockweg	2,308	60	A	no	2008
Rotterdam, Honingerdijk	1,781	40	G	yes	2009
Utrecht, Blaeulaan I & II	2,677	32	A+/A	no	2009
Wageningen, Nieuwe Kanaal ABC	3,565	63	A	no	2005

* Listed buildings by law are allowed to have lower Energy Labels

** Rented parking spaces, not owned by the fund

Recent investments



Prof. Dorgelolaan, Eindhoven

The property measures 4,995 sqm and holds a long-term lease agreement for the entire building with EY. The office building is within walking distance of Eindhoven Central Station. The redeveloped building is all-electric, has an A+++ label and a 65% reduction in CO₂ emissions.

Triodos Investment Management

Triodos Investment Management is a dedicated impact investment manager, making money work for positive change across sectors that are key in the transition to a world that is fairer, more sustainable, and humane, including Energy & Climate, Financial Inclusion and Sustainable Food & Agriculture. We also invest in listed companies that offer products and services, which facilitate the transition to a sustainable society. Assets under management as per end of December 2018: EUR 4.2 billion.

Triodos Investment Management is a globally active impact investor and a wholly-owned subsidiary of Triodos Bank NV.

Contact

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