



# Triodos Vastgoedfonds

Semi-annual report June 2018

# Sustainable real estate

Sustainable real estate takes into account the efficient use of assets and the impact on individuals and the environment during the entire life cycle of a building, from its development and funding to its management and reuse.

Triodos  
Vastgoedfonds NV  
Semi-annual report  
June 2018

## Key figures

(amounts in EUR x 1,000)	1st half year 2018	1st half year 2017	2017	2016	2015
<b>Financial result</b>					
Gross rental income	2,781	2,915	6,282	6,446	6,631
Other income from investment property	1	173	174	12	18
Total income from investment property	2,782	3,088	6,456	6,458	6,649
Total property expenses	-548	-566	-941	-847	-1,265
Net rental income	2,234	2,522	5,515	5,611	5,384
Management expenses and other operating costs	-453	-419	-921	-730	-750
Net finance costs	-307	-793	-1,569	-1,726	-1,864
Direct result	1,474	1,310	3,025	3,155	2,770
Indirect result	812	-358	878	-114	-2,051
Profit (total result)	2,286	952	3,903	3,041	719
Ongoing charges	3.49%	4.82%	4.41%	5.50%	6.77%
Fund costs expense ratio	1.76%	2.44%	2.17%	2.49%	2.99%
<b>Balance and ratios</b>					
Investment property ultimo	77,070	62,625	63,865	66,150	67,310
Borrowings ultimo	18,648	33,530	18,651	33,662	36,287
Net asset value ultimo	53,872	44,614	54,889	30,341	28,981
Solvency	68%	56%	73%	46%	42%
Loan to Value	28%	54%	29%	51%	54%
Cost of Borrowings	3.1%	4.7%	3.1%	4.7%	5.0%
Interest coverage	5.8	2.1	2.9	2.8	2.5
Average maturity of borrowings (in years)	6.5	2.9	7.0	3.4	4.7
Number of shares outstanding ultimo (x 1,000)	16,516	13,756	16,516	8,399	8,399
Weighted average number of shares outstanding (x 1,000)	16,516	8,845	12,566	8,399	8,399
<b>Portfolio figures</b>					
Number of properties in the fund's portfolio ultimo	16	15	15	16	17
Occupancy rate ultimo	89%	91%	87%	92%	93%
Average term of leases (in years)	5.4	4.4	5.1	4.1	4.3
Ratio of illiquid investments ultimo	143%	140%	116%	219%	232%

## Per share

(amounts in EUR)	1st half year 2018	1st half year 2017	2017	2016	2015
Net asset value ultimo	3.26	3.24	3.32	3.61	3.45
Share price ultimo	2.59	2.86	2.80	3.00	3.12
Direct result	0.09	0.15	0.24	0.37	0.33
Indirect result	0.05	-0.04	0.07	-0.01	-0.24
Total result	0.14	0.11	0.31	0.36	0.09
Distributions to shareholders	–	–	0.20	0.20	0.20

## Return Triodos Vastgoedfonds

	2017	2016	2015	2014	2013
Dividend yield*	7.1%	6.7%	6.4%	7.6%	7.0%

\* The dividend yield is calculated by dividing the dividend or distribution by the market price per share as at the end of the financial year in which the dividend or distribution was distributed.

# General information

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Triodos Vastgoedfonds N.V. (Triodos Vastgoedfonds) is a closed-end investment company with variable capital. Shares in Triodos Vastgoedfonds are traded on Euronext Amsterdam. Triodos Vastgoedfonds is an investment institution within the meaning of the Financial Supervision Act (Wet op het financieel toezicht – Wft) and is supervised by the Financial Markets Authority (Autoriteit Financiële Markten – AFM).

Triodos Vastgoedfonds was established in 2004 by Triodos Bank N.V. (Triodos Bank) and was the first sustainable real estate fund in the Netherlands. Triodos Vastgoedfonds is an active impact investor, focused on making real estate more sustainable. It aims to lead the Dutch office market forward by enhancing environmental performance and to make a positive contribution to the social aspects of real estate, while generating a balanced return for its shareholders. Triodos Vastgoedfonds has a consistent track record in delivering a solid distribution to its shareholders. Triodos Vastgoedfonds has been CO<sub>2</sub> neutral since 2014. The fund invests in properties that are let to various tenants and involves these tenants in the realisation of its objectives. Triodos Vastgoedfonds has its registered office in Zeist, the Netherlands.

## Board

Triodos Investment Management B.V. (Triodos Investment Management), a wholly-owned subsidiary of Triodos Bank, constitutes the Board and is the alternative investment fund manager of Triodos Vastgoedfonds. Triodos Investment Management is licensed to act as manager of investment institutions within the meaning of article 2:65 Wft. The AFM is the licensing supervisor and performs the conduct-of-business supervision. De Nederlandsche Bank (DNB) is charged with the prudential oversight. Triodos Investment Management is a member of the Dutch Fund and Asset Management Association (DUFAS). DUFAS has drafted the Asset Managers Code, containing a number of principles. As a member of DUFAS, Triodos Investment Management has agreed to act in accordance with these principles. Therefore, Triodos Investment Management has established the Principles of Fund Management.

The Principles of Fund Management of Triodos Investment Management can be found on [www.triodos-im.com](http://www.triodos-im.com).

The board of Triodos Investment Management consists of:

Marilou van Golstein Brouwers (Chair)  
Kor Bosscher (Managing Director Risk & Finance, as of 1 March 2018)  
Jacco Minnaar (Managing Director)  
Dick van Ommeren (Managing Director)

## Fund manager

Triodos Investment Management has appointed a fund manager, Guus Berkhout, who has acted as fund manager of Triodos Vastgoedfonds since 2010.

## Investment committee

Properties are acquired and disposed of on the basis of the advice obtained from an investment committee. The investment committee currently consists of Jeanet van Antwerpen, Jan Doets, Itske Lulof, John Mak and Liesbeth Soer (Chair).

## Supervisory Board

The tasks and responsibilities of the Supervisory Board are laid down in the Articles of Association, which can be found on [www.triodos-im.com](http://www.triodos-im.com).

During the Annual General Meeting of Shareholders held on 25 May 2018, Mrs. J.D.M van Hal and Mr. H.C.A. de Vos tot Nederveen Cappel resigned as member of the Supervisory Board. Currently, the Supervisory Board is searching for a new Supervisory Board member. As a result, the composition of the Supervisory Board is currently as follows: Gerard Groener (Chair)  
Jan Willem van der Velden

## Semi-annual report

The figures shown in this semi-annual report have not been subjected to an external audit.

# Report of the board

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## Highlights of first half year 2018

- Gross rental income in line with expectations
- Direct result increased by 13% to EUR 1.5 million
- The valuation of portfolio assets (per 31 December 2017) increased by 2.7%
- Investment activities: Acquisition of office building in The Hague (completed as per 2 July)
- Occupancy rate of the portfolio increased from 87.3% to 89.3%
- Asset management in-house as of 1 July 2018
- Shares of the fund to trade continuously on Euronext Amsterdam as of 1 August 2018
- Follow up on Annual General Meeting (AGM)

In the first half of 2018 the total result of Triodos Vastgoedfonds increased to EUR 2.3 million (first half 2017: EUR 1.0 million). The direct result increased by 13% to EUR 1.5 million (first half year 2017: EUR 1.3 million), primarily due to lower finance costs. The indirect result increased with EUR 1.2 million to EUR 0.8 million (first half year 2017: EUR -0.4 million).

The direct result per share over the first half of 2018 was EUR 0.09 (first half year of 2017: EUR 0.15 per share) as a result of the increased number of shares outstanding. The indirect result per share over the first half of 2018 was EUR 0.05 (first half year of 2017: - EUR 0,04 per share)<sup>1</sup>.

As per 30 June 2018, the portfolio represents a value of EUR 77.1 million. On 2 July 2018 the new acquisition of the office building in The Hague was added to the portfolio of the fund. This further increased the value of the portfolio with EUR 7.0 million after balance sheet date.

## Follow up AGM

In the second quarter of 2018, Triodos Vastgoedfonds reflected on its strategy and governance structure, also in light of the feedback shareholders expressed in AGM held on 25 May 2018, and subsequent dialogues with shareholders following the AGM. This has led to the following conclusions.

## Governance

Moving forward the Supervisory Board of Triodos Vastgoedfonds will consist of 3 board members. Currently two board members are in place. The search for the third Supervisory Board member has commenced. The profile of the Supervisory Board, including the specific profile of the current vacant position, is available on the website of the fund. The fund intends to convene an Extraordinary General Meeting in the fourth quarter of 2018 in order to appoint the third Supervisory Board member.

## Strategy

Following the feedback from and dialogues with investors, Triodos Vastgoedfonds confirms its strategy is solid and is being vigorously yet prudently executed, bearing in mind the fund's fiduciary role towards all its investors. The fund will continue to invest, as it has been doing since the capital raise, bearing in mind the fund's mission to make real estate more sustainable. Since then the fund has made two investments and it is currently working on additional investments. The fund takes market circumstances into account while it prudently pursues its strategy.

The fund will further optimise the portfolio and as such will divest a number of smaller properties located in the peripheral areas that no longer fit the strategy.

The acquisition and disposition fee has been lowered from 1.2% to 1.0%, effective as of 1 August 2018. This is possible, because the fund recently decided to insource its asset management to be able to manage its portfolio more proactively, both in terms of responding to investment and divestment opportunities, as operationally optimising its current portfolio.

As of 1 August 2018, the fund started trading continuously on Euronext Amsterdam, in order to improve the liquidity and visibility of the share. NIBC was named designated liquidity provider and facilitates trading in the share.

<sup>1</sup> The direct and indirect result per share over the first half of 2017 has been calculated based on the weighted average of outstanding shares.



## Market developments<sup>2</sup>

The Dutch economy continued to stay strong and the unemployment rate further decreased in the first half of 2018. Furthermore, the outlook for the Dutch economy remains positive. This has a positive impact on demand for office space, but also increases shortage of supply of investment opportunities.

### Office market

The uptake of office space in the Netherlands in the first six months of 2018 amounted to 558,000 m<sup>2</sup>. This constitutes a decrease of 3.9% relative to the first six months of 2017. On the other hand, the vacancy rate declined with 3.7% compared to year-end 2017 (from 5.7 million m<sup>2</sup> to 5.5 million m<sup>2</sup>). This illustrates the increasing shortage of available office space in the Netherlands. Especially prime office space in the four largest cities of the Netherlands is scarce. Because of this, rents are increasing and tenants are searching for office space outside the Randstad.

### Investment market

The investment volume in office space in the first three months of 2018 was lower than in the first quarter of 2017, showing that there is also scarcity in the investment market. Yields remain low in the Randstad. Just as tenants, investors are looking for offices outside of the Randstad, where rents also slowly increase. More than half of all transactions in the first few months of 2018 took place outside the Randstad.

### Regulatory developments

Mid-September, the Dutch government will disclose new tax legislation as part of the Government tax budget for 2019. Related to the overall planned abolishment of dividend tax, the government

expressed its intention to abolish the fiscal benefit for FBIs (Fiscal Investment Institution) when investing directly in Dutch real estate. However, a logical next step would be for the Dutch government to adapt current legislation for FBIs to accommodate a vehicle which is similar to the foreign REIT (Real Estate Investment Trust). If, however, legislation will not give alternatives for the FBI, the fund's existing tax carry-forward of EUR 6.9 million as at 31 December 2017 might initially mitigate the impact of the new legislation. The fund is following developments closely and is discussing the matter with relevant bodies such as DUFAS.

## Investments

### Portfolio Strategy

The portfolio strategy of the fund focuses on assets with a strong sustainability performance or potential, and on locations with good public transport connections in central and urban areas of the Netherlands, suitable for multi-tenant use and catering to the needs of the modern office worker. The fund uses the current market developments to lower the risks to make the fund's portfolio more solid and sustainable for the future, by means of buying more properties in the Randstad and selling properties in the peripheral area.

The fund has a clear set of assessment criteria in place to support acquisition and divestment decisions. The fund aims to arrive at a more focused portfolio through asset rotation. To improve efficiency, the fund has the ambition to expand its portfolio.

### Portfolio developments

In the first half of 2018 the value of the investment portfolio of Triodos Vastgoedfonds increased to EUR 77.1 million (year-end 2017: EUR 63.9 million). This was due to an increase of EUR 1.7 million of

<sup>2</sup> The fund based the market developments on the following sources:  
- Cushman & Wakefield (2018), The Netherlands, a national picture, mid 2018  
- Savills (2018), Netherlands, Market in Minutes, June 2018  
- CBS, <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/80590NED/table?dl=7457>



value of the existing portfolio of the fund and the EUR 11.5 million acquisition of the office building in Delft.

Within the portfolio of the fund, the valuations of properties in the urbanised areas went up, while those of properties in peripheral areas remained stable.

On 21 December 2017 the fund acquired 'De Rode Haan' in Delft. The transfer of the property was on 16 January 2018. The property has recently been fully refurbished and is fully let for ten years to three tenants. The purchase price of EUR 11.5 million represents a gross initial yield of 8.0% (excluding purchase costs).

On 25 May 2018 the fund has acquired the office building located at the Anna van Saksenlaan 50 in The Hague. The transfer of the property was 2 July 2018. The purchase price of EUR 7.0 million represents a gross initial yield of 6.3% (excluding purchase costs). The office building is located within walking distance of the intercity railway station Laan van NOI in The Hague and has recently been fully refurbished. This has led to an improvement of the energy label to an A label and the introduction of innovative work space concepts taking into account co-worker's wellbeing. The building is fully let for the next ten years to the Red Cross Netherlands. This acquisition is a good fit in the portfolio as the funds aims to increase the average size of the buildings in portfolio, at attractive and easily accessible locations and with a strong sustainability profile. The underlying 10-year rental contract contributes to a stable rental income of the fund.

### Leases and occupancy rate

The occupancy of the portfolio of Triodos Vastgoedfonds increased to 89.3% (year-end 2017: 87.3%). The increase is mainly due to the acquisition of the Delft building which is fully rented out. In the building in Arnhem, two new tenants started a 5-year lease term. The acquisition of the fully let Red Cross building in the Hague will also have a positive effect on the occupancy rate. This property is included in the portfolio as per 2 July 2018 and as

# 89.3%

occupancy rate  
as at 30 June 2018

### Term of leases as a percentage of rental income

	30 June 2018	30 June 2017
<1 year	2.0%	4.4%
1-3 yers	21.8%	23.9%
3-5 years	26.9%	7.3%
5-10 years	49.3%	59.6%
>10 years	–	4.8%
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>

such not represented yet in the portfolio developments as per 30 June 2018.

The weighted average term (WALT) of the leases is 5.4 years (year-end 2017: 5.1 years), mainly due to the acquisition of the new property in Delft.

The new acquisition in Delft added EUR 921 thousand additional annual rental income to the fund and the acquisition of the Den Haag property will add another EUR 440 thousand annual rental income.

The fund's management keeps in close contact with the tenants in order to respond to their requirements and monitor the quality of its debtors.

### Diversification

The tenants of Triodos Vastgoedfonds are spread across various industries and sectors. This prevents the fund from becoming dependent on specific economic developments that have an impact on



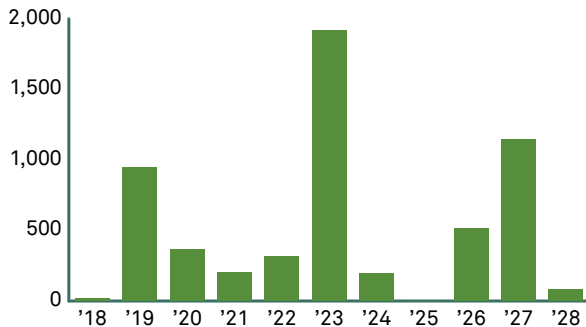
## DELFT, WESTLANDSEWEG

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Triodos Vastgoedfonds added this property to the fund's portfolio in January 2018. The office building 'De Rode Haan' in Delft is an example of IFD (Industrial Flexible and Dismountable) building. One of the applied innovations is the reduction of the gross floor height to save building material. To achieve this reduction a relatively light hybrid floor construction was used. The air filtering system, including all the necessary installation routes, are included in the hollow spaces of the floor. The prefabricated construction has resulted in an industrially manufactured and extremely flexible concept.



Expiration years of leases in terms of rental income  
(in EUR x 1,000)



certain sectors. Mid 2018 the fund had 42 tenants (year-end 2017: 37), who operate in various markets. Triodos Vastgoedfonds has diversified its investments across the Netherlands, with a focus on the urban areas, in particular the Randstad conurbation. As at 30 June 2018, 57.6% of the portfolio of the fund was invested in the Randstad conurbation (year-end 2017: 49.5%).

### Impact in first half of 2018

The fund aims to make the sustainable properties in the portfolio even more sustainable. In addition, maintaining CO<sub>2</sub> neutrality achieved in 2014 is an important factor. Currently, six buildings have a heat-cold storage and there are solar panels on five buildings. The installation of solar panels is being investigated for two buildings in the fund's portfolio. Opportunities are also being explored to create an energy-neutral portfolio. In the first half of 2018, the fund again participated in the GRESB (Global Real Estate Sustainability Benchmark) survey, the results of which will be announced in mid-September 2018. By means of this survey, the fund can compare the results in the field of sustainability with other real estate companies in the real estate market.

## Financials

### Statement of financial position

The assets under management of Triodos Vastgoedfonds increased from EUR 63,865,000 as at 31 December 2017 to EUR 77,070,00 as at 30 June 2018. This was due to the purchase of the property in Delft for EUR 11.5 million and the revaluation of the portfolio by EUR 1.7 million. The revaluation result includes the 7.5% acquisition costs for the property in Delft (EUR 863 thousand), which largely consisted of the 6% transfer tax. The total assets of the fund amounted to EUR 79.4 million as at 30 June 2018 (year-end 2017: EUR 75.6 million).

The net asset value (NAV) of the fund decreased by 1.9% to EUR 53.9 million as at 30 June 2018 (year-end 2017: EUR 54.9 million). The net asset value per share as at 30 June 2018 amounts to EUR 3.26 (year-end 2017: EUR 3.32). The positive impact of the total result of EUR 0.14 per share as at 30 June 2018 was offset by the distribution of EUR 0.20 per share over 2017 paid out to shareholders on 31 May 2018.

The fund has a loan portfolio of EUR 18.6 million as at 30 June 2018 (year-end 2017: EUR 18.7 million). The average rate of interest payable on these loans is 3.1% as at 30 June 2018 (year-end 2017: 3.1%). The average term of the loan portfolio has decreased from 7.0 years to 6.5 years in the first half of 2018. The loan-to-value of the fund was reduced to 27.8% (year-end 2017: 29.2%) and the solvency ratio decreased to 67.9% (year-end 2017: 72.6%) as at 30 June 2018. More detailed information about the current loan portfolio of the fund can be found on page 22.

For the acquisition of the Red Cross building in The Hague the current account with Triodos Bank was temporarily increased. The outstandings on the current account will be repaid by a new long-term financing with a new bank loan as the fund intends to deploy more bank loans to realise expansion of the investment portfolio.

### Bad debt provisions

As at 30 June 2018 Triodos Vastgoedfonds has no provisions for bad debtors.

### Rental income

The gross rental income decreased with EUR 134 thousand compared to the first half of 2017 (from EUR 2.9 million in 2017 tot EUR 2.8 million in 2018). On the one hand, the fund missed rental income of the sale of Nieuwegein property in June 2017 and the early cancellation of the rental contract of the Utrecht property. On the other hand, the fund received rental income of the new tenant in Utrecht and from the newly acquired property in Delft.

### Total property expenses

The total property expenses decreased from EUR 565,769 in the first half of 2017 to EUR 548,186 in the first half of 2018.

### Management expenses

In the first half of 2018, the management expenses increased slightly with EUR 33 thousand to EUR 414,500, mostly due to an increase of the average assets under management (first half 2017: EUR 379,239). The management expenses include such items as the management fee paid to Triodos Investment Management and the asset manager, auditor's fees, valuations costs, the fees payable to the depositary and the remuneration of the Supervisory Board.

Triodos Vastgoedfonds pays an annual management fee of 1.0% of the average assets under management of the fund to Triodos Investment Management. This management fee is mainly used to cover staff costs, travel expenses, accommodation costs and ICT costs. Most of these costs concern the fee for the outsourced asset and property management activities. In addition, the management fee is used to cover the costs of all the activities required to maintain the fund administration and meet the reporting requirements.

### Net finance costs

Interest costs decreased from EUR 797,416 over the first half of 2017 to EUR 311,599 over the first half of 2018. Following refinancing efforts in 2017, the average interest rate decreased from 4.7% as at 30 June 2017 to 3.1% as at 30 June 2018.

### Total costs

In the first half of 2018 the total costs, consisting of property expenses, management expenses and net finance costs, amounted to EUR 1,313,210 (first half 2017: EUR 1,782,556). The ongoing charges of the fund are represented by the ratio between the net asset value and the costs incurred by the fund. In the period from 1 July 2017 up to 30 June 2018 the ongoing charges for Triodos Vastgoedfonds came to 3.49% (year-end 2017: 4.41%). The decrease of the ratio was mainly due to lower net finance costs and the fact that there are more shares outstanding. It should be noted, though, that the ongoing charges for real estate funds cannot be compared with those of, for instance, equity and bond funds. This is due to the running costs for property that real estate funds incur, for instance for maintaining the properties in their portfolio. Not taking into account the property expenses, the fund costs expense ratio over the last twelve months came to 1.76% (year-end 2017: 2.17%).

### Financial result

The result of Triodos Vastgoedfonds comprises the direct and the indirect result. The direct result comprises of rent and other income minus all costs, i.e. the total result minus (un)realised changes in the fair value of the properties. The indirect result comprises the (un)realised changes in the fair value of the properties. The direct result per share over the first half of 2018 was EUR 0.09 (first half year of 2017: EUR 0.15 per share) as a result of the increased number of shares outstanding (16,515,754 compared to 13,756,754 as at 30 June 2017). The indirect result per share over the first half of 2018 was EUR 0.05 (first half year of 2017: EUR -0.04 per share).



## Result per share

(amounts in EUR)	First half year 2018	First half year 2017	2017	2016	2015
Direct result	0.09	0.15	0.24	0.37	0.33
Indirect result	0.05	-0.04	0.07	-0.01	-0.24
<b>Total result</b>	<b><u>0.14</u></b>	<b><u>0.11</u></b>	<b><u>0.31</u></b>	<b><u>0.36</u></b>	<b><u>0.09</u></b>

### Liquidity management

Liquidity projections are prepared based on operating budgets. Monthly checks are carried out to ascertain whether the liquidity position is developing in line with projections.

### EPRA performance measures

Triodos Vastgoedfonds wants to improve disclosure of information to the shareholders. Therefore, the fund presents its figures also according the format of the EPRA (European Public Real Estate) performance measures. The EPRA performance measures are included in Appendix A.

Triodos Vastgoedfonds aims to maintain the stable distribution policy that it has pursued in recent years.

Zeist, the Netherlands, 31 August 2018

Fund manager Triodos Vastgoedfonds  
Guus Berkhout

Management Board Triodos Investment  
Management  
Marilou van Golstein Brouwers (Chair)  
Kor Bosscher (as of 1 March 2018)  
Jacco Minnaar  
Dick van Ommeren

## Outlook

The outlook for the real estate market remains favourable. Falling unemployment figures, particularly in sectors related to office real estate, contribute to the further decline of the vacancy rate.

Mid-September, on Budget Day (Prinsjesdag), the Dutch government will disclose new tax legislation as part of the Government tax budget for 2019, as described in the market development chapter on page 8. The fund is following developments closely.

Raising the rental income by investing in new properties remains the highest priority. In addition to that the team also puts extra effort in attracting new tenants for vacant space in the current portfolio of the fund.

# Statement of financial position as at 30 June 2018

Before profit appropriation (amounts in EUR)	30.06.2018	31.12.2017	30.06.2017
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	77,070,000	63,865,000	62,625,000
User rights	1,554,876	–	–
Other long-term assets	310,013	261,325	404,179
<b>Total Non-current assets</b>	<b>78,934,889</b>	<b>64,126,325</b>	<b>63,029,179</b>
<b>Current assets</b>			
Receivables, prepayments and accrued income	370,205	1,324,804	156,969
Cash and cash equivalents	44,966	10,146,593	17,104,612
<b>Total current assets</b>	<b>415,171</b>	<b>11,471,397</b>	<b>17,261,581</b>
<b>Total assets</b>	<b>79,350,060</b>	<b>75,597,722</b>	<b>80,290,760</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Issued capital	8,257,877	8,257,877	6,878,067
Share premium	69,231,998	69,231,998	63,287,420
Revaluation reserves	1,936,899	1,936,899	104,448
Other reserves	-27,841,093	-28,440,815	-26,608,364
Profit for the year	2,286,000	3,902,873	951,964
<b>Total Equity</b>	<b>53,871,681</b>	<b>54,888,832</b>	<b>44,613,535</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Borrowings	18,648,190	18,650,522	22,066,429
Lease obligations *	1.554.876	–	–
<b>Total long-term liabilities</b>	<b>20,203,066</b>	<b>18,650,522</b>	<b>22,066,429</b>

\* With the early adoption of the new IFRS 16 lease standards as per 1 January 2018, the right to use the assets and the lease liabilities had to be materialised. See page 20 for more details.



Before profit appropriation (amounts in EUR)	30.06.2018	31.12.2017	30.06.2017
<b>Short-term liabilities</b>			
Borrowings	–	–	11,463,800
Current account overdraft facility	2,792,173	–	–
Accounts payable and other liabilities	2,483,140	2,058,368	2,146,996
<b>Total short-term liabilities</b>	<u>5,275,313</u>	<u>2,058,368</u>	<u>13,610,796</u>
<b>Total Liabilities</b>	<u>25,478,379</u>	<u>20,708,890</u>	<u>35,677,225</u>
<b>Total Equity and Liabilities</b>	<u>79,350,060</u>	<u>75,597,722</u>	<u>80,290,760</u>

The figures included in the statement have not been audited by an external auditor.

# Statement of comprehensive income

(amounts in EUR)	1st half year 2018	2nd half year 2017	1st half year 2017
Gross rental income	2,780,621	3,366,439	2,914,961
Other income from investment property	1,621	1,354	172,993
<b>Total income from investment property</b>	<b>2,782,242</b>	<b>3,367,793</b>	<b>3,087,954</b>
Service charge expenses passed on	321,216	525,582	419,332
Service charge expenses	-467,360	-614,450	-531,281
Net service charges expenses	-146,144	-88,868	-111,949
Property expenses	-402,042	-286,206	-453,820
<b>Total property expenses</b>	<b>-548,186</b>	<b>-375,074</b>	<b>-565,769</b>
<b>Net rental income</b>	<b>2,234,056</b>	<b>2,992,719</b>	<b>2,522,185</b>
Net realised result from fair value adjustments on investment property	–	-3,282	-6,365,038
Net unrealised result from fair value adjustments on investment property	811,996	1,240,000	6,006,598
Management expenses	-414,500	-353,476	-379,239
Other operating costs	-38,925	-147,927	-40,132
<b>Net operating profit</b>	<b>2,592,627</b>	<b>3,728,034</b>	<b>1,744,374</b>
Loss of liquidated participation	–	-612	–
Finance costs	-311,599	-776,513	-797,416
Interest income	4,972	–	5,006
<b>Net finance costs</b>	<b>-306,627</b>	<b>-776,513</b>	<b>-792,410</b>
<b>Profit for the year</b>	<b>2,286,000</b>	<b>2,950,909</b>	<b>951,964</b>
Earnings per share	0.14	0.20	0.11

The figures included in the statement have not been audited by an external auditor.

# Statement of cashflows

(amounts in EUR)	1st half year 2018	2nd halfjaar 2017	1st half year 2017
<b>Cash flow from operating activities</b>			
Rental income received	2,964,708	3,050,443	2,787,655
Property expenses paid	-584,763	-297,012	-654,412
Management expenses and other operating costs paid	-211,678	-492,734	-597,617
Interest paid	-369,810	-897,426	-813,524
Interest received	4,972	–	5,006
Proceeds from other receivables and payments of other liabilities	-153,524	453,663	-41,088
	<u>1,649,905</u>	<u>1,816,934</u>	<u>686,020</u>
<b>Cash flow from investment activities</b>			
Investments in investment property including purchase costs	-11,238,222	-1,169,524	-1,720
Divestments of investment property including selling expenses	–	-50,110	3,222,889
	<u>-11,238,222</u>	<u>-1,219,634</u>	<u>3,221,169</u>
<b>Cash flow from finance activities</b>			
Capital issue	–	7,726,936	15,000,000
Capital issue costs	–	-402,548	–
Distributions paid	-3,303,151	–	-1,679,798
Repayment of long-term borrowings	-2,332	-7,679,707	-8,276
Increase credit in current account	2,792,173	–	–
Repayment of short-term borrowings	–	-7,200,000	-123,053
	<u>-513,310</u>	<u>-7,555,319</u>	<u>13,188,873</u>
<b>Change in cash and cash equivalents</b>	<u>-10,101,627</u>	<u>-6,958,019</u>	<u>17,096,062</u>
Cash and cash equivalents at beginning of reporting period	10,146,593	17,104,612	8,550
Change in cash and cash equivalents	-10,101,627	-6,958,019	17,096,062
<b>Cash and cash equivalents at end of reporting period</b>	<u>44,966</u>	<u>10,146,593</u>	<u>17,104,612</u>

The figures included in the statement have not been audited by an external auditor.

## Statement of changes in equity

### Changes in equity during the 1st half year 2018

(amounts in EUR)	Issued capital	Share premium	Revalua- tion reserve	Other reserves	Profit for the year	Total
Equity as at 01.01.2018	8,257,877	69,231,998	1,936,899	-28,440,815	3,902,873	54,888,832
Distributions paid	–	–	–	–	-3,303,151	-3,303,151
Profit appropriation 2017	–	–	–	599,722	-599,722	–
<b>Profit 1st half year 2018</b>	–	–	–	–	2,286,000	2,286,000
<b>Equity as at 30.06.2018</b>	<u><u>8,257,877</u></u>	<u><u>69,231,998</u></u>	<u><u>1,936,899</u></u>	<u><u>-27,841,093</u></u>	<u><u>2,286,000</u></u>	<u><u>53,871,681</u></u>

The figures included in the statement have not been audited by an external auditor.

# Notes to the semi-annual accounts

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(amounts in EUR)

## General

Triodos Vastgoedfond N.V. (Triodos Vastgoedfond, 'the fund') is a closed-end investment company with variable capital within the meaning of article 2:76a of the Dutch Civil Code.

## Accounting principles

The accounting principles and principles for the determination of the result have been updated and changed as per 1 January 2018. In accordance with the International Financial Reporting Standards in relation to following changes are applicable:

- The total package of changes as introduced by IFRS 9 as per 1 January 2018 contains a model for the classification and valuation, a forward looking 'expected credit loss' (ECL) impairment model for financial assets and a modified approach for hedge accounting. The analysis on this subject has shown that there is no impact on investment property of Triodos Vastgoedfond. However, since the debtors and the short-term receivables within IFRS terminology also are regarded as financial assets, ECL provisions must also be made for these items. The effect on figures is relatively small. For the short-term receivables as of 1 January 2018 of EUR 1.2 million an ECL provision of EUR 1,093 was recognised. The comparative figures have not been adjusted on this new minor change.
- The updated IFRS 15 standards have consequences for the way in which revenues must be accounted for under IFRS, starting from the 2018 financial year onwards. The conclusion of the analysis on IFRS 15 was that revenues were already in line with the new requirements, so the introduction of IFRS 15 as per 1 January 2018 had no effect on the figures of Triodos Vastgoedfond.
- With the early adoption of the new IFRS 16 lease standards as per 1 January 2018, the right to use the assets and the lease liabilities had to be materialised. In the situation of Triodos Vastgoedfond, the ground lease of the investment property in The Hague and the rented parking spaces in Amsterdam had to be materialised. The total value of this materialisation amounts to EUR 1,567,464 as per 1 January 2018.

## Consolidation and comparative figures

During the financial year 2017 the fund has liquidated her only participating interest in Triodos Vastgoedfond Duurzame Concepten B.V. Following this liquidation, the fund did not prepared consolidated figures in the semi-annual report for the first half of 2018.

The figures of the former participating interest included in the previous semi-annual report are not material to interpret and understand the figures of the fund. For this reason, the comparative figures have not been adjusted.

## Notes to the statement of financial position as at 30 June 2018

### Investment property

	1st half year 2018	2nd half year 2017	1st half year 2017
Balance as at the beginning of the period	63,865,000	62,625,000	66,150,000
Investments including acquisition costs	12,393,004	–	1,720
Divestments including acquisition costs	–	–	-9,533,318
Write-down revaluation divestments	–	–	6,093,318
Revaluation during the reporting period	811,996	1,240,000	-86,720
<b>Balance as at end of the period</b>	<b><u>77,070,000</u></b>	<b><u>63,865,000</u></b>	<b><u>62,625,000</u></b>

### User rights

	30.06.2018	31.12.2017	30.06.2017
Right of use ground	1,496,107	–	–
Right of use parking lots	58,769	–	–
<b>Balance as at end of the period</b>	<b><u>1,554,876</u></b>	<b><u>–</u></b>	<b><u>–</u></b>

### Other long-term assets

	30.06.2018	31.12.2017	30.06.2017
Capitalised estate agent's commission	203,064	194,943	228,260
Estate agent's commission transferred to short-term assets	-52,881	-64,808	–
Capitalised lease incentives	165,586	154,658	166,102
Lease incentives transferred to short-term assets	-43,037	-44,336	–
Capitalised loan commissions	4,601	5,041	5,533
Loan commissions transferred to short-term assets	-882	-882	–
Other items	33,562	16,709	4,284
<b>Balance as at end of the period</b>	<b><u>310,013</u></b>	<b><u>261,325</u></b>	<b><u>404,179</u></b>

## Receivables, prepayments and accrued income

	30.06.2018	31.12.2017	30.06.2017
Prepaid purchase costs on investment properties	87,106	–	–
VAT	58,796	–	67,912
Capitalised estate agent's commission (short-term part)	52,881	64,808	–
Capitalised lease incentives (short-term part)	43,037	44,336	–
Prepaid property rates	42,318	–	62,626
Prepaid finance costs	40,000	–	–
Rent debtors	12,026	57,678	1,058
Capitalised loan commissions (short-term part)	882	882	–
Deposit on investment property	–	1,150,000	–
Acquisition costs on property investment	–	7,100	–
Other prepayments and accrued income	33,159	–	25,373
<b>Balance as at end of the period</b>	<b><u>370,205</u></b>	<b><u>1,324,804</u></b>	<b><u>156,969</u></b>

The term of other receivables, other prepayments and accrued income is less than 1 year.

## Cash and cash equivalents

Cash and cash equivalents are at the fund's free disposal.

## Long-term borrowings

	30.06.2018	31.12.2017	30.06.2017
Loans from Triodos Groenfonds	6,006,510	6,006,510	6,673,900
Loans from Triodos Bank	12,529,890	12,529,890	9,876,098
Loans from Rabobank	–	–	5,400,000
Loan from Stichting Nationaal Restauratiefonds (Dutch National Restoration Fund)	111,790	114,122	116,431
<b>Balance as at end of the period</b>	<b><u>18,648,190</u></b>	<b><u>18,650,522</u></b>	<b><u>22,066,429</u></b>
This item has changed as follows:			
Balance as at the start of the period	18,650,522	22,066,429	26,338,505
Loan repayments (long-term part)	-2,332	-3,415,907	-8,276
Loans transferred to short-term debt	–	–	-4,263,800
<b>Balance as at end of the period</b>	<b><u>18,648,190</u></b>	<b><u>18,650,522</u></b>	<b><u>22,066,429</u></b>



### Short-term borrowings

	30.06.2018	31.12.2017	30.06.2017
Loans from Rabobank	–	–	7,200,000
Loans from Triodos Bank	–	–	4,263,800
<b>Balance as at end of the period</b>	<b>–</b> <b>=</b>	<b>–</b> <b>=</b>	<b>11,463,800</b> <b>=</b>

### Current account overdraft facility

This is the overdraft facility provided by Triodos Bank.

### Accounts payable and other liabilities

	30.06.2018	31.12.2017	30.06.2017
Rent received in advance	1,003,228	–	989,334
Accounts payable	445,209	88,499	193,454
Service charges to be off-set	289,368	240,112	20,945
Management fee payable	191,606	158,725	160,684
Rent invoiced in advance	151,797	1,020,348	149,197
Maintenance costs payable	117,896	151,457	76,874
Interest payable	94,360	113,478	233,554
Deposits paid by tenants	25,016	11,892	165,883
Costs incurred for decarbonisation	20,000	20,000	–
VAT	–	166,585	–
Cost of sales payable	–	–	46,828
Other short-term debt	144,660	87,272	110,243
<b>Balance as at end of the period</b>	<b>2,483,140</b> <b>=</b>	<b>2,058,368</b> <b>=</b>	<b>2,146,996</b> <b>=</b>

No interest is due on accounts payable and other liabilities. The fair value of accounts payable and other liabilities are considered to be the same as their carrying values, due to their short-term nature.

### Off-balance sheet commitments, assets and arrangements

On 24 May 2018, Triodos Vastgoedfonds entered into a sale and purchase agreement with Van der Vorm Vastgoed BV to purchase the building located Anna van Saksenlaan 50 in Den Haag. The purchase price was EUR 7,000,000. On 2 July 2018 the settlement of the transfer was finalised and the purchase price was paid. From 2 July 2018, all income and expenditure are for the account and risk of Triodos Vastgoedfonds.

## Notes to the statement of comprehensive income

### Net unrealised result from fair value adjustments on investment property

	1st half year 2018	2nd half year 2017	1st half year 2017
Unrealised positive changes in the value of investment property	1,720,000	1,885,000	225,000
Unrealised negative changes in the value of investment property	-908,004	-645,000	-311,720
Release of negative changes in value due to divestment	–	–	6,093,318
	<b><u>811,996</u></b>	<b><u>1,240,000</u></b>	<b><u>6,006,598</u></b>

### Management expenses

	1st half year 2018	2nd half year 2017	1st half year 2017
Management fee (Triodos Investment Management)	201,688	173,746	179,175
Asset management (Cairn)	95,182	81,593	86,671
Valuation costs	24,548	11,031	25,536
Auditor's fees	21,266	36,081	25,145
Consultancy fees	14,979	2,028	7,590
AIFMD depositary fees	14,431	15,230	13,804
Remuneration Supervisory Board	12,789	11,059	12,312
Supervision costs AFM	9,600	9,600	9,600
Publicity costs	7,815	6,321	8,133
Remuneration Investment committee	–	1,595	1,594
Listing costs stock exchange market	–	-3,000	1,800
Accounting costs	–	-5,000	5,223
Other costs	12,202	13,192	2,656
	<b><u>414,500</u></b>	<b><u>353,476</u></b>	<b><u>379,239</u></b>

## Other operating costs

	1st half year 2018	2nd half year 2017	1st half year 2017
Costs of bearer shares	-2,042	-2,613	-2,449
Marketing costs	-36,823	-10,587	-37,683
Other costs	-60	-134,727	–
	<u>-38,925</u>	<u>-147,927</u>	<u>-40,132</u>

## Cost structure

### Total costs

The total costs for the fund over the first half of 2018 amounts to EUR 1,313,210 (first half 2017: EUR 1,782,556). The total costs for the fund, excluding the costs for investment transactions and interest costs over the first half of 2018 amounts to EUR 997,569 (first half 2017: EUR 982,691). The fund costs like management fee, auditor's fees and marketing costs over the first half of 2018 amounts to EUR 449,383 (first half 2017: EUR 416,922).

### Ongoing charges figure

The ongoing charges figure indicates the ratio between the average net asset value and the total costs during the past 12 months. The total costs do not include the costs of investment transactions and the finance costs. The costs related to the acquisition and redemption of shares by shareholders are not included either. When calculating this ratio, each calculation and published value for the net asset value is taken into account. The ongoing charges figure for the period from 1 July 2017 up till 30 June 2018 amounts to 3.49% (over the period from 1 July 2016 up till 30 June 2017: 4.82%).

### Fund costs expense ratio

The fund costs expense ratio is represented by the fund costs, including the management fee, auditor's fees and marketing costs, as a percentage of the net asset value. The difference with the current cost ratio is that the property expenses, such as maintenance costs, that are included in that ratio, are not included in the fund costs expense ratio. The fund costs expense ratio for the period from 1 July 2017 up till 30 June 2018 is 1.76% (over the period from 1 July 2016 up till 30 June 2017): 2.44%).

## Post-balance sheet events

No events occurred after balance sheet date that have impact on the insight into and interpretation of the semi-annual accounts as at 30 June 2018.

## Other information

### Payment to shareholders

In the past reporting period EUR 0.20 per share is paid to the shareholders from Triodos Vastgoedfonds. At the time of writing this report there are no intentions to pay an interim dividend to the shareholders.

Zeist, 31 August 2018

Fund manager Triodos Vastgoedfonds  
Guus Berkhout

The Board of Directors of Triodos Investment Management  
Marilou van Golstein Brouwers (chair)  
Jacco Minnaar  
Dick van Ommeren  
Kor Bosscher

## Appendix A

### EPRA Performance Measures

Triodos Vastgoedfonds reports figures and indicators based on the guidelines and Best Practices Recommendations (BPR) published by the European Public Listed Real Estate Association (EPRA). EPRA is the association of Europe's leading property companies, investors and consultants which strives to establish best practices in accounting, reporting and corporate governance and to provide high-quality information to investors. Triodos Vastgoedfonds endorses the intended standardisation in reporting to promote comparability and improving the quality of information provided to investors and others.

EPRA's Best Practices Recommendations guide is available on EPRA's website [www.epra.com](http://www.epra.com).

	H1 2018	H1 2017
EPRA Earnings	0.09	0.10
EPRA NAV	3.26	3.24
EPRA NNNAV	3.26	3.24
EPRA Net Initial Yield (NIY)	6.2%	6.7%
EPRA 'topped-up' NIY	6.3%	6.8%
EPRA Vacancy Rate	10.7%	8.6%

### Glossary EPRA Performance Measures

<b>EPRA Earnings</b>	Earnings from operational activities.
<b>EPRA NAV</b>	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.
<b>EPRA NNNAV</b>	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.
<b>EPRA Net Initial Yield (NIY)</b>	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.
<b>EPRA 'topped-up' NIY</b>	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
<b>EPRA Vacancy Rate</b>	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

## Glossary

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<b>Direct result</b>	Rent and other income minus all costs, i.e. the total result minus (un)realised changes in value.
<b>Invested capital</b>	Capital invested in investment properties.
<b>Dividend yield</b>	Dividend or distribution divided by the stock market price of the share as at the end of the financial year in which the dividend or distribution was paid out.
<b>Equity or net asset value</b>	Possessions minus debt.
<b>Fund costs expense ratio</b>	The fund costs expense ratio refers to the fund costs, including the management fee, auditor's fees and marketing costs, as a percentage of the net asset value. The difference with the current cost ratio is that the property expenses, such as maintenance costs, that are included in that ratio are not included in the fund costs expense ratio.
<b>Realised change in value</b>	Change in the value of investment properties that is realised by selling the property.
<b>Ongoing charges</b>	The ongoing charges is the ratio between the average net asset value and the total costs during the past 12 months. The total costs do not include the costs of investment transactions and the interest charges. The costs related to the acquisition and redemption of shares by shareholders are not included either. When calculating this ratio, each calculation and published value for the net asset value is taken into account.
<b>Unrealised change in value</b>	Change in the value of a property in the portfolio, including reversal of historical unrealised changes in the value of investment properties upon divestment.
<b>Total result (profit/loss for the year)</b>	Rent and other income minus all costs plus (un)realised changes in value.

## Address

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## Colophon

**Triodos Vastgoedfonds N.V. semi-annual report 2018**

### **Published**

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This report is also available and may be downloaded via: [www.triodos-im.com](http://www.triodos-im.com)



