



Vesteda Finance B.V.

(Incorporated with limited liability in The Netherlands with its statutory seat in Amsterdam)

€1,500,000,000

Guaranteed Euro Medium Term Note Programme

This supplement (the **Supplement**) is supplemental to, and must be read and construed in conjunction with, the base prospectus dated 5 July 2017 (the **Prospectus**) relating to the €1,500,000,000 Guaranteed Euro Medium Term Note Programme (the **Programme**) of Vesteda Finance B.V. (the **Issuer**). The Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the **Prospectus Directive**), as implemented into Dutch law by the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the **Financial Markets Supervision Act**) and its implementing regulations. Unless otherwise defined in this Supplement, terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement constitutes a supplement to a prospectus for the purposes of Article 16 of the Prospectus Directive and has been prepared in accordance with Article 5:23 of the Financial Markets Supervision Act and the rules promulgated thereunder. This Supplement is the first supplement to the Prospectus and has been approved by, and filed with, the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**) as a supplemental prospectus issued in compliance with the Prospectus Directive and the Financial Markets Supervision Act.

The Prospectus and this Supplement are available free of charge on the website of the Issuer at www.vesteda.com and are available for viewing at the offices of the Issuer at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands, where copies of the Prospectus and this Supplement and any documents incorporated by reference may also be obtained free of charge.

IMPORTANT INFORMATION

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus and this Supplement, or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, the Arranger or any Dealer appointed by the Issuer.

The Issuer and the Guarantors accept responsibility for the information contained in this Supplement. Each of the Issuer and the Guarantors declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Any information from third-parties identified in this Supplement as such has been accurately reproduced and as far as the Issuer and the Guarantors are aware and are able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer and the Guarantors accept responsibility accordingly.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger or the Dealers as to the accuracy or completeness of the information contained or referred to in this Supplement or any other information provided or purported to be provided by or on behalf of the Arranger, a Dealer, the Issuer or the Guarantors in connection with the Programme. The Arranger and each of the Dealers disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of such information.

Neither this Supplement nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or the Guarantors that any recipient of this Supplement or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the Guarantors. Neither this Supplement nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantors to any person to subscribe for or to purchase any Notes.

Neither this Supplement nor the Prospectus constitutes an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Supplement and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Guarantors, the Dealers and the Arranger to inform themselves about and to observe any such restriction. Any Notes issued under the Programme have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement, see “Subscription and Sale”.

RECENT DEVELOPMENTS AND INFORMATION INCORPORATED BY REFERENCE

This Supplement is prepared in connection with:

- (i) the publication by the Issuer of a press release “Vesteda Update H1 2017 available” dated 11 August 2017 (the **H1 Press Release**). The H1 Press Release contains, among other things, the consolidated unaudited interim results of the Fund as at, and for the six month period ended, 30 June 2017, as well as information about recent developments during this period in the business of the Fund; and
- (ii) the publication by the Issuer of a press release “Jaap Blokhuis appointed to Vesteda’s Supervisory Committee” dated 22 August 2017;

(together, the **Press Releases**).

A copy of each of the Press Releases has been filed with the AFM and, by virtue of this Supplement, is incorporated by reference in, and forms part of, the Prospectus.

MODIFICATIONS TO THE PROSPECTUS

1. The risk factor entitled “Risk Factors – Business Risks – IT Systems” on page 9 of the Prospectus shall be deleted and restated as follows:

“IT Systems

The Fund’s information technology systems are essential for its business operations and success, and hosting of these systems is, for a substantial part, outsourced to a third party. Any interruptions in, failures of, or damage to its information technology systems could lead to delays or interruptions in the Fund’s business processes. Any malfunction or impairment of the Fund’s computer systems could interrupt its operations, lead to increased costs, and may result in lost revenue. Any default, operational or solvency issues of the hosting contractor may result in delays and additional expenses for the Fund. The materialisation of one or more of these risks could have material adverse effects on the Fund’s business, and could eventually impair the ability of the Issuer and the Guarantors to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Separately, the Fund plans to prepare the implementation of an enterprise resource planning (**ERP**) system during 2018, with roll-out of such system in the fourth quarter of 2018 or the first quarter of 2019. This is likely to require substantial management attention and other resources (including financial and personnel resources). Despite the allocation of such resources, implementation of the ERP system may not be completed successfully and/or timely. The materialisation of one or more of these risks could have material adverse effects on the Fund’s business, and could eventually impair the ability of the Issuer and the Guarantors to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.”.

2. The risk factor entitled “Risk Factors – Business Risks – Reorganisation” beginning on page 9 of the Prospectus shall be deleted and restated as follows:

“Reorganisation

On 1 June 2016, the Fund Manager announced its plan to consolidate its three main offices into one office in Amsterdam, in order to further improve efficiency, while maintaining the six regional property management offices. In 2017, the reorganisation was substantially completed and all departments (including finance and administration, back office and online sales) relocated to Amsterdam. Other changes that have been implemented are (i) integration of the asset manager role in the existing regional manager role, (ii) integration of finance departments into one department, (iii) introduction of a portfolio strategy department, and (iv) the introduction of new roles to support the new organisational structure. Despite the substantial completion of the reorganisation, no assurance can be given that the envisaged medium or long-term benefits of the reorganisation will be realized or meet the required standards, which could have material adverse effects on the operation of the Fund and consequently its net assets, financial condition, cash flow, and results of operations, and could eventually impair

the ability of the Issuer and the Guarantors to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.”.

3. *The risk factor entitled “Risk Factors – Regulatory risks relating to real estate – Regulatory framework for leasing residential properties” on page 10 of the Prospectus shall be deleted and restated as follows:*

“Regulatory framework for leasing residential properties

The Fund’s business is subject to the general legal climate in The Netherlands. Any disadvantageous changes in the legal climate, such as mandatory environmental modernisation provisions, restrictions regarding modernisation measures or provisions (including taxes) that result in the incurrence of costs in the event of a Property sale may be detrimental to the Fund, and could eventually impair the ability of the Issuer and the Guarantors to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Recently, municipalities in The Netherlands, such as the municipalities of Amsterdam and Utrecht, have announced plans or concrete measures relating to the regulation of the leasing of residential properties and restricting rights of landlords to lease residential properties in the mid-rental or other segment. Such plans or measures include restricting lease instalments of newly built residential properties, capping increases of lease instalments, and prescribing minimum floor areas (square meterage) for newly built residential properties. Such increased regulation may have an adverse effect on the Fund’s business model, investments and rental income, and could eventually impair the ability of the Issuer and the Guarantors to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.”.

4. *In the section entitled “Risk Factors – Tax Risks – Tax Status of the Fund”, immediately following the subsection entitled “Landlord taxation” on page 21 of the Prospectus there shall be inserted the following:*

“Recent Developments

On 10 October 2017, the coalition of political parties that form the new Dutch government published the Coalition Agreement 2017-2021. This agreement includes a number of tax reforms, including a proposal that as of 2020 fiscal investment institutions (*fiscale beleggingsinstellingen*) (**FBI**s) will no longer be allowed to hold direct investments in real property. It is unclear whether this proposal set out in the coalition agreement will be implemented. If implemented, the status of the Fund, as a tax transparent fund for joint account (*fonds voor gemene rekening*) for Dutch corporate income tax (*vennootschapsbelasting*) and Dutch dividend withholding tax (*dividendbelasting*) purposes, should in itself not be affected by this proposal. However, such implementation may result in participants in the Fund that are FBI’s seeking to terminate their participation in the Fund, which, if effected, ultimately may have an adverse effect on the liquidity of the Fund.”.

5. *In the section entitled “Overview of the Programme” beginning on page 27 of the Prospectus, each reference to “Gustav Mahlerlaan 50, 1082 ME Amsterdam, The Netherlands” shall be deleted and restated as follows “De Boeilelaan 759, 1082 RS Amsterdam, The Netherlands”.*

6. *The following items (f) and (g) shall be inserted in the section entitled “Documents Incorporated by Reference” on page 33 of the Prospectus:*

- “(f) the press release published by Vesteda on 11 August 2017 entitled “Vesteda Update H1 2017 available” (the **H1 Press Release**). The H1 Press Release contains, among other things, the consolidated unaudited interim results of the Fund as at, and for the six month period ended, 30 June 2017, as well as information about recent developments during this period in the business of the Fund; and
- (g) the press release published by Vesteda on 22 August 2017 entitled Jaap Blokhuis appointed to Vesteda’s Supervisory Committee.”.

7. *Condition 1(e) in the section entitled “Terms and Conditions of the Notes” on page 34 of the Prospectus shall be deleted and restated as follows:*

“(e) *The Notes*: All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands and www.vesteda.com and copies may be obtained from the registered office of the Issuer at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands.”.

8. *The section entitled “Vesteda Group and the Fund – Corporate Profile and Business – Management agenda 2017 – Operations” on page 73 of the Prospectus shall be deleted and restated as follows:*

“Operations

In 2017, Vesteda continues with the optimisation of its processes and cooperation with Portfolio Strategy and Acquisitions. Vesteda focuses on like-for-like rental growth and looks to improve the efficiency of Operations, while at the same time devoting a great deal of attention to the continued professional and personal development of its employees. Vesteda is looking for new innovations and focusing on further digitisation. Vesteda is introducing smart solutions that will make life easier for its tenants and simultaneously provide support in the letting process for the large projects currently in its acquisition pipeline and that are due to be delivered in the years ahead. For example, in 2017 Vesteda successfully carried out two ‘online letting’ pilot projects, which provide for digital completion of the entire rental process (i.e. from registration to signing of the lease agreement). Other initiatives Vesteda is introducing or rolling out further this year include the installation of smart meters, car sharing, and well certification. On top of this, Vesteda is also introducing an English version of its tenant portal My Vesteda (*Mijn Vesteda*) in response to the demand expressed by (future) tenants.”.

9. *The section entitled “Vesteda Group and the Fund – Corporate Profile and Business – Management agenda 2017 – Organisation” beginning on page 73 of the Prospectus shall be deleted and restated as follows:*

“Organisation

In 2017, Vesteda substantially completed implementation of the restructuring of its organisation. This included the relocation of Vesteda’s head office to De Boel in Amsterdam.”.

10. *The section entitled “Vesteda Group and the Fund – Corporate Profile and Business – Management agenda 2017 – Digitisation and innovation – Improve supporting systems and services” on page 74 of the Prospectus shall be deleted and restated as follows:*

“Improve supporting systems and services

In 2017, Vesteda has devoted considerable attention to the redesign and optimisation of its Enterprise Architecture. The aim of this initiative is to reduce the number of systems Vesteda uses in the future to increase the manageability of the system. Vesteda also maximises the use of standard systems and minimises the use of customised IT programmes. It is expected to complete the selection process and to proceed to the implementation phase for a new ERP system in 2018. In addition, the entire technical infrastructure is reviewed and various initiatives are examined.”.

11. *The section entitled “Vesteda Group and the Fund – Corporate Profile and Business – Management agenda 2017 – Funding” on page 74 of the Prospectus shall be deleted and restated as follows:*

Vesteda has no refinancing obligations for 2017, while the headroom under Vesteda’s revolving credit facility is actively managed to ensure adequate headroom to cover refinancing commitments for 2018. The focus in 2017 therefore continues to be on the optimisation of Vesteda’s financing structure. This may include considering the possibility of extending the average term of Vesteda’s facilities at relative low interest charges.

12. *The following item shall be inserted in the section entitled “Management of the Fund – Members of the supervisory committee of the Fund” on page 82 of the Prospectus:*

“Jaap Blokhuis (1958)

Areas of expertise: management, real estate.”.

13. In the section entitled “Description of the Issuer” beginning on page 86 of the Prospectus, each reference to “Gustav Mahlerlaan 50, 1082 ME Amsterdam, The Netherlands” shall be deleted and restated as follows “De Boelelaan 759, 1082 RS Amsterdam, The Netherlands”.

14. In the section entitled “Description of the Guarantors” beginning on page 99 of the Prospectus, each reference to “Gustav Mahlerlaan 50, 1082 ME Amsterdam, The Netherlands” shall be deleted and restated as follows “De Boelelaan 759, 1082 RS Amsterdam, The Netherlands”.

15. In the section entitled “Form of Final Terms” beginning on page 114 of the Prospectus, each reference to “Gustav Mahlerlaan 50, 1082 ME Amsterdam, The Netherlands” shall be deleted and restated as follows “De Boelelaan 759, 1082 RS Amsterdam, The Netherlands”.

16. Item (4) in the section entitled “General Information” on page 127 of the Prospectus shall be deleted and restated as follows:

“(4) There has been no significant change in the financial or trading position of the Fund since 30 June 2017 and no material adverse change in the prospects of the Fund since 31 December 2016.”.

17. The following item shall be inserted in the section entitled “Glossary” on page 130 of the Prospectus:

“EBITDA Earnings before interest, taxes, depreciation and amortisation.”.

18. On page 131 of the Prospectus, each reference to “Gustav Mahlerlaan 50, 1082 ME Amsterdam, The Netherlands” shall be deleted and restated as follows “De Boelelaan 759, 1082 RS Amsterdam, The Netherlands”.