



# RETAIL ESTATES



**Press release**

**Periodic statement - regulated information**

**Ternat, 20 February 2023**

## INTERIM STATEMENT OF THE BOARD OF DIRECTORS

THIRD QUARTER 2022-2023<sup>1</sup> (closed on 31.12.2022)

Net rental income of € 92.12 million.

EPRA earnings<sup>2</sup> for the third quarter of the financial year 2022-2023 amounts to € 65.88 million.

The EPRA profit per share is € 4.76 (based on the weighted average number of shares). This EPRA profit includes € 0.27 of non-recurring results as a consequence of various refunds of Dutch taxes relating to previous financial years. The recurring EPRA profit, amounting to € 4.49, represents an increase by 2.04 % compared to the EPRA profit per share of € 4.40 in the comparable period of the financial year 2021-2022.

The fair value of the real estate portfolio<sup>3</sup> totals € 1,855 million on 31 December 2022. As a whole, the valuations are stable. Increase in value of some of the Dutch retail parks.

Dividend: the prognosis is increased to a gross amount of € 4.90 per share as a result of obtaining the tax exemption for fiscal investment institutions (FBI) for the Dutch income.

Occupancy rate 97.92% on 31 December 2022. Stable at a high level.

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<sup>1</sup> The figures given in this press release are the consolidated, unaudited figures and are in accordance with the IFRS.

<sup>2</sup> EPRA earnings are calculated as follows: net result excluding changes in the fair value of investment properties, excluding the result on the disposal of investment properties and excluding changes in the fair value of financial assets and liabilities.

<sup>3</sup> Including land reserves and projects under development.

## 1. REAL ESTATE ACTIVITIES DURING THE THIRD QUARTER 2022-2023

### 1.1. Rental income and occupancy rate<sup>4</sup>

The net rental income amounts to € 92.12 million for the first three quarters of the financial year, an increase by € 5.8 million compared to the same period in the past financial year 2021-2022. The increase is mainly attributable to the indexation of the rents and the additional investments in the Netherlands (Venlo and Rotterdam<sup>5</sup>).

The occupancy rate of the portfolio was 97.92% on 31 December 2022, compared to 97.71% on 31 December 2021.

### 1.2. Fair value<sup>6</sup> of the real estate portfolio: stable with a limited increase in the Netherlands

As of 31 December 2022, the real estate portfolio consists of 1,012 properties with a lettable surface of 1,207,542 m<sup>2</sup>.

### 1.3. Arbitration within the real estate portfolio

There are no significant transactions to report.

## 2. EVENTS AFTER THE BALANCE SHEET DATE

In January 2023 the Dutch tax authorities processed the last objections that were still pending for all companies in the Netherlands controlled by Retail Estates (with the sole exception of Retail Estates Middelburg Invest N.V.) and systematically granted the FBI status for all financial years up to and including 2021. In this context an exemption from the corporate tax and withholding taxes paid earlier has been granted. The net result of these decisions not yet included in the results as of 31 December 2022 amounts to € 3.40 million.

## 3. KEY FIGURES ON 31 DECEMBER 2022

### 3.1 EPRA earnings

On 31 December 2022 the EPRA earnings had evolved to € 65.88 million compared to € 56.21 million in the comparable period in the 2021-2022 financial year. The calculation of the EPRA earnings per share takes into account the weighted average number of shares on 31 December 2022, i.e. 13,851,452. The EPRA earnings per share (on the basis of the weighted average number of shares) amount to € 4.76 on 31 December 2022 compared to € 4.40 on 31 December 2021.

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<sup>4</sup> The occupancy rate is calculated as the ratio of the surface area actually leased out to the surface area available for lease, expressed in m<sup>2</sup>.

<sup>5</sup> See press release of 6 January 2023 (Rotterdam) and 5 July 2022 (Venlo)

<sup>6</sup> Fair value: investment value as determined by an independent real estate expert, with (hypothetical) transfer taxes deducted. The fair value is the book value under the IFRS (see also note 21 of the 2021-2022 annual report).

### 3.2. Net result

The net result, which also takes into account the results on disposals of investment properties (€ 0.29 million), the variations in the fair value of the investment properties (€ 35.37 million), the other result on portfolio (€ -0.58 million) and the variations in the fair value of financial instruments (€ 46.12 million) amounted to € 147.08 million on 31 December 2022.

### 3.3. Information per share

	<b>31.12.2022</b>	<b>31.03.2022</b>
Number of shares in circulation	14,085,827	13,226,452
Weighted average number of shares	13,851,452	13,226,452
Net asset value per share IFRS	75.52	69.63
EPRA NAV	70.79	68.46
Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments	73.28	69.67
	<b>31.12.2022</b>	<b>31.12.2021</b>
EPRA earnings per share (based on weighted average number of shares)	4.76	4.40
EPRA earnings per share (based on number of shares entitled to dividends)	4.68	4.25

### 3.4. Application of the FBI system on the results of the current financial year of the Dutch real estate companies.

The result was calculated taking into account the granting of the FBI status. This led to an increase of the EPRA earnings by € 5.36 million on 31 December 2022.

### 3.5. Debt ratio

The debt ratio is 46.47% on 31 December 2022, compared to 47.54% on 30 September 2022.

As regards the hedging of interest rate risks, Retail Estates has pursued a policy of maximum hedging for 25 years. On 31 December 2022 the average interest rate was 2.03%, linked to a 96.67% interest hedge. The strong interest rate increase did cause the positive value of the hedging instruments to grow from € 11.12 million on 31 March 2022 to € 59.90 million on 31 December 2022.

#### 4. INCREASE OF DIVIDEND PROGNOSIS TO € 4.90

The granting of the FBI status for the Dutch subsidiaries leads to a structural increase of the EPRA earnings as a result of the exemption from local corporate tax. This leads to an increase of the dividend prognosis for the financial year 2022-2023 from € 4.7 to € 4.9.

#### 5. FINANCIAL CALENDAR

Announcement of the annual results of the 2022-2023 financial year	26 May 2023
General meeting	24 July 2023
Ex-coupon date dividend	28 July 2023
Dividend made available for payment	1 August 2023

## ABOUT RETAIL ESTATES NV

The Belgian public real estate investment trust Retail Estates nv is a niche player specialised in making in out-of-town retail properties located on the periphery of residential areas or along main access roads to urban centres available to users. Real Estates NV acquires these real properties from third parties or builds and commercialises retail buildings for its own account. The buildings have useful areas ranging between 500m<sup>2</sup> and 3,000m<sup>2</sup>. A typical retail building has an average area of 1,000 m<sup>2</sup>.

As of 31 December 2022, Retail Estates nv has 1,012 properties in its portfolio with a total retail area of 1,207,542 m<sup>2</sup>, spread over Belgium and the Netherlands. The occupancy rate of the portfolio was 97.92% on 31 December 2022, compared to 97.83% on 31 March 2022.

The fair value of the consolidated real estate portfolio of Retail Estates NV on 31 December 2022 is estimated at € 1,855 million by independent real estate experts.

Retail Estates NV is listed on Euronext Brussels and Euronext Amsterdam and is registered as a public regulated real estate company.

## FORWARD-LOOKING STATEMENTS

This press release contains a number of forward-looking statements. Such statements are subject to risks and uncertainties which may lead to actual results being materially different from the results which might be assumed in this press release on the basis of such forward-looking statements. Major factors that may influence these results include changes in the economic situation, commercial, tax-related and environmental factors.

Ternat, 20 February 2023

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# 'IN RETAIL WE TRUST'

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