



PRESS RELEASE
Regulated information
Ternat, 24 August 2021

INTERIM STATEMENT OF THE BOARD OF DIRECTORS

FIRST QUARTER 2021-2022¹ (closed on 30.06.2021)

FULL RECOVERY TO PRE-CORONA LEVEL

EPRA EARNINGS² FOR THE FIRST QUARTER OF FINANCIAL YEAR 2021-2022 AMOUNTS TO € 18.54 MILLION

THE EPRA PROFIT PER SHARE IS € 1.46. AN INCREASE BY 4.02% COMPARED TO THE EPRA PROFIT PER SHARE OF € 1.41 IN THE COMPARABLE QUARTER OF FINANCIAL YEAR 2019-2020 (PRE-CORONA)

THE FAIR VALUE OF THE REAL ESTATE PORTFOLIO TOTALS € 1,702.90 MILLION ON 30 JUNE 2021. THE VALUATIONS INCREASED SLIGHTLY, AT CONSTANT PERIMETER, COMPARED TO THE PRE-CORONA VALUATIONS

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

² 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.

1. REAL ESTATE ACTIVITIES DURING THE FIRST QUARTER 2021-2022

1.1 Rental income and occupancy rate³

Net rental income amounted to € 28.54 million in the first quarter of the financial year, an increase by 33.74% with respect to the comparable quarter in the 2020-2021 financial year. It should be noted that the first quarter of the 2020-2021 financial year was affected by the first corona wave, with a long period of obligatory closure of shops in Belgium. The net rental income for the first quarter of the 2019-2020 financial year (pre-corona) amounted to € 25.63. The net rental income on 30 June 2021 increased by 11.35% compared to 30 June 2019, the comparable pre-corona period.

The occupancy rate of the entire portfolio was 97.22% on 30 June 2021, compared to 97.07% on 31 March 2021.

1.2 Fair value⁴ of the real estate portfolio

The fair value of the real estate portfolio, including non-current assets under construction, amounts to € 1,702.90 million on 30 June 2021. In spite of the corona pandemic, we can conclude that the investment value has again increased slightly at constant perimeter. The variation compared to the fair value on 31 March 2021 (€ 1,717.24 million) is exclusively the consequence of the active management of the real estate portfolio, with investments and divestments in the first quarter as well as transfers to the assets held for sale. On 30 June 2021, there are a few retail properties for which a sales agreement has been signed but the deed of sale has not yet been executed.

1.3 Investments – retail parks

No significant investments took place in the first quarter of the 2021-2022 financial year.

1.4 Divestments

A number of retail properties were sold in the past quarter, including one in Binche (Belgium). The net sales revenue amounted to € 1.81 million. The fair value of these properties was € 1.65 million. These sales generated € 0.16 million capital gain.

In addition, a few retail units were transferred to assets held for sale.

1.5 Events after the balance sheet date

No significant events took place after the balance sheet date. The company observes a recovery in the investment market of out-of-town retail properties, with a few investment opportunities in the pipeline for Retail Estates.

³ The occupancy rate is calculated as the ratio of the surface area actually leased out to the surface area available for lease, expressed in m².

⁴ Fair value: investment value as determined by an independent real estate expert, with hypothetical transfer taxed deducted. The fair value is the book value under the IFRS (see also note 21 of the 2020-2021 annual report).

2. KEY FIGURES AS AT 30 JUNE 2021

2.1. EPRA Earnings and net result

On 30 June 2021 the EPRA earnings had evolved to € 18.54 million compared to € 12.45 million in the comparable period in the 2020-2021 financial year and € 16.26 million in the comparable period of the 201-2020 financial year (pre-corona). The calculation of the EPRA earnings per share takes into account the weighted average number of shares on 30 June 2021, i.e. € 12,665,763. The EPRA earnings per share (based on the weighted average number of shares) amounted to € 1.46 on 30 June 2021, compared to € 0.99 on 30 June 2020 (based on the then weighted average number of shares, i.e. 12,630,414). The EPRA earnings per share amounted to € 1.41 on 30 June 2019, the comparable period pre-corona. The EPRA profit per share as at 30 June 2021 increased by 4.02% compared to the comparable period pre-corona (30 June 2019).

On 30 June 2021 the net result amounted to € 20.79 million and takes into account the EPRA earnings (€ 18.54 million), the variation in the fair value of the investment properties (€ 0.60 million), the result on disposals (€ 0.07 million, see above) the other result on portfolio (€ -0.37 million) and the variation in the fair value of financial assets and liabilities (€ 1.95 million). In order to limit the interest risk on the financing of its investments, Retail Estates has implemented a very cautious hedging strategy (cash flow hedges), according to which floating rate debts are converted into fixed-rate debts in the long term. This is an unrealised and non-cash result.

2.2. Weighted average interest rate⁵

On 30 June 2021 the weighted average interest rate was 1.99%, compared to 2.08% on 31 March 2021 and 2.05% on 30 June 2020, and results from the changed composition of the credit portfolio, partly on account of the reallocation of appropriations in the past financial year and partly on account of new appropriations. Retail Estates combines bilateral credits at different banking partners with private placements of bonds for institutional investors and with a commercial paper programme (fully covered by back-up lines). The average maturity of the credit portfolio is 4 years.

2.3. Information per share

	30.06.2021	31.03.2021
Number of shares in circulation	12,665,763	12,665,763
Weighted average number of shares	12,665,763	12,652,011
Net asset value per share IFRS ⁶	65.47	63.81
EPRA NAV ⁷	67.03	65.53
Net asset value per share (investment value) excluding dividend excluding the fair value of authorised hedging instruments	67.38	66.85

⁵ The interest charges (including the credit margin and the cost of the hedging instruments) divided by the weighted average financial debt of the current period.

⁶ This net asset value as at 30 June 2021 includes dividends and contains both the dividend for the 2020-2021 financial year and the proposed dividend for the first quarter of the 2021-2022 financial year.

⁷ EPRA NAV is calculated as follows: shareholders' equity (excluding the fair value of the authorised hedging instruments corrected by deduction of intangible fixed assets and deferred taxes) divided by the number of shares.

	30.06.2021	30.06.2020
EPRA earnings per share (based on weighted average number of shares)	1.46	0.99
EPRA earnings per share (based on number of shares entitled to dividends)	1.46	0.99

2.4. Debt ratio

The debt ratio is 50.76% on 30 June 2021, compared to 52.18% on 31 March 2021. On 30 June 2019 (pre-corona) the debt ratio was 52.79%.

Despite of the corona pandemic, the company has succeeded in decreasing the debt ratio thanks to the active management of its portfolio.

3. OUTLOOK

Macroeconomic uncertainties do not allow predictions about the evolution of the fair value of investment properties nor about the changes in the fair value of interest rate hedging instruments. The evolution of the intrinsic value of the shares, which is sensitive to this, is therefore uncertain.

In spite of the fact that the corona pandemic is not yet completely over, retailers expect that a sufficient number of Benelux residents are vaccinated so as to avoid new shop closures.

The expected dividend is maintained at € 4.60 gross per share.

4. FINANCIAL CALENDAR

Announcement of the half-year results for the 2021-2022 financial year	22 November 2021
Announcement of the annual results of the 2021-2022 financial year	23 May 2022

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 500m² and 3,000m². A typical retail building has an average area of 1,000 m².

As of 30 June 2021, Retail Estates nv has 988 premises in its portfolio with a total retail area of 1,163,725m² m², spread over Belgium and the Netherlands. The occupancy rate of the entire portfolio was 97.22% on 30 June 2021, compared to 97.07% on 31 March 2021.

The fair value of the consolidated real estate portfolio of Retail Estates NV as at 30 June 2021 is estimated at € 1,702.90 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, 24 August 2021

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